



## State of Delaware

Insurance Coverage Office | 500 West Lookerman Street | 3<sup>rd</sup> Floor, Suite 300 | Dover, DE 19904

**Debra Lawhead**  
*Insurance Coverage Office Administrator*

Office: (302)739-3651  
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### **NOTICE OF PROPOSAL** **RFP # OMBICO-12-001-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 et seq.

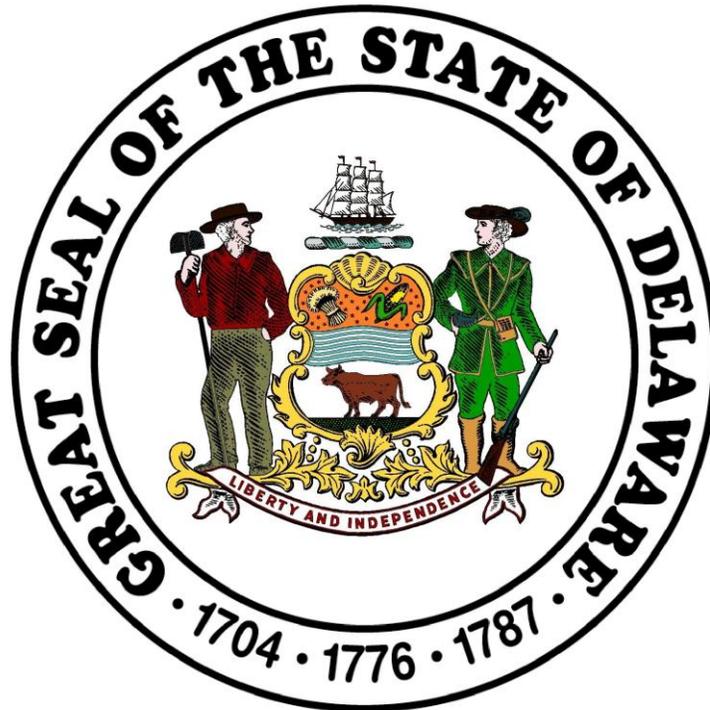
Sealed RFP responses will be received by **Debra Lawhead, Insurance Coverage Office Administrator** on **March 1, 2012 before 3:30 PM EST** at **500 West Lookerman Street, 3<sup>rd</sup> Floor, Suite 300, Dover, Delaware 19904**, at which time and place responses will be opened for:

1. Providing Insurance Brokerage and Consulting Services for the *State of Delaware*; RFP # **OMBICO-12-001-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 Lookerman Street, 3<sup>rd</sup> Floor, Suite 300, Dover, Delaware 19904**.

**Debra Lawhead**  
*Insurance Coverage Office Administrator*



# Request for Proposals

(RFP # OMBICO-12-001-INSPREMIUM-001)

Insurance Brokerage and Consulting Services

*January 25, 2012*

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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 **February 8, 2012**. 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](mailto:debra.lawhead@state.de.us).

### B. RFP Instructions/Requirements

- One (1) original and five (5) copies of the RFP Response must be received by the *State of Delaware* 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 to **Debra Lawhead** no later than **February 15, 2012 at 2:00 PM EST**. Contact information is as follows:

**Debra Lawhead**

Phone: (302) 739-3651

Fax: (302) 739-5345

Email: [debra.lawhead@state.de.us](mailto:debra.lawhead@state.de.us)

### D. Submission Closing Date and Instructions

The **closing date** for all responses is **March 1, 2012** at or before **3:30 PM EST**. Responses received or submitted after the specified time may **not** be accepted. Please provide one (1) original and five (5) copies of your response to **Debra Lawhead** at:

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

**E. Presentations**

On **March 19, 2012**, selected brokers may be requested to present an oral proposal to the *State of Delaware* during the week of **March 29, 2012**. 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**

<b>Event</b>	<b>Date</b>	<b>Time</b>
RFP Released	<i>January 25, 2012</i>	
Acknowledgement of Receipt	<i>February 8, 2012</i>	
Deadline for Questions Regarding the RFP	<i>February 15, 2012</i>	<i>2:00 PM EST</i>
RFP Questions & Answers posted to websites: <a href="http://www.bids.delaware.gov">www.bids.delaware.gov</a> and <a href="http://inscov.delaware.gov/">http://inscov.delaware.gov/</a>	<i>February 22, 2012</i>	
Proposal Closing Date	<i>March 1, 2012</i>	<i>3:30 PM EST</i>
Broker Presentation Notification (If Any)	<i>March 19, 2012</i>	
Broker Presentations (If Any)	<i>March 29, 2012</i>	
Broker Selection	<i>April 4, 2012</i>	
Contract Commencement	<i>July 1, 2012</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:	Ann Visalli
Director of Statewide Benefits:	Brenda Lakeman
Insurance Coverage Office Administrator:	Debra Lawhead

**C. Current Insurance Program**

The *State of Delaware's* current insurance program includes: Property, Aviation, Boiler & Machinery and Dredge Liability insurance policies. The Property, Aviation and Boiler & Machinery policies run concurrently with a policy period of July 1, 2011 to July 1, 2012. The Dredge Liability policy has a policy period expiring July 27, 2012.

