



State of Delaware

Insurance Coverage Office | 500 West Loockerman Street | 3rd Floor, Suite 300 | Dover, DE 19904

Debra Lawhead
Insurance Coverage Office Administrator

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NOTICE OF PROPOSAL **RFP # OMBICO-16-001-INSPREMIUM-001** **PROVIDING INSURANCE BROKERAGE** **AND CONSULTING SERVICES FOR THE STATE OF DELAWARE**

The *State of Delaware* is soliciting proposals for Insurance Brokerage and Consulting Services pursuant to 29 Del C. §6981 and 6982 et seq.

Sealed RFP responses will be received by **Debra Lawhead, Insurance Coverage Office Administrator** on **February 1, 2017 before 3:30 PM EST** at **500 West Loockerman Street, 3rd Floor, Suite 300, Dover, Delaware 19904**, at which time and place responses will be opened for:

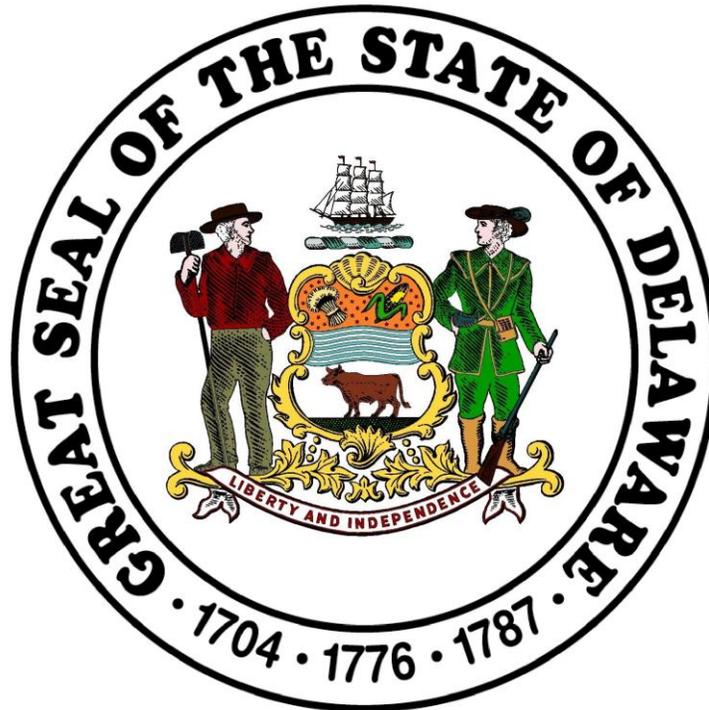
1. Providing Insurance Brokerage and Consulting Services for the *State of Delaware*; RFP # **OMBICO-16-001-INSPREMIUM-001**

Specifications and instructions are included in the attached document. Oral presentations may be required by qualified respondents if deemed necessary by the *State of Delaware*.

Any questions regarding this Request for Proposals shall be addressed to **Debra Lawhead, Insurance Coverage Office Administrator** at the **State of Delaware Insurance Coverage Office, 500 West Loockerman Street, 3rd Floor, Suite 300, Dover, Delaware 19904**.

Debra Lawhead

Debra Lawhead
Insurance Coverage Office Administrator



Request for Proposals

(RFP # OMBICO-16-001-INSPREMIUM-001)

Insurance Brokerage and Consulting Services

December 21, 2016

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I. Introduction – Statement of Purpose

Please find the enclosed Request for Proposals (RFP) for Insurance Brokerage and Consulting Services for the *State of Delaware*. The *State of Delaware* is undergoing this process as a normal course of business. The RFP is intended to help the *State of Delaware* evaluate the technical capabilities of responding Property & Casualty Insurance Brokers to ensure that the services provided to our organization are consistent with “best practices” available in the current market. The proposals will be evaluated and selected Offerors will be invited to present their proposals. The *State of Delaware* will select one or more Offerors from this group with whom they will negotiate. The *State of Delaware* will then award the contract.

Despite any language contained herein to the contrary, this Request for Proposals does not constitute an offer and is intended solely to obtain competitive proposals from which the *State of Delaware* may choose a broker(s) that best meet(s) the *State of Delaware’s* needs.

II. Basic Instructions and Timeline

A. Acknowledgement of Receipt of the RFP

Please send acknowledgement of receipt and intent to respond to this RFP by **January 9, 2017**. If there is no intent to respond to this RFP complete the No Proposal Reply form found as Attachment 2 at the back of this proposal. Send the appropriate response via email to **Debra Lawhead** at debra.lawhead@state.de.us.

B. RFP Instructions/Requirements

- One (1) original, four (4) paper copies and one (1) on a jump drive of the RFP Response must be received by the *State of Delaware Insurance Coverage Office* in a sealed package on the date and time indicated below.
- Successful respondents must provide answers to all questions posed by this RFP in order to be considered as a prospective insurance broker for the *State of Delaware*. Please submit your responses in format described on pages 14 and 15.
- All of the mandatory requirements outlined in Section VII of this RFP must be included in any successful RFP Response.
- Respondents are not authorized to engage in any discussions with insurance carriers relating to the *State of Delaware's* Insurance and Risk Management Programs.

C. Primary Contact

Please address any questions via email to **Debra Lawhead** no later than **January 16, 2017, 2pm EST**. Contact information is as follows:

Debra Lawhead

Phone: (302) 739-3651

Fax: (302) 739-5345

Email: debra.lawhead@state.de.us

D. Submission Closing Date and Instructions

The **closing date** for all responses is **February 1, 2017**, at or before **3:30 PM EST**. Responses received or submitted after the specified time may **not** be accepted. Please provide one (1) original, four (4) paper copies and one (1) on a jump drive of your response to **Debra Lawhead** at:

State of Delaware Insurance Coverage Office
500 West Loockerman Street
3rd Floor, Suite 300
Dover, DE 19904

E. Presentations

On **February 20, 2017** selected brokers may be requested to present an oral proposal to the *State of Delaware* during the week of **February 27, 2017**. Two (2) hours time will be allocated for the proposed broker to present their qualifications and to entertain any questions the *State of Delaware* may have regarding their response. The choice of brokers and/or the decision to entertain oral proposals by prospective brokers is solely at the discretion of the *State of Delaware*.

