

## **Request for Proposals (RFP)**

### **Group Term Life and Personal Accident and Dismemberment (PA&D) Insurance**

**PROJECT NO. F10B8200006**



#### **DEPARTMENT OF BUDGET & MANAGEMENT**

EMPLOYEE BENEFITS DIVISION

**Issue Date: October 16, 2007**

#### **NOTICE:**

Prospective Offerors who have received this document from the Department of Budget and Management's web site or eMarylandMarketplace.com, or who have received this document from a source other than the Procurement Officer, and who wish to assure receipt of any changes or additional materials related to this RFP, should immediately contact the Procurement Officer and provide their name and mailing address so that amendments to the RFP or other communications can be sent to them.

**Minority Business Enterprises Are Encouraged to Respond to this Solicitation**

**STATE OF MARYLAND  
VENDOR COMMENTS**

To help us improve the quality of State solicitations and make our procurement process more responsive and business-friendly, we ask that you take a few minutes to complete this form. Thank you for your assistance.

**Bid/Proposal Number: F10B8200006**

**Entitled: Group Term Life and Personal Accident and Dismemberment (PA&D) Insurance**

I. If you are not bidding, please indicate why:

- Other commitments preclude our participation at this time.
- The subject of the Contract is not in our business line.
- We lack experience in the work/commodities required.
- The scope of work is beyond our current capacity.
- We cannot be competitive. (Please explain below.)
- The specifications are either unclear or too restrictive. (Please explain below.)
- Bid/proposal requirements, other than specifications, are unreasonable or too risky. (Please explain below.)
- Time for completion is insufficient.
- Bonding/insurance requirements are prohibitive. (Please explain below.)
- Doing business with government is simply too complicated.
- Prior experience with State of Maryland Contracts was unprofitable or otherwise unsatisfactory. (Please explain below.)
- Other: \_\_\_\_\_

II. Please explain your response further, offer suggestions or express concerns. (Use the back for additional information.)

Remarks:

---

---

---

---

OPTIONAL:

Vendor Name: \_\_\_\_\_ Date: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Phone: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

Address or e-mail: \_\_\_\_\_

**THANK YOU**

**KEY INFORMATION SUMMARY SHEET**

**STATE OF MARYLAND**

**Request For Proposals**

**Group Term Life and Personal Accident and Dismemberment (PA&D) Insurance**

**PROJECT NO. F10B8200006**

**RFP Issue Date:** October 16, 2007

**RFP Issuing Office:** Maryland Department of Budget and Management  
Employee Benefits Division

**Procurement Officer:** Joseph Gatto  
Office Phone: (410) 260-7414  
Facsimile: (410) 974-3274  
E-mail: [jgatto@dbm.state.md.us](mailto:jgatto@dbm.state.md.us)

**Proposals are to be sent to:** Maryland Department of Budget and Management  
45 Calvert Street, Room 141  
Annapolis, MD 21401  
Attention: Joseph Gatto

**Pre-Proposal Conference:** October 24, 2007 – 10:00 AM Local Time  
DBM  
45 Calvert Street  
Room 164A/B  
Annapolis MD, 21401

**Closing Date and Time:** November 7, 2007 – 2:00 PM Local Time

**NOTICE:**

Prospective Offerors who have received this document from the Department of Budget and Management's web site or eMarylandMarketplace.com, or who have received this document from a source other than the Procurement Officer, and who wish to assure receipt of any changes or additional materials related to this RFP, should immediately contact the Procurement Officer and provide their name and mailing address so that amendments to the RFP or other communications can be sent to them.