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

## 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 60 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 may not be all inclusive as it is difficult to predict from year-to-year the activities or services that may be required of an insurance brokerage firm working on behalf of the *State of Delaware*. 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 and titles 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 do you consider to be unique about how your firm approaches the negotiation process with insurance carriers?
9. What specialized strategies/procedures do you employ to ensure your clients receive the broadest possible coverage at the lowest possible cost?
10. What kind of quality control procedures are in-place at your firm to ensure that a carrier issues insurance contracts as negotiated?
11. 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?

12. 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 the structure of your Account Management Teams. How many people are allocated to provide service to the *State of Delaware* and what are their basic roles/responsibilities?
2. Describe how you intend to monitor and evaluate the progress and performance of the insurance program. How is it reported back to the client?
3. 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?
4. Explain the process your company employs during the renewal cycle.
5. 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.
6. Explain the process employed by your organization to check the accuracy of insurance policies once they are issued to the *State of Delaware*.

**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?

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 emergency claims procedures should a significant claim develop outside of normal working hours.
7. What specific experience does your firm have in managing claims for organizations with similar exposures to that of the *State of Delaware*?
8. Provide the address of your office or offices where claims personnel who may be assisting the *State of Delaware* are located.

**D. Risk Control Capabilities**

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.
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.

**E. Risk Management Services**

1. What type of Risk Management Services do you provide to your clients?
2. Provide a statement about how your firm will assess the future needs and risks of the *State of Delaware's* operations.
3. 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.
4. Describe specifically how you help Public Entities and similar organizations reduce accident rates. Cite several examples.

5. Explain how your firm has assisted clients in selecting, auditing, and supervising Third Party Administrators.
6. Describe your process to evaluate the effectiveness of your clients' Risk Control and Risk Management programs.

**F. 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 and five (5) copies.***

**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, revisions in writing will be provided to all brokers known to have received a copy of the RFP and posted to the following websites: [www.bids.delaware.gov](http://www.bids.delaware.gov) and <http://inscov.delaware.gov/>. Potential brokers shall acknowledge in writing receipt of all amendments, addenda and changes issued in connection with this RFP by submitting an affirmative statement in the Proposal.

**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 formula 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: 30 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.

#### **Selection Committee Review: 15 points**

The selection committee will appraise the proposal and presentation, as applicable, for the overall compatibility with the best interest of the *State of Delaware's* requirements. An additional factor for 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>January 25, 2012</i>	
Acknowledgement of Receipt	<i>February 8, 2012</i>	
Deadline for Questions Regarding the RFP	<i>February 15, 2012</i>	<i>2:00 PM EST</i>
RFP Questions & Answers posted to websites: <a href="http://www.bids.delaware.gov">www.bids.delaware.gov</a> and <a href="http://inscov.delaware.gov/">http://inscov.delaware.gov/</a>	<i>February 22, 2012</i>	
Proposal Closing Date	<i>March 1, 2012</i>	<i>3:30 PM EST</i>
Broker Presentation Notification (If Any)	<i>March 19, 2012</i>	
Broker Presentations (If Any)	<i>March 29, 2012</i>	
Broker Selection	<i>April 4, 2012</i>	
Contract Commencement	<i>July 1, 2012</i>	

### B. Proposal Submission Information

#### Submission Date and Time

Thursday, March 1, 2012; 3:30 PM EST

One (1) Original & Five (5) copies must be submitted.

#### Submission Office:

State of Delaware Insurance Coverage Office  
500 West Loockerman Street  
Suite 300; 3<sup>rd</sup> 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 five (5) 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 sixty (60) 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](mailto: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. Interpretations and Addenda**

Respondents are expected to examine the RFP with care and observe all its requirements. All questions about the meaning or intent of this RFP shall be submitted to the *State of Delaware*. The *State of Delaware* will issue an Addendum to the RFP in which all appropriate responses, interpretations and clarifications will be provided. The Addendum will be mailed or delivered to all parties known to have requested the RFP. Only comments and questions responded to by formal written Addenda will be binding. Oral interpretations, statements or clarifications are without legal effect.

**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) Comprehensive General Liability | \$1,000,000 each occurrence                       |
| and                                |   |
| 2) Medical/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;
7. Presents evidence of collusion among bidders;
8. Has unsatisfactory performance record as evidenced by past experience;
9. Presents unit prices that are obviously unbalanced either in excess or below reasonable cost analysis values;
10. 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**

This shall be a one (1) year contract commencing on *July 1, 2012*, terminating *June 30, 2013*. The *State of Delaware* shall have the sole option to renew this contract for three (3) additional one (1) year terms.

**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. Challenge of Specifications, Terms and Conditions**

Any respondent who wishes to challenge a specification, term or condition of this RFP shall file such challenge in writing with *Debra Lawhead, Insurance Coverage Office Administrator* by *2:00 pm EST on February 15, 2012*. Challenges filed after that time shall be considered void and having no impact on the *State of Delaware* or the award of contract.