F. Anticipated Timeline

Event	Date	Time
RFP Released	<i>December 21, 2016</i>	
Acknowledgement of Receipt	<i>January 9, 2017</i>	
Deadline for Questions Regarding the RFP	<i>January 16, 2017</i>	<i>2:00 PM EST</i>
Proposal Closing Date	<i>February 1, 2017</i>	<i>3:30 PM EST</i>
Broker Presentation Notification (If Any)	<i>February 20, 2017</i>	
Broker Presentations (If Any)	<i>Week of February 27, 2017</i>	
Broker Selection	<i>March 17, 2017</i>	
Contract Commencement	<i>July 1, 2017</i>	

G. Forms

The following documentation must be submitted with your proposal:

- Applicable Certificates of Insurance
- Agent's License
- State of Delaware Business License
- W-9
- Non-Collusion Statement (Attachment 3)
- Office of Minority and Women Business Enterprise Certification Application, if applicable (Attachment 4)

III. State of Delaware Background Information

A. About the State of Delaware

The *State of Delaware* was discovered by Dutch and Swedish settlers in the early 1600's. In 1681, William Penn, who had just been granted the Province of Pennsylvania to him by King Charles II, petitioned the English crown for the lands on the west of the Delaware River and Bay below his province. In March 1682, as a result of his petition the Duke of York conveyed the deeds and leases of the three Delaware counties - New Castle, St. Jones (Kent) and Deale (Sussex) - to William Penn. In 1776 at the time of the Declaration of Independence, Delaware not only declared itself free from the British Empire, but also established a state government entirely separate from Pennsylvania. In 1787, Delaware became the first of the original thirteen colonies to ratify the Constitution of the United States.

The State of Delaware government now encompasses legislative, judicial and executive branches that include over fifteen full service agencies to maintain Delaware's environment, support its' infrastructure, and respond to the needs of its' citizens and residents. These agencies, among various others, include the Department of Transportation, the Department of Technology and Information, the Department of Natural Resources and Environmental Control, the Department of Homeland Security, the Department of Corrections, the Department of Education and the Department of Services for Children, Youth and Their Families. The *State of Delaware* is the largest employer in Delaware.

The *State of Delaware* Insurance Coverage Office (ICO) serves the insurance needs of Delaware state government and partial insurance needs of higher education and Delaware school districts. The Insurance Coverage Office supports all state agencies in protecting their employees, the general public and the State's physical assets through fiscally responsible, effective and timely comprehensive insurance management and safety/risk management strategies, policies and services. The insurance coverage provided for state entities through the ICO can be a combination of self funded programs and supplemental excess coverage or stand alone coverage. Excess and stand alone coverages are purchased through the insurance brokerage.

B. Management

Director, Office of Management and Budget: Brian Maxwell
Director of Statewide Benefits/Insurance Coverage: Brenda Lakeman
Insurance Coverage Office Administrator: Debra Lawhead

C. Current Insurance Program

The *State of Delaware*'s current insurance program includes the Delaware Turnpike Authority.

Please see Attachment 1 at the end of this RFP for a detailed summary of the coverages maintained by the *State of Delaware and the Delaware Turnpike Authority*.

IV. Description of Services Requested

The selected broker will assist the *State of Delaware* in the design, negotiation and implementation of a comprehensive insurance program for the *State of Delaware*. This program should include, but not be limited to, the following:

1. Brokerage Service Team shall invest the time to study and obtain a full understanding of the *State of Delaware's* operations and exposures.
2. Broker shall perform an analysis of the current insurance coverage to correct any deficiencies that may exist and shall act as broker for the policies currently in force.
3. Broker shall develop a comprehensive Underwriting Submission outlining the *State of Delaware's* exposures and operations.
4. Broker shall negotiate comprehensive insurance program alternatives with multiple insurance carriers for review by the *State of Delaware*. The alternatives should allow comparison between Guaranteed Cost Programs and those programs that include some degree of “*self-insurance*” (where/if appropriate).
5. Brokerage shall present a comprehensive Insurance Proposal for review prior to placement of coverage.
6. Insurance Proposal shall include comprehensive Coverage Specifications, which detail terms, conditions, limitations and exclusions of the proposed *State of Delaware* Insurance Policies.
7. Brokerage shall be responsible for binding insurance at the renewal date and providing proper notification to the *State of Delaware*.
8. Brokerage shall be required to provide Certificates of Insurance and other relevant materials at or near the time of binding.
9. Brokerage shall develop a comprehensive plan for Claims Management during the course of any given policy period. This plan must be reviewed and approved by the *State of Delaware*.
10. Brokerage shall develop and implement an appropriate Risk Control Plan designed to help prevent or mitigate claims activity at the *State of Delaware*. The Risk Control Plan should be reviewed and approved by the *State of Delaware* prior to the effective date of coverage.
11. Brokerage shall assist the *State of Delaware* with reporting and monitoring of claims and advocating on any disputed or problem claims.

12. Brokerage shall provide a Stewardship Report at least 120 days in advance of the renewal outlining the “*plan of attack*” for the renewal cycle and subsequent policy period.
13. The Broker shall attend meetings, as requested, with *State of Delaware* representatives and consultants.
14. The Broker shall communicate exclusively with the *State of Delaware* Insurance Coverage Office to obtain necessary facts, figures or additional proprietary information regarding the *State of Delaware*.

The above list is not all inclusive and may change during the contract term. The selected broker should be able to effectively demonstrate a breadth of capabilities beyond those listed above.

V. Technical Proposal

A. General Questions

1. Provide a brief description of your firm's history, ownership and organizational structure.
2. Provide the addresses of your Corporate Headquarters and the proposed office which will provide services to the *State of Delaware*.
3. Describe your firm's background, experience and exposure to companies/organizations similar to the *State of Delaware*.
4. Describe the details of any investigation or penalty by fine or otherwise for business conduct of the respondent or any of its employees by any regulatory or law enforcement authority within the last five years.
5. Provide an organizational chart which details the proposed Service Team for the *State of Delaware*. Identify the names, titles and office location of each Service Team member, with a brief description of team leadership, interface and support functions and reporting relationships. Include resumes and proof of licensure for these individuals and your organization.
6. Provide three (3) current client references, similar in size, scope and complexity, including:
 - a. Company Name
 - b. Summary of Operations
 - c. Point of Contact (name, address, phone, facsimile number and email address)
 - d. Length of Time as a customer; and
 - e. References should include members of the Service Team you are proposing for the *State of Delaware*
7. Describe your firm's access to the commercial insurance marketplace. What markets would you likely approach for an organization such as the *State of Delaware*? Describe how you develop a "Marketing Plan" for a typical client.
8. What specialized strategies/procedures do you employ to ensure your clients receive the broadest possible coverage at the lowest possible cost?
9. What kind of quality control procedures are in-place at your firm to ensure that a carrier issues insurance contracts as negotiated?
10. Describe your proposed transition procedure (i.e., steps to be taken, data required and timing) assuming you are selected and awarded a Broker of Record Letter (BOR). Are there any separate charges associated with the transition?