## Table of Contents

<b>SECTION 1 - GENERAL INFORMATION</b> .....	<b>1</b>
1.1 SUMMARY STATEMENT .....	1
1.2 ABBREVIATIONS AND DEFINITIONS .....	1
1.3 PRE-PROPOSAL CONFERENCE.....	3
1.4 PROPOSALS DUE (CLOSING) DATE .....	3
1.5 QUESTIONS .....	4
1.6 CONTRACT DURATION.....	4
1.7 PROCUREMENT OFFICER.....	4
1.8 CONTRACT MANAGER .....	4
1.9 MINORITY BUSINESS ENTERPRISES NOTIFICATION.....	5
1.10 MINORITY BUSINESS ENTERPRISES .....	5
1.11 MULTIPLE OR ALTERNATE PROPOSALS .....	5
1.12 CANCELLATIONS; ACCEPTANCE; MINOR IRREGULARITIES AND DISCUSSIONS .....	6
1.13 ORAL PRESENTATION .....	6
1.14 DURATION OF OFFER.....	6
1.15 PUBLIC INFORMATION ACT NOTICE .....	6
1.16 ARREARAGES .....	6
1.17 BID/PROPOSAL AFFIDAVIT .....	6
1.18 CONTRACT AFFIDAVIT .....	6
1.19 CONTRACT TYPE .....	7
1.20 PROCUREMENT METHOD.....	7
1.21 MANDATORY CONTRACTUAL TERMS .....	7
1.22 PROTESTS/DISPUTES.....	7
1.23 REVISIONS TO THE RFP .....	7
1.24 eMARYLANDMARKETPLACE.....	7
1.25 INCURRED EXPENSES.....	8
1.26 ECONOMY OF PREPARATION.....	8
1.27 OFFEROR RESPONSIBILITIES .....	8
1.28 VERIFICATION OF REGISTRATION AND TAX PAYMENT .....	8
1.29 FALSE STATEMENTS .....	8
1.30 PAYMENTS BY ELECTRONIC FUNDS TRANSFER .....	9
1.31 NON-DISCLOSURE AGREEMENT .....	9
1.32 LIVING WAGE.....	9
1.33 PERFORMANCE GUARANTEES AND LIQUIDATED DAMAGES .....	10
<b>SECTION 2 – MINIMUM QUALIFICATIONS</b> .....	<b>11</b>
2.1 MINIMUM QUALIFICATION REQUIREMENTS .....	11
2.2 MINIMUM QUALIFICATION PROOF.....	11
<b>SECTION 3 – SCOPE OF WORK</b> .....	<b>12</b>
3.1 DESCRIPTION OF CURRENT PLANS.....	12
3.2 SERVICE CATEGORY I: GROUP LIFE INSURANCE.....	13
3.3 SERVICE CATEGORY II: PERSONAL ACCIDENTAL & DEATH (PA&D) INSURANCE.....	15
3.4 PAYMENT TERMS FOR BOTH SERVICE CATEGORIES .....	16
3.5 SPECIFICATIONS FOR ALL PLANS.....	17
3.6 IMPLEMENTATION SCHEDULE.....	19
3.7 CONTRACT TRANSITION .....	20
<b>SECTION 4 – PROPOSAL FORMAT</b> .....	<b>21</b>
4.1 TWO PART SUBMISSION.....	21
4.2 PROPOSALS.....	21
4.3 SUBMISSION.....	21

4.4	VOLUME I – TECHNICAL PROPOSAL .....	21
4.5	VOLUME II – FINANCIAL PROPOSAL .....	27
<b>SECTION 5 – EVALUATION CRITERIA AND SELECTION PROCEDURE.....</b>		<b>28</b>
5.1	EVALUATION CRITERIA .....	28
5.2	TECHNICAL CRITERIA.....	28
5.3	FINANCIAL CRITERIA.....	28
5.4	RECIPROCAL PREFERENCE.....	28
5.5	SELECTION PROCEDURES.....	28
5.5	AWARD DETERMINATION.....	29
<b>ATTACHMENTS .....</b>		<b>30</b>
	ATTACHMENT A – CONTRACT.....	31
	ATTACHMENT B – BID/PROPOSAL AFFIDAVIT .....	40
	ATTACHMENT C – CONTRACT AFFIDAVIT .....	46
	ATTACHMENT D – MINORITY BUSINESS ENTERPRISE PARTICIPATION .....	47
	ATTACHMENT E – FINANCIAL PROPOSAL INSTRUCTIONS AND FORM .....	59
	ATTACHMENT F – ELECTRONIC FUNDS TRANSFER (EFT) REGISTRATION REQUEST FORM .....	65
	ATTACHMENT G – PROCUREMENT OFFICER CHECKLIST .....	67
	ATTACHMENT H – PRE-PROPOSAL CONFERENCE RESPONSE FORM .....	69
	ATTACHMENT I – NON-DISCLOSURE AGREEMENT (OFFEROR) .....	70
	ATTACHMENT J – LIVING WAGE REQUIREMENTS FOR SERVICE CONTRACTS .....	72
	ATTACHMENT K – LIVING WAGE AFFIDAVIT OF AGREEMENT.....	74
	ATTACHMENT L – PERFORMANCE GUARANTEES AND LIQUIDATED DAMAGES .....	75