**O. Remedies**

Except as otherwise provided in this contract, all claims, counterclaims, disputes, and other matters in question between the State and the Successful Offeror arising out of, or relating to, the resulting contract, or a breach of it may be decided by arbitration if the parties mutually agree, or in a court of competent jurisdiction within the *State of Delaware*.

**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:

**1. Property:**

- Insurer – Lexington
- Excess Property
- Expiration Date – July 1, 2012
- Total Insured Values: \$7,569,463,737
- Valuation: Replacement Cost for Real & Personal Property, Agreed Amount Applies
- Limits/Deductibles

	<b>Limit</b>	<b>Deductible</b>	
Policy Limit any one occurrence for all perils, coverages and locations combined subject to the following sublimits:	\$200,000,000	\$2,500,000 Per Occurrence subject to \$5,000,000 Aggregate	
Flood	\$25,000,000		
Earthquake	\$25,000,000		
Service Interruption	\$10,000,000		
Newly Acquired Property	\$15,000,000; 90 days		\$250,000 (RP); \$100,000 (PP); 30 days
Miscellaneous Unnamed Loc's	\$10,000,000		
Accounts Receivable	\$5,000,000		
Valuable Papers	\$50,000,000		
Property in the Course of Construction	\$10,000,000		
Restoration/Recharging Protective Equipment & Systems	\$1,000,000		
Debris Removal & Demolition & Inc Cost of Construction	\$10,000,000		
Fire Dept Service Charge	Included	No Deductible	
Loss Control – 40 Property Inspections Per Year chosen by the State of Delaware	Included		

\*\* Upon the exhaustion of Annual Aggregate, the following Maintenance Deductible will apply to the below perils:

- Named Wind Storm: 1% of the TIV at each location involved in loss or damage, subject to a minimum of \$1,000,000 and maximum of \$2,500,000 any one occurrence.
- Flood: \$500,000 per occurrence
- Earthquake: \$500,000 per occurrence
- All Other Perils: \$50,000 per occurrence

**2. Aviation**

- Insurer – National Union Fire Insurance Company of Pittsburgh, PA
- Aviation Liability & Hull Coverage
- Expiration Date – July 1, 2012
- Total Insured Values: \$18,583,678 – 4 Bell Helicopters/3 Fixed Wings
- Deductible In Motion - \$50,000 for 2000 Bell, 2000 Bell & 2003 Bell
  - \$150,000 for 2007 Bell
  - 3 Fixed Wings Nil Deductible
- Deductible Not In Motion - Nil
- Limits & Deductibles:

	<b>Limit</b>	<b>Deductible</b>
COVERAGE A Liability for Scheduled Aircraft	\$25,000,000 Each Occurrence	Nil
COVERAGE B Liability for Temporary Substitute Aircraft	\$25,000,000 Each Occurrence	Nil
COVERAGE C Liability for Non-owned Aircraft	\$25,000,000 Each Occurrence	Nil
Supplementary Payments (applicable to Coverages A,B&C Expense incurred under Emergency Conditions	\$250,000	Nil
Expense incurred for Search & Rescue	\$250,000	
COVERAGE D Liability for Damage to Aircraft Not-Owned Temporary Substitute or Non-owned Aircraft Other than Temporary Substitute or Non-owned Aircraft	\$10,471,178 Each Occurrence \$1,000,000 Each Occurrence	Nil
COVERAGE E Liability for Damage to Aircraft Hangars & Contents	\$500,000 Each Occurrence	Nil
COVERAGE F Liability for Damage to Personal Effects & Cargo		
Personal Effects	\$5,000 Each Occurrence	Nil
Cargo	\$250,000 Each Occurrence	
COVERAGE G Liability Arising out of the use of Airport Premises	\$250,000 Each Occurrence	Nil
COVERAGE H Liability for Sale of Aircraft, Aircraft Parts or Services	\$25,000,000 Each Occurrence	Nil
COVERAGE I Liability Assumed by the Named Insured	\$25,000,000 Each Occurrence	Nil

<b>Aviation Coverage (Cont)</b>	<b>Limit</b>	<b>Deductible</b>
COVERAGE J Voluntary Settlements	\$250,000 Each Crew Member \$250,000 Each Passenger \$1,750,000 Each Occ on 2000 Bell, 2000 Bell, 2003 Bell, \$2,000,000 Each Occ on 2007 Bell \$1,000,000 Each Occ on 1980 Cessna \$1,500,000 Each Occ on 1959 Aero Com \$2,500,000 Each Occ on 1977 Beech	Nil
COVERAGE K Medical Expenses Coverage Scheduled Aircraft Temporary Aircraft or Non-owned Aircraft  Named Insured's Airport Premises	\$5,000 Each Crew Member or Passenger Each Occurrence \$5,000 Each Person \$10,000 Each Occurrence	Nil
COVERAGE L Physical Damage to Schedule Aircraft – All Risks of Loss Extra Expense Payments (applicable to coverage L) Temporary Substitute Aircraft  Temporary Replacement Component Parts Trip Interruption	See Above  \$5,000 Each Day/\$300,000 Each Loss  \$250,000 Each loss \$5,000 Each Person Each Loss	See Above
COVERAGE M Physical Damage to Spare Engines, Spare Parts & Mechanics' Tools – All Risk of Loss Spare Engines & Spare Parts Mechanics' Tools	\$2,000,000 Each Loss \$2,500 Each Loss	Nil