11. Please comment on the coverages shown in the *State of Delaware's* current policy schedule along with any proposed suggestions or alternative plans for restructuring such policies. Provide reasons for your suggestions.

B. Account Management Services

1. Describe how you intend to monitor and evaluate the progress and performance of the insurance program. How is it reported back to the client?
2. Explain the coordination of Account Management Services, Loss Control Services, Claims Services and Risk Management Services that are applied to the *State of Delaware's* account on a day-to-day basis. Is there a single point of contact that is responsible to coordinate all of these services?
3. Is your firm involved in reviewing contracts for its insureds? Explain how this is done and what documentation, if any, would be provided to your clients with respect to Contract Review.
4. Explain the process employed by your organization to check the accuracy of insurance policies once they are issued to the *State of Delaware*.
5. Does your company have the capability to place Surety Bonds on behalf of the *State of Delaware* or do you subcontract this service? Provide a brief overview of your Surety capabilities.
6. Does your firm provide assistance when insurance companies come in to audit the *State of Delaware's* records? Please summarize this process if it exists.

C. Claims Service Capabilities

1. Describe the reporting structure of personnel in your organization who are dedicated to providing claims services to your clients. How many people in your organization are dedicated strictly to providing claims services to your clients? How many total employees are there in your firm?
2. Will the claims personnel assigned to the *State of Delaware's* account be capable of assisting the *State of Delaware* in the management of all claims or will there be multiple claims personnel assigned for different specialties? Will you service any extended "*tail periods*" associated with old claims or previous coverage? Is there a separate Service Fee associated with servicing claims from previous policy periods?
3. Describe how your firm interfaces with clients in the claims process. Describe this for a complex Property claim.

4. Do your claims personnel interact with insurance company claim adjusters? What is the expectation in terms of the involvement of the *State of Delaware* in this process?
5. Describe strategies utilized by your Agency that have historically had the most positive impact on a customer's claims experience.
6. Explain your firm's experience with Third Party Administrators (TPAs). How would you propose working together with a TPA if one was necessary for our account?
7. Explain your firm's emergency claims procedures should a significant claim develop outside of normal working hours.
8. What specific experience does your firm have in managing claims for organizations with similar exposures to that of the *State of Delaware*?

D. Risk Management/Control Services

1. Describe your experience in providing safety and Risk Control Services to Public Entities and other similar organizations in Delaware. Provide a list of three (3) references that would specifically speak to your firm's Risk Control expertise.
2. Provide the name and qualifications of the consultant or consultants that will be assigned to provide Safety and Risk Control Services to the *State of Delaware*. What office do these personnel work from? Please provide office address.
3. Provide information about your Safety and Loss Control training capabilities and experience.
4. Describe your ability to provide Safety and Loss Control Audits that will identify accident causation and will recommend practical methods for improvement. Cite several examples.
5. Describe your experience and ability to benchmark and analyze loss data to develop practical solutions for reducing accident frequency and costs.
6. Describe your experience with accident investigations and your ability to respond in person to emergencies in a timely manner.
7. What Risk and Loss Control Services will you provide and how many service hours will be included in your proposed fee? Is this service provided exclusively by your in-house staff? If not, please explain any special arrangements you have in place with contracted providers and the additional cost of such services, if any.

E. Compensation

1. Explain, in detail, exactly how your firm is typically compensated. *Response to this question shall be submitted under separate, sealed envelope along with the RFP package. The envelope should include one (1) original answer to this question, four (4) paper copies and one (1) on a jump drive.*

The above items are the minimum points of information required in the proposal. Please also submit any other comments, suggestions, or points of information deemed appropriate to support your proposal.

VI. Proposal Response Format

A. Introduction

This section prescribes the mandatory format for the presentation of a proposal in response to this RFP. Each broker must provide every component listed in the order shown in this RFP, using the format prescribed for each component. A proposal may be rejected if it is incomplete or conditional.

B. Cover Letter

Each proposal will have a cover letter on the letterhead of the company or organization submitting the proposal. The cover letter must briefly summarize the broker's ability to provide the services specified in the RFP.

The cover letter shall be signed by a representative who has the legal capacity to enter the organization into a formal contract with the *State of Delaware* Insurance Coverage Office.

C. Table of Contents

Each proposal must include a Table of Contents with page numbers for each of the required components of the proposal.

D. Body of Proposal Format

Proposals should be formatted to follow the outline of **Section V Technical Proposal**. Each proposal must contain a detailed description of how the broker will provide each of the services outlined in this RFP by addressing each section in the order in which it is presented in **Section V Technical Proposal**. This part of the proposal may also include descriptions of any enhancements or additional services or qualifications the broker will provide that are not mentioned in the RFP.

Proposals should be prepared simply and economically, providing a straight-forward, concise description of the broker's offer to meet the requirements of the RFP. NO RING BINDERS PLEASE.

E. Attachments

All Attachments, Exhibits or Required Documentation should be clearly identified and follow the body of the proposal.

F. Incurred Expenses

The State will not be responsible for any expenses incurred by the broker in preparing and submitting a proposal.

G. Addenda to the RFP

If it becomes necessary to revise any part of this RFP, an addendum will be posted on the State of Delaware's website at www.bids.delaware.gov. The State of Delaware is not bound by any statement related to this RFP made by any State of Delaware employee, contractor or its agents.