## SECTION 1 - GENERAL INFORMATION

### 1.1 Summary Statement

1.1.1 The Department of Budget and Management (DBM) is issuing a Request for Proposals (RFP) for the following services:

- Service Category I: Group term life insurance services for active, satellite account and retired State employees, direct pay enrollees and their eligible dependents, and
- Service Category II: Personal Accident and Dismemberment (PA&D) insurance for active, direct pay enrollees and satellite employees.

1.1.2 The State will contract separately for each of the desired services and intends to award two Contracts to Offerors whose proposals are deemed most advantageous to the State. A vendor may submit a proposal for either one or both Service Categories and can potentially be the successful Offeror in both Service Categories. It is the State's intention to obtain services, as specified in this Request for Proposals, through Contracts between the successful Offeror(s) and the State.

1.1.3 Although it is the State's intent to contract for the services described in this RFP within the confines of COMAR Title 21, no minimum or maximum amounts of coverage or services are guaranteed.

### 1.2 Abbreviations and Definitions

For purposes of this RFP, the following abbreviations and terms have the meanings indicated below:

- a. **“Actively at Work”** means the individual is performing the material duties of his/her own occupation at the employer's usual place of business. The individual is considered **Actively at Work** if absence is due to a regularly scheduled day off, holiday or vacation day.
- b. **“ASM”** means the day-to-day Account Service Manager
- c. **“BAFO”** means Best and Final Offer; a BAFO may be requested by the Procurement Officer in order to permit written revisions to an Offeror's initial proposal.
- d. **“COMAR”** means Code of Maryland Regulations.
- e. **“Contract Employee”** means a non-permanent employee of the State of Maryland who is not eligible for State subsidy of benefits, but is eligible to enroll in the State of Maryland Benefits Program, paying full premium costs.
- f. **“Covered Lives”** means each individual enrolled in a plan.
- g. **“CPB”** means the State of Maryland Central Payroll Bureau
- h. **“DBM”** means the Department of Budget and Management.
- i. **“Dependent”** means the Spouse and Child Dependent of the employee, retiree or other eligible member.
- j. **“Dependent Child”** means an individual who meets the following requirements, with the term “insured” referring to the employee, retiree or other eligible member:

1. The person is either:
    - a) the natural child, stepchild, adopted child or grandchild of the insured;
    - b) a child placed with the insured for legal adoption; or
    - c) a child residing with the insured, who is under testamentary or court appointed guardianship, other than temporary guardianship of less than 12 months duration, of the insured;
  2. The person is unmarried;
  3. The person is under the age of 25 or is, by reason of a mental or physical impairment or disability, incapable of self-support; and
  4. The person is either:
    - a) a “qualifying child” of the insured, as that term is defined in 26 U.S.C. § 152 (c); or
    - b) a “qualifying relative” of the insured, as that term is defined in 26 U.S.C. § 152(d), excluding (d)(1)(B).
- k. **“Direct Pay Enrollee”** means an individual who is billed directly by the Department of Budget and Management for selected benefits.
  - l. **“EBD”** means Employee Benefits Division of the Department of Budget and Management.
  - m. **“LAW”** means an unpaid leave of absence elected by a permanent employee, who is not eligible for State subsidy of benefits but is eligible to participate in certain benefits provided by the State of Maryland while on the unpaid leave of absence.
  - n. **“Living Benefit”** means the life insurance benefit available in the event of a terminal illness. An insured employee or spouse has the option for early access of up to 50% of the benefit amount if the person is medically certified by the insurance carrier to be terminally ill with less than six months to live.
  - o. **“Local Time”** means Eastern Standard Time or Eastern Daylight Time, as applicable, as such time is observed in the State of Maryland.
  - p. **“MBE”** means a Minority Business Enterprise that is certified by the Maryland Department of Transportation.
  - q. **“Member”** means an employee, retiree or direct pay enrollee who is eligible to participate in the State of Maryland Employee and Retiree Health and Welfare Benefits Program but does not include the member’s dependent(s).
  - r. **“No Pay”** refers to situations in which employees do not have a sufficient amount in their paycheck to fund benefits deduction(s). Such insufficient balances may be the result of members not having sufficient leave balances or may be due to administrative error. Members are billed by the State for the insufficient balance and are provided a grace period to pay appropriately.
  - s. **“PA&D”** means Personal Accident and Dismemberment insurance.
  - t. **“Part-Time Employee”** means a permanent employee who works less than fifty percent of the standard work-week and is not eligible for State subsidy of benefits, but is eligible to enroll in the State of Maryland Benefits Program.
  - u. **“PPE”** means Pay Period Ending.
  - v. **“RFP”** means this Request for Proposals for term life and PA&D insurance services.
  - w. **“Satellite Account Employee”** means an employee of a political subdivision, agency, commission, or organization that is permitted by Maryland law to participate in the State of Maryland Benefits Program.

- x. “**Spouse**” means either a husband or wife who is joined in marriage to an employee or retired employee, provided that such marriage is recognized by the laws of the State of Maryland.
- y. “**TIN**” means tax identification number.
- z. “**TTY/TDD**” means a telephone device used by hearing impaired individuals whereby they communicate via telephone connected to a keyboard and screen.
- aa. “**USM**” means University System of Maryland.
- bb. “**Waiver of Premium**” means an insurance provision that waives the payment of the premium and continues insurance coverage during a period of total disability as defined by the insurer.

### **1.3 Pre-Proposal Conference**

A Pre-Proposal Conference (Conference) will be held on October 24, 2007, beginning at 10:00 AM, at 45 Calvert Street, Room 164A/B, Annapolis, MD 21401. Attendance at the Pre-Proposal Conference is not mandatory, but all interested Offerors are encouraged to attend in order to facilitate better preparation of their proposals. In addition, attendance may facilitate the Offeror’s overall understanding and ability to meet the State’s Minority Business Enterprise (MBE) goals.

The Pre-Proposal Conference will be summarized. As promptly as is feasible after the Pre-Proposal Conference, a written summary of the Pre-Proposal Conference and all questions and answers known at that time will be distributed, free of charge, to all prospective Offerors known to have received a copy of this RFP.

In order to assure adequate seating and other accommodations at the Pre-Proposal Conference, please submit the Pre-Proposal Conference Response Form to the attention of Joe Gatto, preferably via e-mail at [jgatto@dbm.state.md.us](mailto:jgatto@dbm.state.md.us), or via facsimile at (410) 974-3274 with such notice no later than 2:00 PM Local Time on October 19, 2007. The Pre-Proposal Conference Response Form is included as Attachment H to this RFP. In addition, if there is a need for sign language interpretation and/or other special accommodations due to a disability, please contact the Procurement Officer no later than October 18, 2007. DBM will make a reasonable effort to provide such special accommodation.