**3. Boiler & Machinery:**

- Insurer – Chubb
- Form – Comprehensive Including Production Machinery
- Expiration Date – July 1, 2012
- Total Insured Values: Based on TIV State of DE & University of Delaware & Diamond State Port Corporation
- Limits & Deductibles:

	Limit	Deductible
Property Damage	\$50,000,000	\$10,000
Expediting Expense	\$1,000,000	
Hazardous Substances	\$1,000,000	
Water Damage	\$1,000,000	
Ammonia contamination	\$1,000,000	
Fungus CleanUp (annual agg)	\$25,000	
BI/EE/Rental Value	\$10,000,000	24 hours/180 days ext
Furnace Explosion Cov	INCLUDED	\$10,000
Contingent BI & EE	INCLUDED	\$10,000
Utility Interruption PD	\$1,000,000	\$10,000
Brands & Labels	Included	\$10,000
Data & Media	\$250,000	\$10,000
Newly Acquired Property	180 Days	Policy Limit
Ordinance or Law	\$500,000	\$10,000
Improved Performance Upgrades		125% of RC
Errors & Omissions	Included	
Consequential Damages	\$250,000	\$10,000
Jurisdictional Inspections	Included	

**4. Dredge Liability:**

- Insurer – Northern Assurance Co of America
- Protection & Indemnity
- Expiration Date July 27, 2012
- Limits & Deductibles

	Limit	Deductible
Protection and Indemnity		
1. Dredge "Indian River"	\$1,000,000	\$1,000
2. Dredge "Broadkill"	\$1,000,000	\$1,000
3. Tug Boat "Praire DuRocher"	\$1,000,000	\$1,000

**Attachment 2**

**State of Delaware Insurance Coverage Office  
500 West Loockerman Street  
3<sup>rd</sup> 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.**

**Attachment 3**

**NON-COLLUSION STATEMENT**

This is to certify that the undersigned offeror has neither directly nor indirectly, entered into any agreement, participated in any collusion or otherwise taken any action in restraint of free competitive bidding in connection with this bid submitted this date to State of Delaware Insurance Coverage Office.

It is agreed by the undersigned bidder that the signed delivery of this bid represents the bidder's acceptance of the terms and conditions of this Invitation to Bid including all specifications and special provisions.

**NOTE:** Signature of the authorized representative **MUST** be of an individual who legally may enter his/her organization into a formal contract with the State of Delaware Insurance Coverage Office.

<input type="checkbox"/>	Corporation
<input type="checkbox"/>	Partnership
<input type="checkbox"/>	Individual

COMPANY NAME \_\_\_\_\_ (Check one)

NAME OF AUTHORIZED REPRESENTATIVE (please type/print) \_\_\_\_\_

SIGNATURE \_\_\_\_\_ TITLE \_\_\_\_\_

COMPANY ADDRESS \_\_\_\_\_

PHONE NUMBER \_\_\_\_\_ FAX NUMBER \_\_\_\_\_

EMAIL ADDRESS \_\_\_\_\_

FEDERAL E.I. NUMBER \_\_\_\_\_

STATE OF DELAWARE  
 LICENSE NUMBER \_\_\_\_\_

	(circle one)		(circle one)		(circle one)	
COMPANY CLASSIFICATIONS: CERT. NO. _____	<u>Women Business Enterprise (WBE)</u>	Yes No	<u>Minority Business Enterprise (MBE)</u>	Yes No	<u>Disadvantaged Business Enterprise (DBE)</u>	Yes No

[The above table is for information and statistical use only.]

PURCHASE ORDERS SHOULD BE SENT TO:

COMPANY NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

CONTACT \_\_\_\_\_

PHONE NUMBER \_\_\_\_\_ FAX NUMBER \_\_\_\_\_

EMAIL ADDRESS \_\_\_\_\_

**AFFIRMATION:** Within the past five years, has your firm, any affiliate, any predecessor company or entity, owner, Director, officer, partner or proprietor been the subject of a Federal, State, Local government suspension or debarment?

YES \_\_\_\_\_ NO \_\_\_\_\_ if yes, please explain \_\_\_\_\_

**THIS PAGE SHALL BE SIGNED, NOTARIZED AND RETURNED WITH YOUR PROPOSAL TO BE CONSIDERED**

SWORN TO AND SUBSCRIBED BEFORE ME this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