H. Right to Reject Proposals/Waive or Correct Minor Irregularities

The *State of Delaware* reserves the right to accept or reject any or all proposals or any part of any proposal, to waive defects, technicalities or any specifications (whether they be in the *State of Delaware's* specifications or vendor's response), to sit and act as sole judge of the merit and qualifications of each product offered, or to solicit new proposals on the same project or on a modified project which may include portions of the originally proposed project as the *State of Delaware* may deem necessary in the best interest of the *State of Delaware*.

VII. Evaluation Criteria

The selection committee, will read, screen, and rank all proposals. The short-listed firms, ranked by using the evaluation criteria outlined below, may be invited for interview and presentation. The selection committee will then determine one or more offerors with whom to negotiate. Once the negotiations are complete, the selection committee will award the contract.

Evaluation Criteria

Qualification / Experience / Fees: 35 points

Each candidate will be evaluated as to its access to and experience working with a broad range of insurance providers, qualifications, experience, ability to provide and perform the services sought by this RFP, and fees proposed by candidates, as applicable.

Implementation Plan: 40 points

Each proposal will be evaluated for the completeness of, and the extent to which, the operational information and specific action plans, in light of the candidate's organizational support and experience, meet the goals and requirements of this RFP. The qualifications of the entire Service Team as outlined in this RFP will be a large consideration in this criteria category.

Quality of Proposal: 15 points

Each proposal will be evaluated for the degree of creativity, level of thoughtfulness it demonstrates, completeness and clarity of the response in satisfying and addressing the RFP goals and requirements.

Reference Check: 10 points

The selection committee consideration in this category will be the satisfaction of clients as evidenced by the references provided in the selected broker's RFP Response.

VIII. Administrative Conditions and Mandatory Requirements

The following items apply to the administrative conditions and requirements of this RFP. Any proposed change, modification, or exception to these conditions and requirements may be the basis for the *State of Delaware*, to determine the proposal as “non-responsive” to the RFP, potentially eliminating the responding broker from consideration. The contents of the proposal of the successful respondent, as accepted by the *State of Delaware*, will become part of any contract awarded as a result of this RFP.

A. Schedule

The dates established for the procurement are:

Event	Date	Time
RFP Released	<i>December 21, 2016</i>	
Acknowledgement of Receipt	<i>January 9, 2017</i>	
Deadline for Questions Regarding the RFP	<i>January 16, 2017</i>	<i>2:00 PM EST</i>
Proposal Closing Date	<i>February 1, 2017</i>	<i>3:30 PM EST</i>
Broker Presentation Notification (If Any)	<i>February 20, 2017</i>	
Broker Presentations (If Any)	<i>Week of February 27, 2017</i>	
Broker Selection	<i>March 17, 2017</i>	
Contract Commencement	<i>July 1, 2017</i>	

B. Proposal Submission Information

Submission Date and Time

Wednesday, February 1, 2017; 3:30 PM EST

One (1) Original, Four (4) paper copies and one (1) on a jump drive must be submitted.

Submission Office:

State of Delaware Insurance Coverage Office
500 West Loockerman Street
Suite 300; 3rd Floor
Dover, DE 19904

Respondents shall clearly mark their submittal package with the title of this RFP and the name of the responding firm, addressed to *Debra Lawhead, Insurance Coverage Office Administrator*. The original proposal shall be marked “Original” to distinguish it from the four (4) copies.

The proposals shall be publicly opened at the time and place specified by the Insurance Coverage Office. Brokers or their authorized representatives are invited to be present.

All documents submitted as part of the vendor's proposal will be deemed confidential during the evaluation process. Vendor proposals will not be available for review by anyone other than the *State of Delaware*/Proposal Evaluation Team or its designated agents. There shall be no disclosure of any vendor's information to a competing vendor prior to award of the contract.

The *State of Delaware* is a public agency as defined by state law, and as such, it is subject to the Delaware Freedom of Information Act, 29 *Del. C.* Ch. 100. Under the law, all the *State of Delaware's* records are public records (unless otherwise declared by law to be confidential) and are subject to inspection and copying by any person. Vendor(s) are advised that once a proposal is received by the *State of Delaware* and a decision on contract award is made, its contents will become public record and nothing contained in the proposal will be deemed to be confidential except proprietary information.

Vendor(s) shall not include any information in their proposal that is proprietary in nature or that they would not want to be released to the public. Proposals must contain sufficient information to be evaluated and a contract written without reference to any proprietary information. If a vendor feels that they cannot submit their proposal without including proprietary information, they must adhere to the following procedure or their proposal may be deemed unresponsive and will not be recommended for selection. Vendor(s) must submit such information in a separate, sealed envelope labeled "Proprietary Information" with the RFP number. The envelope must contain a letter from the Vendor's legal counsel describing the documents in the envelope, representing in good faith that the information in each document is not "public record" as defined by 29 *Del. C.* § 10002(d), and briefly stating the reasons that each document meets the said definitions.

Only those RFP responses received prior to or on the submission date & time will be considered. Responses delivered before the submission date and time specified above may be withdrawn upon written application of the respondent who shall be required to produce evidence showing that the individual is or represents the principal or principals involved in the proposal. After the submission date and time specified above, responses must remain firm for a period of ninety (90) days.

C. User Department Information

The User Department for these services is: *State of Delaware* Insurance Coverage Office

D. Organizational Representative for this Solicitation

Please direct all questions in writing to:

Debra Lawhead, Insurance Coverage Office Administrator

Phone: (302) 739-3651

Fax: (302) 739-5345

Email: debra.lawhead@state.de.us

E. Permits and Licenses

All necessary permits, licenses, insurance policies, etc. required by local, State or Federal laws, shall be provided by the contractor at its own expense.

F. State of Delaware Business License

As part of the application process all brokers must either furnish the *State of Delaware* Insurance Coverage Office with proof of *State of Delaware* Business Licensure or initiate the process of application where required. An application may be requested in writing to: Division of Revenue, Carvel State Building, P.O. Box 8750, 820 N. French Street, Wilmington, DE 19899 or by telephone to one of the following numbers: (302) 577-8200 -- Public Service, (302) 577-8205 -- Licensing Department.

Information regarding the award of this contract will be given to the Division of Revenue. Failure to comply with the *State of Delaware* licensing requirements may subject your organization to applicable fines and/or interest penalties.