Notary Public \_\_\_\_\_ My commission expires \_\_\_\_\_

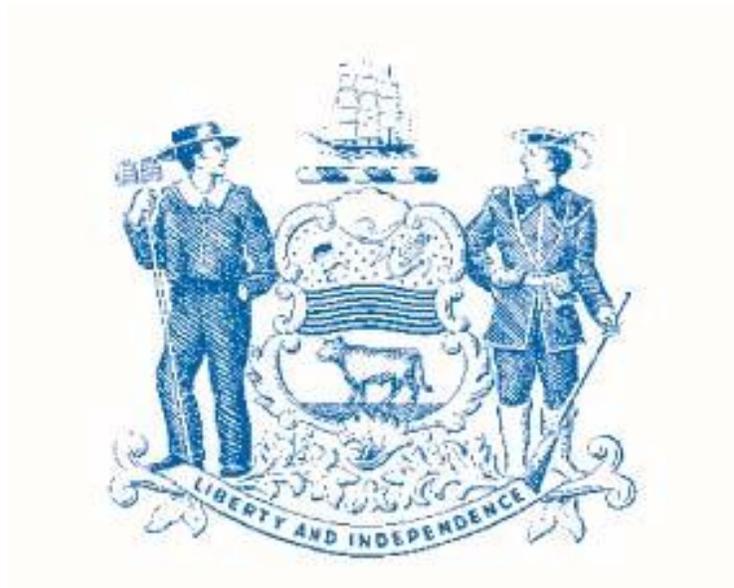
City of \_\_\_\_\_ County of \_\_\_\_\_ State of \_\_\_\_\_

**Attachment 4**



**State of Delaware**

**Office of Minority and Women Business Enterprise  
Certification Application**



**Complete application and mail to:**

Office of Minority and Women Business Enterprise (OMWBE)  
Haslet Armory  
122 William Penn Street  
Dover, DE 19901  
Telephone: (302)739-4206 Fax: (302)739-1965  
Email: [deomwbe@state.de.us](mailto:deomwbe@state.de.us)  
Website: [www.state.de.us/omwbe](http://www.state.de.us/omwbe)

## Important Information

### Please Read!

#### Is my firm eligible?

A minority and/or women owned business (sole-proprietorship, partnership, corporation or joint venture) must meet the following criteria:

- a) Minority groups include: African Americans, Asian/Pacific Americans, Hispanic Americans, Native Americans, and Subcontinent Asian Americans.
  - b) At least 51 percent owned, controlled and actively managed by minority group members or by women.
  - c) Serving a for profit business with “useful business functions.”
- An out-of-state company must first **be certified in its home state** before it can be considered for certification in Delaware. This must be a state-level certification, if available.
  - There is no fee for processing your application. In addition, free assistance is available. If you have questions about the application or your company’s qualifications, call (302)739-4206.
  - If your business is certified by **Delaware Department of Transportation (DeIDOT) City of Wilmington, Minority Supplier Development Council (MSDC), Women Business Enterprise National Council (WBENC) and located in Delaware**, there is a specialized shortened application. You must also attach a copy of your certification and mail all documents to the OMWBE.
  - Also, please note that it is extremely important to provide other certifying agency documentation. This can expedite the certification process.

**Document Request checklist**

- Unless otherwise indicated, copies of documents are sufficient.
- **Any deficiency may delay the certification process.**
- **Certification generally takes four to six weeks.**
- **An on-site visit.** *(The OMWBE office may schedule an on-site visit once the completed application and appropriate supporting documentation have been received).*

<b>Documents to attach to your application</b>	<b>Sole Prop</b>	<b>Part/LLP</b>	<b>Corp/S-Corp</b>	<b>LLC</b>	<b>OMWBE Use</b>
Notarized Minority and Women Business Enterprise Affidavit form	Yes	Yes	Yes	Yes	
Copy of birth certificate, permanent resident card, passport or tribal memberships	Yes	Yes	Yes	Yes	
Last two years of your firm's tax returns (gross receipts). If not available, last two years W2 and/or 1099 forms for all owners, directors, officers and senior management.	Yes	Yes	Yes	Yes	
Copy of MBE/WBE certification from home state, if company headquarters are not in Delaware. (must be a state level certification, if available)	Yes	Yes	Yes	Yes	
Copies of any relevant licenses, certificates of training and degrees held by the company or its owners/employees	Yes	Yes	Yes	Yes	
Partnership Agreement, including any amendments, buy-out rights as well as any profit sharing arrangements		Yes			
Articles of Incorporation with all amendments		Yes			
Minutes of the last annual shareholders meeting		Yes			
By-laws and By-law Amendments		Yes			
Copy of most recent Stock Ledger		Yes			
Copy of Certificate of Organization				Yes	
Copy of Operating Agreement				Yes	

## Delaware Minority and/or Women Business Enterprise Certification

### Certification Application

The following is the application for Minority and/or Women Business Enterprise (MWBE) certification with the State of Delaware. All questions must be answered. Please type or print clearly.

### Questions that do not apply to your firm should be marked N/A in the space provided.

The Affidavit on page 14 must be signed and notarized by a Notary Public. Faxed copies of the Affidavit will only be accepted if the notary seal has the stamped seal with the expiration date visible. Otherwise, mail the original Affidavit with the raised seal to our office.

Please return the completed application with signature and required notarization to the address below:

**Office of Minority and Women  
Business Enterprise  
Haslet Armory  
122 William Penn Street  
Dover, DE 19901**

**Phone: (302) 739-4206**

**Fax: (302) 739-1965**

**Web site: [www.state.de.us/omwbe](http://www.state.de.us/omwbe)**

### Definitions

#### **Minority and/or Women Business Enterprise**

A Minority and Women Business Enterprise is a business that is at least 51 percent owned, controlled and actively managed by minority and/or women group members who are United States citizens or persons lawfully admitted to the United States for permanent residence.

The business must be a for-profit business and currently be performing a useful function.

**Minorities** – United States citizens or permanent residents who are African Americans, Asian/Pacific Americans, Hispanic Americans, Native Americans, Subcontinent Asian Americans, or as defined herein:

**African (Black) Americans.** All persons having origins from any of the Black groups of Africa and all persons having origins in any of the original peoples of the Cape Verde Islands.

**Asian/Pacific Americans.** All persons having origins from any of the original peoples of the Far East, Asia, or the Pacific Islands, including China, Japan, Korea, Samoa, Philippine Islands, and Hawaii. Guam, the U.S. Trust Territories of the Pacific or the Northern Marianas.

**Hispanic Americans.** Persons having origins from any of the Spanish-speaking peoples of México, Puerto Rico, Cuba, Central or South America, or the Caribbean Islands.

**Native Americans.** All persons having origins from the original peoples of North America and who are recognized as Native Americans by a tribe or tribal organization.

**Subcontinent Asian Americans.** All persons whose ancestors originated in India, Pakistan or Bangladesh.

**Certification** - A determination by the OMWBE that a for-profit business entity is a Minority Business Enterprise (MBE) and/or Women Business Enterprise (WBE).

## Definitions

### Ownership

The minority or woman ownership interest in the firm must be real, substantial and continuing and shall go beyond the pro forma ownership of the business as reflected in its ownership documents. The minority and women owners shall enjoy the customary incidents of ownership and shall share in the risks and profits commensurate with their ownership interest as demonstrated both by an examination of the substance and form of arrangements.

### Control

Control will be exemplified by possession of the requisite knowledge and expertise to run the particular business. Control includes the authority to determine the direction of a business, including but not limited to capital investments and all other financial transactions; property acquisitions; day-to-day decisions; contract negotiations; legal matters; selection and hiring of officers, directors, and employees; operating responsibility; cost-control; income and dividend matters; and the rights of other shareholders or partners.

The minority and/or women owners must hold the highest officer position in their companies, example chief executive officer or president.

The minority and/or women must demonstrate that they possess the experience, expertise and knowledge to operate their particular types of business.

Expertise limited to office management, administration, or bookkeeping functions unrelated to the principal business activities of the company is insufficient to demonstrate control. Women and/or minority owners must also verify that they hold any licenses or certification required by the type of business in which they are engaged.

## Definitions

**Minority Business Enterprise (MBE)** - A for profit business in which at least 51% of the beneficial ownership interest and control are held by a minority or minorities. In the case of a corporation, minorities must hold at least 51% of voting interest.

**Minority & Women Business Enterprise (MWBE)** - A for-profit business in which at least 51% of beneficial interest and control is held by minority women or by an equal combination of minorities and women. In the case of a corporation, women and minorities must also hold at least 51% of voting interest.

**Women Business Enterprise (WBE)** - A for-profit business in which at least 51% of beneficial interest and control is held by women. In the case of a corporation, women must also hold at least 51% of the voting interest.

### Useful Business Function

A useful business function is one, which results in the provision of materials, supplies, equipment or services to consumers in the State. A business acting as a conduit to transfer funds to a non-minority business does not constitute a useful business function unless doing so is a normal industry practice.

### Benefits of Certification

Current certified minority and/or women owned firms are eligible to be listed in the State of Delaware Directory of Minority and Women Owned Businesses which is circulated to all state and local government agencies.

### Recertification

At the ends of three years from original certification date, firms must submit the recertification affidavit to remain actively visible in the State of Delaware's Minority and/or Women Business Enterprise database.

## Eligibility

A minority and women owned business (sole-proprietorship, partnership, corporation or joint venture) must meet the following criteria:

- a) Belong to a minority group: African Americans, Asian/Pacific Americans, Hispanic Americans, Native Americans, and Subcontinent Asian Americans. *(Please reference above definitions)*
- b) At least 51 percent owned, controlled and actively managed by minority group members or by women.
- c) Serving a for profit business with “useful business functions.” *(Please reference above definitions)*

**Reasons for denial** *(please note the below may include but not be limited to)*

- a) A business located in a state other than Delaware must first obtain state-level certification in its home state, if such certification is available. “Home state” is defined as the state the company’s headquarters are located.
- b) All securities, which constitute ownership and/or control of a corporation for the purpose of establishing it as a MWBE, must be held directly by minorities or women. No securities held in trust, or by a guardian for a minor, shall be considered as held by a minority or women in determining the ownership or control of a corporation.
- c) If the business operations do not reflect the ownership shown on paper.