G. Discrepancies and Omissions

Vendor is fully responsible for the completeness and accuracy of their proposal, and for examining this RFP and all addenda. Failure to do so will be at the sole risk of vendor. Should vendor find discrepancies, omissions, unclear or ambiguous intent or meaning, or should any questions arise concerning this RFP, vendor shall notify the State of Delaware's Designated Contact, in writing, of such findings at least (10) days before the proposal opening. This will allow issuance of any necessary addenda. It will also help prevent the opening of a defective proposal and exposure of vendor's proposal upon which award could not be made. All unresolved issues should be addressed in the proposals.

Protests based on any omission or error, or on the content of the solicitation, will be disallowed if these faults have not been brought to the attention of the Designated Contact, in writing at least ten (10) calendar days prior to the time set for opening of the proposals.

H. Statutory and Other Requirements

1. Compliance with Laws

Any contract entered into between the contractor and *State of Delaware* must be in accordance with and subject to compliance by both parties with all Federal, State or County laws, ordinances and regulations affecting their business. The contractor must agree to comply with the non-discrimination provisions and all other laws and regulations applicable to the performance of services there under. The respondent shall sign and acknowledge such forms and certificates as may be required by this section.

2. Stockholder Disclosure

No corporation or partnership shall be awarded any contract for the performance of any work or the furnishing of any goods, unless, with receipt of the proposal of said corporation or partnership, there is submitted a statement setting forth the names and addresses of all stockholders in the corporation or partnership who own ten (10) percent or greater interest therein.

3. Non-Collusion Affidavit

The Non-Collusion Affidavit, which is included herein, shall be properly executed and submitted with the RFP response.

4. Insurance and Indemnification

- a. Contractor recognizes that it is operating as an independent Contractor and that it is liable for any and all losses, penalties, damages, expenses, attorney's fees, judgments, and/or settlements incurred by reason of injury to or death of any and all persons, or injury to any and all property, of any nature, arising out of the Contractor's performance under this Contract, and particularly without limiting the foregoing, caused by, resulting from, or arising out of any act of omission on the part of the Contractor in their performance under this Contract.
- b. The Contractor shall maintain such insurance as will protect against claims under Worker's Compensation Act and from any other claims for damages for personal injury, including death, which may arise from operations under this Contract. The Contractor is an independent contractor and is not an employee of the State.
- c. During the term of this Contract, the Contractor shall, at its own expense, carry insurance with minimum coverage limits as follows:

- | | |
|---------------------------------|---|
| 1) Commercial General Liability | \$1,000,000 each occurrence |
| and | |
| 2) Professional Liability | \$1,000,000 each occurrence/\$3,000,000 aggregate |
| or | |
| 3) Misc. Errors and Omissions | \$1,000,000 each occurrence/\$3,000,000 aggregate |
| or | |
| 4) Product Liability | \$1,000,000 each occurrence/\$3,000,000 aggregate |

All contractors must carry (a) and at least one of (b), (c), or (d), depending on the type of service or product being delivered.

The contractor further covenants and agrees to indemnify and save harmless the *State of Delaware* from the payment of all sums of money or any other consideration(s) by reason of any, or all, such accidents, injuries, damages, or hurt that may happen or occur upon or about such work and all fines, penalties and loss incurred for or by reason of the violation of any

owner regulation, ordinance or the laws of the State, or the United States while said work is in progress.

I. Disqualification of Proposals

The Proposal Evaluation Team reserves the right to refuse to consider any proposal from a vendor who:

1. Has been convicted for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of the contract or subcontract;
2. Has been convicted under State or Federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or other offense indicating a lack of business integrity or business honesty that currently and seriously affects responsibility as a State contractor;
3. Has been convicted or has had a civil judgment entered for a violation under State or Federal antitrust statutes;
4. Has violated contract provisions such as:
 - a) Knowing failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or
 - b) Failure to perform or unsatisfactory performance in accordance with terms of one or more contracts;
5. Has violated ethical standards set out in law or regulation;
6. Has submitted more than one proposal for the same contract from an individual, firm, or corporation under the same or different names;
8. Presents evidence of collusion among bidders;
9. Has unsatisfactory performance record as evidenced by past experience;
10. Presents unit prices that are obviously unbalanced either in excess or below reasonable cost analysis values;
11. If there are any unauthorized additions, interlineation, conditional or alternate bids or irregularities of any kind which may tend to make the proposal incomplete, indefinite, or ambiguous as to its meaning; and

11. Any other cause listed in regulations of the *State of Delaware* determined to be serious and compelling as to affect responsibility as a State contractor, including suspension or debarment by another governmental entity for a cause listed in the regulations.

J. Failure to Enter Contract

Should the respondent, to whom the contract is awarded, fail to enter into a contract the State may then, at its option, accept the proposal of another respondent.

K. Commencement of Work

- a.) The term of the contract between the successful bidder and the State shall be for two (2) years with four (4) optional extensions for a period of one (1) year each extension.
- b.) The selected vendor will be required to enter into a written agreement with the State of Delaware. The State of Delaware reserves the right to incorporate standard State contractual provisions into any contract negotiated as a result of a proposal submitted in response to this RFP. Any proposed modifications to the terms and conditions of the standard contract are subject to review and approval by the State of Delaware. Vendors will be required to sign the contract for all services, and may be required to sign additional agreements.
- c.) The selected vendor or vendors will be expected to enter negotiations with the State of Delaware, which will result in a formal contract between parties. Procurement will be in accordance with subsequent contracted agreement. This RFP and the selected vendor's response to this RFP will be incorporated as part of any formal contract.
- d.) The State of Delaware's standard contract will most likely be supplemented with the vendor's software license, support/maintenance, source code escrow agreements, and any other applicable agreements. The terms and conditions of these agreements will be negotiated with the finalist during actual contract negotiations.
- e.) The successful vendor shall promptly execute a contract incorporating the terms of this RFP within twenty (20) days after award of this contract.
- f.) If the vendor to whom the award is made fails to enter into the agreement as herein provided, the award will be annulled, and an award may be made to another vendor. Such vendor shall fulfill every stipulation embraced herein as if they were the party to whom the first award was made.
- g.) The State reserves the right to extend this contract on a month to month basis for a period of up to three months after the term of the full contract has been completed.

L. Audit Access to Records

The broker shall maintain books, records, documents, and other evidence pertaining to this Contract to the extent and in such detail as shall adequately reflect performance hereunder. The Broker agrees to preserve and make available to the State, upon request, such records for a period of five (5) years from the date services were rendered by the Broker. Records involving matters in litigation shall be retained for one (1) year following the termination of such litigation. The Broker agrees to make such records available for inspection, audit, or reproduction to any official State representative in the performance of his/her duties under the Contract. Upon notice given to the Broker, representatives of the State or other duly authorized State or Federal agency may inspect, monitor, and/or evaluate the cost and billing records or other material relative to this Contract. The cost of any Contract audit disallowances resulting from the examination of the Broker's financial records will be borne by the Broker. Reimbursement to the State for disallowances shall be drawn from the broker's own resources and not charged to Contract cost or cost pools indirectly charging Contract costs.

M. Termination of Contract

Termination for Cause: If for any reasons, or through any cause, the Vendor fails to fulfil in timely and proper manner his obligations under the contract, or if the Vendor violates any of the covenants, agreements or stipulations of the contract, the **State of Delaware** shall thereupon have the right to terminate the contract by giving written notice to the Vendor of such termination and specifying the effective date thereof, at least twenty (20) days before the effective date of such termination. In that event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports or other material prepared by the Vendor under the contract shall, at the option of the **State of Delaware**, become its property, and the Vendor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials which is useable to the **State of Delaware**.

Termination for Convenience: The **State of Delaware** may terminate the contract at any time by giving written notice of such termination and specifying the effective date thereof, at least twenty (20) days before the effective date of such termination. In that event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports or other material prepared by the Vendor under the contract shall, at the option of the **State of Delaware**, become its property, and the Vendor shall be entitled to compensation for any satisfactory work completed on such documents and other materials which is useable to the **State of Delaware**. If the contract is terminated by the **State of Delaware** as so provided, the Vendor will be paid an amount which bears the same ratio to the total compensation as the services actually performed bear to the total services of the Vendor as covered by the contract, less payments of compensation previously made. Provided however, that if less than 60 percent of the services covered by the contract have been performed upon the effective date of termination, the Vendor shall be reimbursed (in addition to the above payment) for that portion of actual out of pocket expenses (not otherwise reimbursed under the contract) incurred by the Vendor during the contract period which are directly attributable to the uncompleted portion of the services covered by the contract.

The contractor agrees to indemnify and hold the *State of Delaware* harmless from any liability to subcontractors/suppliers concerning payment for work performed or goods supplied arising out of the lawful termination of the contract by the *State of Delaware* under this provision. In case of default by the contractor, the *State of Delaware* may procure the articles or services from other sources and hold the contractor responsible for any excess cost occasioned thereby.

General Indemnification: By submitting a proposal, the proposing vendor agrees that in the event it is awarded a contract, it will indemnify and otherwise hold harmless the *State of Delaware*, its agents and employees from any and all liability, suits, actions, or claims, together with all costs, expenses for attorney's fees, arising out of the vendor's, its agents and employees' performance work or services in connection with the contract, regardless of whether such suits, actions, claims or liabilities are based upon acts or failures to act attributable, in whole or part, to the State, its employees or agents.

Proprietary Rights Indemnification: Vendor shall warrant that all elements of its solution, including all equipment, software, documentation, services and deliverables, do not and will not infringe upon or violate any patent, copyright, trade secret or other proprietary rights of any third party. In the event of any claim, suit or action by any third party against the *State of Delaware*, the *State of Delaware* shall promptly notify the vendor in writing and vendor shall defend such claim, suit or action at vendor's expense, and vendor shall indemnify the *State of Delaware* against any loss, cost, damage, expense or liability arising out of such claim, suit or action (including, without limitation, litigation costs, lost employee time, and counsel fees) whether or not such claim, suit or action is successful.

If any equipment, software, services (including methods) products or other intellectual property used or furnished by the vendor (collectively "Products") is or in vendor's reasonable judgment is likely to be, held to constitute an infringing product, vendor shall at its expense and option either:

1. Procure the right for the *State of Delaware* to continue using the Product(s);
2. Replace the product with a non-infringing equivalent that satisfies all the requirements of the contract; or
3. Modify the Product(s) to make it or them non-infringing, provided that the modification does not materially alter the functionality or efficacy of the product or cause the Product(s) or any part of the work to fail to conform to the requirements of the Contract, or only alters the Product(s) to a degree that the *State of Delaware* agrees to and accepts in writing.

Additional Terms and Conditions: The *State of Delaware* reserves the right to add terms and conditions during the contract negotiations.

N. Dispute Resolutions

At the option of and in the manner prescribed by the Office of Management and Budget (OMB), the parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiation between executives who have authority to settle the controversy and who are at a higher level of management than the persons with direct responsibility for administration of this Agreement. All offers, promises, conduct and statements, whether oral or written made in the course of the negotiation by any of the parties, their agents, employees, experts and attorneys are confidential, privileged and inadmissible for any purpose, including impeachment, in arbitration or other proceeding involving the parties, provided evidence that is otherwise admissible or discoverable shall not be rendered inadmissible.

If the matter is not resolved by negotiation, as outlined above, or, alternatively, OMB elects to proceed directly to mediation, then the matter will proceed to mediation as set forth below.

Any disputes, claims or controversies arising out of or relating to this Agreement shall be submitted to mediation by a mediator selected by OMB and if the matter is not resolved through mediation, then it shall be submitted, in the sole discretion of OMB to the Office of Management and Budget, Government Support Services Director, for final and binding arbitration. OMB reserves the right to proceed directly to arbitration or litigation without negotiation or mediation. Any such proceedings held pursuant to this provision shall be governed by Delaware Law and venue shall be in Delaware. The parties shall maintain the confidential nature of the arbitration proceeding and the Award, including the Hearing, except as may be necessary to prepare for the conduct the arbitration heard on the merits, Each party shall bear its own costs of medication, arbitration or litigation, including its fees

O. Applicable Law

The laws of the State of Delaware shall apply, except where Federal Law has precedence. The successful vendor consents to jurisdiction and venue in the State of Delaware.

In submitting a proposal, Vendors certify that they comply with all federal, state and local laws applicable to its activities and obligations including:

1. The laws of the State of Delaware;
2. The applicable portion of the Federal Civil Rights Act of 1964;
3. The Equal Employment Opportunity Act and the regulations issued there under by the federal government;
4. A condition that the proposal submitted was independently arrived at, without collusion, under penalty of perjury; and
5. That programs, services, and activities provided to the general public under resulting contract conform to the American with Disabilities Act of 1990, and the regulations issued there under by the federal government.