- d) Firm is not a for-profit business
- e) Firm has provided false or misleading information
- f) Control will not be deemed to exist in cases of simple majority or absentee ownership, or when a non-minority/non-female owner or employee of the firm is disproportionately responsible for its operation.
- g) The firm shall not be subject to any formal or informal restrictions through, for example through, by-laws provisions, partnership agreements, or charter requirements for cumulative voting rights or otherwise that prevents the minority and women owners, without the cooperation or vote of any owner who is not a minority or women for making a business decision of the firm.
- h) If the owners of the firm who are not minorities or women are disproportionately responsible for the operation of the firm, then the firm is not controlled by minorities and shall not be considered as MWBE within the meaning of the definition. Where the actual management of the firm is contracted out to individuals other than the owner, those person who have the ultimate power to hire and fire the managers, can, for the purpose of this
- i) The certification application was submitted incomplete.

## How to Apply

- Applications and additional information are available by calling the Office of Minority and Women Business Enterprise at (302) 739-4206 or visiting the web site [www.state.de.us/omwbe](http://www.state.de.us/omwbe)
- Complete an application for certification and provide required documentation (ethnic status of minority owner(s), financial records, on-going business activity, etc.)
- Provide access to its business facilities and key personnel for state certification on-site visit.

## WHERE TO APPLY:

Submit completed applications to:  
Office of Minority and Women Business  
Enterprise  
Haslet Armory  
122 William Penn Street  
Dover, DE 19901

## Frequently Asked Questions

Q: Does certification cost money?

A: No

Q: Are there any set asides for MWBEs?

A: No

Q: Does my certification expire?

A: At the end of three years from original certification date.

Q: Will I be notified of all procurement opportunities?

A: No, however, the OMWBE will continue to research bid opportunities and assist in your effort. We are consistently working on ways to improve communication but strongly encourage you to visit the respective resources.

Q: What is the best way to communicate with the OMWBE?

A: Email. Please check your email daily for procurement opportunities.

Q; Do I have to register with any other agency?

A: Yes. There are multiple agencies that have their own bidders list. Please check OMWBE's web site for each respective agency. For example, Government Support Services and the Department of Technology and Information have vendor registration processes.

State of Delaware Minority and/or Women Business Enterprise Application  
*All completed applications must be returned with the appropriate requested documents listed.*

**Please type or print clearly**

OMWBE use only: Application Date:

Mail application to:  
 Office of Women and Minority Business Enterprise  
 Haslet Armory  
 122 William Penn Street  
 Dover, DE 19901

If you have any questions regarding the completion of this application, please contact us at (302) 739-4206.

**Note – This section must be filled out in its entirety for the application to be processed.  
 Incomplete applications will not be processed.**

<b>1. Business Name(s), Contact Information, Federal Employee Identification Number or Social Security Number(EIN/SSN)</b>						
Legal Name of Firm:						
Doing Business As (If applicable):						
Federal E.IN or SSN:			E-Mail Address:			
Address line 1:						
Address line 2:						
City			State	Zip Code	Country	
Telephone Number:			Extension:	Fax Number:		
Company Web Site Address:						
Corp <input type="checkbox"/>	LLC* <input type="checkbox"/>	S Corp <input type="checkbox"/>	Partnership <input type="checkbox"/>	LLP** <input type="checkbox"/>	Sole Proprietor <input type="checkbox"/>	Joint Venture <input type="checkbox"/>

Date firm was established?
Date firm began doing business (date of first contract or sale)

\* Limited Liability Corporation

\*\* Limited Liability Partnership

<b>2. Primary owner applicant information</b>				
Name:		Title:		
Home Address:	City:	State:	Zip Code:	Country:
Telephone Number:	Extension:	Fax Number:		
E-Mail Address:				
Date owner acquired controlling interest?				
Sex: <input type="checkbox"/> M <input type="checkbox"/> F		Ethnic Group:		
U.S. Citizen or Permanent Resident: <input type="checkbox"/> No <input type="checkbox"/> Yes				

<b>3. Firm is applying as:</b>			
<b>Minority Business Enterprise</b>		<b>Women Business Enterprise</b>	
<input type="checkbox"/> African American	<input type="checkbox"/> Asian American	<input type="checkbox"/> African American	<input type="checkbox"/> Asian American
<input type="checkbox"/> Hispanic American	<input type="checkbox"/> Native American	<input type="checkbox"/> Hispanic American	<input type="checkbox"/> Native American
<input type="checkbox"/> Subcontinent Asian	<input type="checkbox"/> Other	<input type="checkbox"/> Subcontinent Asian	<input type="checkbox"/> White American
		<input type="checkbox"/> Other	

**4. Describe, in detail, what product(s) and/or services your business provides. Attach additional pages and/or the company's catalog or inventory list, if needed.**

**5. Five digit North American Industry Classification System (NAICS) Code(s):**

**(To assist you in determining your NAICS Code(s) go to [www.census.gov/naics](http://www.census.gov/naics))**

1.	2.	3.	4.	5.	6.
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**6. Type of Business**

<input type="checkbox"/> Building trade	<input type="checkbox"/> Manufacturer	<input type="checkbox"/> Other
<input type="checkbox"/> Consultant	<input type="checkbox"/> Supplier	
<input type="checkbox"/> Generalized service	<input type="checkbox"/> Highway Construction	
<input type="checkbox"/> Licensed professional services		