If any vendor fails to comply with one (1) through five (5) of this paragraph, the State of Delaware reserves the right to disregard the proposal, terminate the contract, or consider the vendor in default.

The selected vendor shall keep itself fully informed of and shall observe and comply with all applicable existing Federal and State laws, and County and local ordinances, regulations and codes, and those laws, ordinances, regulations, and codes adopted during its performance of the work.

P. Payment

Invoices for payment, if applicable to this contract, shall specify, in detail, the period for which payment is claimed, the services performed during the prescribed period, the amount claimed and correlation between the services claimed and the Proposal Document.

The *State of Delaware* may withhold all or partial payments on account of subsequently discovered evidence including but not limited to the contractor not complying with the terms of the contract.

When the above grounds are removed, payment shall be made for amounts withheld because of them.

Q. Confidentiality

Specific attention should be given to the identification of those portions of your proposal which you deem to be confidential or proprietary information which should not be disclosed under the Delaware Freedom of Information Act, 29 Del. C. ch. 100. Offerors are advised that upon request for this information from a third party, the Procurement Officer is required to make an independent determination as to whether the information may be or must be divulged to the party. For further information on confidentiality please see page 17 of this RFP, **Proposal Submission Information**.

Attachment 1

Current State of Delaware Insurance Program

The State of Delaware currently has the following coverages in place:



Policy Summary as of 11/8/2016
State of Delaware

#	Insurance Carrier / Broker / Wholesaler	Policy # Policy Period	Coverage	Limits	Deductibles	Premium	Taxes / Surchg/Eng Fee
1	Excess Property Package: AIG Specialty Insurance Company	84144153 7/1/2016 - 7/1/2017	Total Insured Value- Rating Basis Loss Limit of Insurance- Per Occurrence Earthquake Coverage - Per Occurance/ Annual Aggregate Flood Coverage - Per Occurance/ Annual Aggregate - Except Locations in a Special Flood Hazard Flood Coverage - Per Occurance/ Annual Aggregate - Locations in a Special Flood Hazard Named Storm Coverage	\$8,431,767,678 \$200,000,000 \$25,000,000 \$50,000,000 \$10,000,000 \$125,000,000	\$2,500,000 Per Occ. \$5,000,000 Annual Agg. \$500,000 \$500,000 5% TIV at Ea Location 2% TIV at Ea Location	\$2,107,942	\$13,500
2	Excess Flood Aspen/ 23.34% / PXAA9G616 AXIS/ 20% / EAF79475816 Interstate/ 10% / AMW150945 Lloyds/ 103.33% / B1230AP84563A16 Westchester/ 33.33% / I21099752004	7/1/2016 - 7/1/2017	Per Occurrence/ Annual Aggregate In Excess of \$10,000,000	\$15,000,000	\$10,000,000	\$295,010	\$500
3	Boiler & Machinery Federal Insurance Company	76431091 7/1/2016 - 7/1/2017	Property Damage Expediting Damage Hazardous Substances Water Damage Ammonia Contamination Fungus Clean Up (Annual Agg) Business Interruption/ Extra Expense Utility Interruption Property Damage Utility Interruption Data & Media	\$150,000,000 \$2,500,000 \$2,500,000 \$2,500,000 \$2,500,000 \$1,000,000 \$10,000,000 \$2,500,000 \$2,500,000 \$1,000,000	\$10,000 \$10,000/ 24 Hours	\$218,781	\$0.00
4	Dredge Liability Atlantic Specialty	B5JH11957 7/1/2016 - 7/1/2017	Dredge - Mispillion Dredge - Broadkill Dredge - Richard L. Siedel	\$1,000,000 \$1,000,000 \$1,000,000	\$1,000 \$1,000 \$1,000	\$21,420	\$0.00
5	Aviation Liability AIG Aviation	GM00379183307 7/1/2016 - 7/1/2017	Liability Scheduled Aircraft Ea Occurrence Liability Non Owned Aircraft & Temp Substitute Aircraft Ea Occurrence Property Damage Non Owned Aircraft Property Damage Temp Substitute Aircraft Aviation Premises Hangarkeepers Liability Liability for Non Owned Hangars & Contents	\$50,000,000 \$50,000,000 \$50,000,000 \$50,000,000 \$50,000,000 \$2,000,000 Any 1 Fire \$50,000,000 \$2,000,000		\$252,798	\$0.00
6	Marina Operators Legal Liability Atlantic Specialty	B5JH11959 7/1/2016 - 7/1/2017	Marina Operators Legal Liability, Any 1 Vessel Any 1 Accident or Occurrence Protection & Indemnity Any 1 Accident or Occurrence CGL General Aggregate Products Completed General Agg Personal & Advertising Injury Limit & Ea Occ. Fire Damage Limit Medical Expense Limit	\$1,000,000 \$3,000,000 \$1,000,000 \$2,000,000 \$1,000,000 \$1,000,000 \$100,000 \$5,000	\$2,500	\$13,333	\$0.00



Policy Summary as of 11/8/2016
State of Delaware

#	Insurance Carrier / Broker / Wholesaler	Policy # Policy Period	Coverage	Limits	Deductibles	Premium	Taxes / Surchg/Eng Fee
7	General Liability (Governors DC Office)						
	Ohio Casualty Insurance Company	BLS55209062 7/18/2016 - 7/18/2017	General Agg Limit (Other than Prod Comp) Products Completed Operation Agg Limit Each Occurrence Limit Damage to Premises Rented To You Medical Expense Limit Advertising Injury/ Personal Injury Agg	\$2,000,000 \$2,000,000 \$1,000,000 \$1,000,000 \$15,000 Excluded		\$540	\$0.00
8	Governmental Civic Center						
	Continental Casualty Company	RMP5087067902 7/1/2016 - 7/1/2017	Blanket Property and Personal Property Total Value - Rating Basis Earthquake Coverage Flood Coverage	\$126,959,258 \$50,000,000 \$50,000,000	\$10,000 \$25,000 \$25,000	\$79,000	\$0.00
9	Flood - Cape Henlopen Bathhouse						
	Selective Flood Insurance of America	20688 7/8/2016 - 7/8/2017	Building Coverage Limit	\$500,000	\$1,250	\$1,134	\$0.00
10	Commercial Automobile						
	National Fire Insurance Co. of Hartford	MNA419709161 4/16/2016 - 4/16/2017	Combned Single Limit Personal Injury Protection Ea Accident Uninsured/ Under Insured Motorist Comprehensive Collision	\$1,000,000 \$30,000 \$1,000,000 \$500 \$500		\$4,911	\$0.00
11	GL - Hunting						
	National Fire and Marine Ins Co	72LPS026744 9/15/2016 - 9/15/2017	Each Occurrence Damage to Premises Rented To You Medical Expense Limit Personal & Advertsing Injury General Aggregate Products Completed Aggregate	\$1,000,000 \$100,000 \$5,000 \$1,000,000 \$1,000,000 Incl in Gen Agg	\$1,000 \$1,000	\$17,315	\$250.00
12	GL - Communication Towers						
	Great American Insurance Company	GLO4100548 10/13/2016 - 10/13/2017	General Agg Limit (Other than Prod Comp) Products Completed Operation Agg Limit Advertising Injury/ Personal Injury Agg Each Occurrence Limit Damage to Premises Rented To You Medical Expense Limit Employee Benefits Liability	\$2,000,000 \$2,000,000 \$1,000,000 \$1,000,000 \$50,000 Excluded Excluded	\$5,000 Per Occ.	\$26,250	\$0.00
13	Fine Arts						
	Atlantic Specialty Insurance Co	7900127350003 3/13/2016 - 3/13/2017	Stated Value Schedule of Fine Arts Fine Arts at Newly Acquired Premises Finme Arts in Transit Pollutant Clean Up Debris Removal Property of Others Held for Sale Bucket Limit Coverages	\$1,600,588 \$500,000 \$500,000 \$25,000 \$25,000 \$100,000 \$25,000	\$1,000	\$3,755	
14	Special Events- Excess Liability						
	National Casualty Company	XKS0000006203100 4/23/2016 - 4/12/2017	Limit Per Occurrence Aggregate	\$4,000,000 \$4,000,000		\$5,579	
15	Special Events						
	National Casualty Company	6LKKO0000062030 4/23/2016 - 4/12/2017	General Agg Limit (Other than Prod Comp) Products Completed Operation Agg Limit Advertising Injury/ Personal Injury Agg Each Occurrence Limit Damage to Premises Rented To You Medical Expense Limit	None \$500,000 \$1,000,000 \$1,000,000 \$1,000,000 Excluded		\$15,732	
16	New Castle County Courthouse						
	Continental Casualty Company	RMP5084869175 12/30/15 - 12/30/16	Blanket Building and Personal Property Earthquake Flood	\$187,744,436 \$25,000,000 \$25,000,000	\$10,000 \$25,000 \$25,000	\$99,500	
TOTAL ANNUAL PREMIUM						\$3,163,000	\$14,250.00

Attachment 2

State of Delaware Insurance Coverage Office
500 West Lookerman Street
3rd Floor, Suite 300
Dover, DE 19904

NO PROPOSAL REPLY FORM

To assist us in obtaining good competition on our Request for Quotations, we ask that each firm that has received a proposal, but does not wish to bid, state their reason(s) below and return in a clearly marked envelope displaying the RFP number. This information will not preclude receipt of future invitations unless you request removal from the Offeror's List by so indicating below, or do not return this form or bona fide proposal.

Unfortunately, we must offer a "No Proposal" at this time because:

- _____ 1. We do not wish to participate in the proposal process.
- _____ 2. We do not wish to bid under the terms and conditions of the Request for Quotation document. Our objections are:

- _____ 3. We do not feel we can be competitive.
- _____ 4. We cannot submit a Proposal because of the marketing or franchising policies of the company.
- _____ 5. We do not wish to sell to the State. Our objections are:

- _____ 6. We do not sell the items/services on which Proposals are requested.
- _____ 7. Other: _____

_____ FIRM NAME _____ SIGNATURE

_____ We wish to remain on the Offeror's List **for these goods or services.**

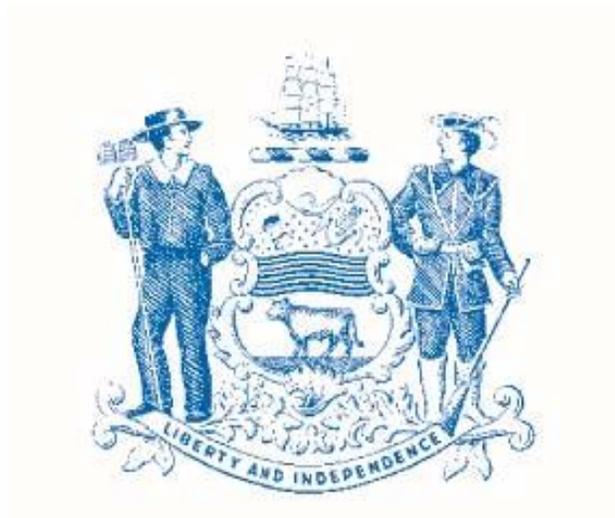
_____ We wish to be deleted from the Offeror's List **for these goods or services.**

**State of Delaware
Office of Supplier Diversity
Certification Application**

The most recent application can be downloaded from the following site:
<http://gss.omb.delaware.gov/osd/certify.shtml>

Submission of a completed Office of Supplier Diversity (OSD) application is optional and does not influence the outcome of any award decision.

The minimum criteria for certification require the entity must be at least 51% owned and actively managed by a person or persons who are eligible: minorities, women, veterans, and/or service disabled veterans. Any one or all of these categories may apply to a 51% owner.



Complete application and mail, email or fax to:

Office of Supplier Diversity (OSD)
100 Enterprise Place, Suite 4
Dover, DE 19904-8202
Telephone: (302) 857-4554 Fax: (302) 677-7086
Email: osd@state.de.us
Web site: <http://gss.omb.delaware.gov/osd/index.shtml>

**THE OSD ADDRESS IS FOR OSD APPLICATIONS ONLY.
THE OSD WILL NOT ACCEPT ANY VENDOR BID RESPONSE PACKAGES.**