**7. Provide the following information for: 1) all business owners, 2) corporate directors (if incorporated), 3) officers, and 4) senior management. If more space is needed, attach additional pages.**

Name	Title	Date Appointed	Gender	Ethnicity
<b>Officers of the Company</b>				

Board of Directors				

8. Is any owner or board member of the business, an owner or former owner of another firm engaged in the same or similar type of enterprise?  No  Yes (If yes, identity below)

9. Are there any written, oral, or implied agreements between persons associated in any manner with the firm concerning its ownership and/or operation? (check one)  No  Yes

10. Please list the gross receipts of last two years	
(A) Year Ending:	Gross Receipts:
(B) Year Ending:	Gross Receipts:

11. Number of employees	Full time:
	Part time:
	Seasonal (approximate):

12. List names and titles of persons who perform the following functions. If more than one, indicate what percent each person handles.			
	Name	Ethnicity	Gender
Financial Decisions			
Estimating & Bidding			
Negotiating & Contract Execution			
Personnel Management			
Field/Production Operations Supervisor			
Office Management			
Marketing/Sales			
Purchasing of Major Equipment			
Authorized to Sign Company Checks (for any purpose)			



**16. Has this firm or other firm(s) owned by any of its current owners or officers ever been denied certification by the OMWBE or any other certifying entity (check one)?**  No;  Yes *(If yes, provide the name of the certifying organization and the reason(s) given for denial, below. Attach copies of any relevant documents (letters, appeal documents, etc.).*

**17. Debarment**

Is this company, or any other company owned in full or part by any of this company's owners and/or officers, currently debarred from doing business with the State of Delaware?  No;  Yes.

**18. Is the Business certified as a M/W/BE with any other certifying agency? If yes, provide the name(s) of the certifying organization(s), below, and attach letters or other documents verifying such certification.**

No  Yes

Name	Date Certified	Expiration Date
a.		
b.		
c.		
d.		
e.		
f.		

**19. How did you hear about the Office of Minority and Women Business Enterprise:**

<input type="checkbox"/> OMWBE staff speak at an event sponsored by another organization	<input type="checkbox"/> OMWBE staff at a trade show or expo
<input type="checkbox"/> OMWBE's web site	<input type="checkbox"/> Materials published by OMWBE
<input type="checkbox"/> Referred by another organization	<input type="checkbox"/> Referred by the owner of an MBE or WBE
<input type="checkbox"/> Delaware state employee	<input type="checkbox"/> Other, please explain briefly:

### Optional Questions

You are not required to answer the following questions and the answers will not affect your company's eligibility for certification. However, the answers will help OMWBE to identify business opportunities that may be suited to your company. Answers may be estimated; exact figures aren't necessary.

<b>For all companies</b>
How many years has your company been conducting business with you as owner?
How many contracts, subcontracts, and/or sales has your company completed during the last 12 months?
What is the largest contract, subcontract, or sale your company completed in the past 24 months?
Has your company done any business with government? <input type="checkbox"/> No; <input type="checkbox"/> Yes
If yes, what level of government (check all that apply): <input type="checkbox"/> Federal; <input type="checkbox"/> State; <input type="checkbox"/> Local
Has your company done any business with government in the State of Delaware? <input type="checkbox"/> No; <input type="checkbox"/> Yes
Number of government contracts, subcontracts, or sales completed (estimate):
<b>For Construction-Related Companies Only (not including suppliers of construction materials)</b>
What is your company's bonding capacity? \$ _____ (indicate "unknown" if you do not know)
What % of your business is direct contracting?
What % of your business is subcontracting?

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**State of Delaware Minority and/or Women Business Enterprise Affidavit**

Hereafter, "the Business" refers to

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Business Name

I understand the illegal nature of receiving public or private funds or other property as a consequence of false representation as to the minority status of the business and do herein certify under penalty imposed by Delaware statutes that the information provided is correct and said information herein may be used for the purposes of certifying the business as a Minority and/or Women Business Enterprise. Any false representation will be grounds for denying certification or initiating decertification in the future.

I agree to make available for inspection to the MWBE office any such materials that may be required to substantiate the degree of minority and women ownership and control of the business. I agree to arrange for on-site inspections of the business' facilities in order to verify information provided in this document.

I agree to provide written information relative to any future change in ownership and/or management of the business to the MWBE office within two weeks of the occurrence of the change. I acknowledge that failure to timely submit required change of status documentation might result in the decertification of the business.

I understand that the certification expiration is three years following the initial date of certification. I further understand that the business must apply for recertification prior to the expiration.

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Type or Print Name of Owner

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Signature of Owner

Date

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Title

Subscribed and sworn to before me this \_\_\_\_\_ day of  
\_\_\_\_\_ a.d.

Month, Year

Signed \_\_\_\_\_  
NOTARY PUBLIC IN AND FOR THE

County of \_\_\_\_\_

State \_\_\_\_\_

My Commission Expires \_\_\_\_\_  
Date