### **1.4 Proposals Due (Closing) Date**

An unbound original and four bound copies of each proposal (technical and financial) shall be received by the Procurement Officer, at the address listed in Section 1.7, no later than 2:00 PM (Local Time) on November 7, 2007 in order to be considered. An electronic version (diskette or CD) of the Technical Proposal in MS Word or Excel format shall be enclosed with the original Technical Proposal. An electronic version (diskette or CD) of the Financial Proposal in MS Word or Excel format shall be enclosed with the original Financial Proposal. Ensure that the diskettes are labeled with the RFP title, RFP project number, and Offeror name and packaged with the original copy of the appropriate proposal (technical or financial).

Requests for extension of this date or time will not be granted. Offerors mailing proposals should allow sufficient mail delivery time to ensure timely receipt by the Procurement Officer. Except as provided in COMAR 21.05.02.10, proposals received by the Procurement Officer after the due date, November 7, 2007 at 2:00 PM (Local Time) will not be considered.

Proposals may not be submitted by e-mail or facsimile.



## **1.5 Questions**

Written questions from prospective Offerors will be accepted by the Procurement Officer prior to the pre-proposal conference. As reasonably possible and appropriate, such questions will be answered at the pre-proposal conference. (No substantive question will be answered prior to the pre-proposal conference.) Questions may be submitted by mail, facsimile, or preferably, by e-mail to the Procurement Officer. Questions, both oral and written, will also be accepted from prospective Offerors attending the Pre-Proposal Conference. As reasonably possible and appropriate, these questions will be answered at the Pre-Proposal Conference, or shortly thereafter.

Questions will also be accepted subsequent to the Pre-Proposal Conference and should be submitted in a timely manner prior to the proposal due date to the Procurement Officer. The Procurement Officer, based on the availability of time to research and communicate an answer, shall decide whether an answer can be given before the proposal due date. Time permitting, answers to all substantive questions that have not previously been answered, and are not clearly specific only to the requestor, will be distributed to all Offerors who are known to have received a copy of the RFP.

## **1.6 Contract Duration**

The Contract(s) resulting from this RFP shall be for the period beginning on or about February 1, 2008 and ending June 30, 2013. The Contractor(s) shall be responsible for providing insurance coverage for enrolled individuals beginning July 1, 2008 through June 30, 2013, as further described in this RFP. For the period from contract commencement until June 30, 2008, the Contractor(s) shall be responsible for the implementation activities described under Sections 3.5 and 3.6. Beginning July 1, 2008, the Contractor will be responsible for processing claims incurred on or after July 1, 2008. Following the end of this Contract, the Contractor shall be responsible for handling claims payments for claims incurred prior to the end of the Contract; the Contractor's obligations as insurer with respect to covered losses arising during a period of coverage shall survive the expiration of the Contract.

## **1.7 Procurement Officer**

The sole point of contact in the State for purposes of this RFP prior to the award of any Contract is the Procurement Officer at the address listed below:

Joseph Gatto  
Maryland Department of Budget and Management  
Division of Procurement Policy & Administration  
45 Calvert Street, Room 138  
Annapolis, Maryland 21401  
Telephone: 410.260.7414  
Fax: 410.974.3274  
E-mail: [jgatto@dbm.state.md.us](mailto:jgatto@dbm.state.md.us)

DBM may change the Procurement Officer at any time by written notice.

## **1.8 Contract Manager**

The Contract Manager is:

Anne Timmons  
Employee Benefits Division  
301 West Preston Street, Room 510  
Baltimore, Maryland 21201

Telephone: 410.767.4710  
Fax: 410.333.7122  
E-mail: [atimmons@dbm.state.md.us](mailto:atimmons@dbm.state.md.us)

DBM may change the Contract Manager at any time by written notice to the Contractor.

### **1.9 Minority Business Enterprises Notification**

MBE vendors are encouraged to obtain certification from the Office of Minority Business Enterprise. All questions related to certification should be directed to the Office of Minority Business Enterprise.

Director  
Office of Minority Business Enterprise  
Maryland Department of Transportation (MDOT)  
P.O. Box 8755  
BWI Airport, Maryland 21240-0755  
Telephone: 410.865.1269

If the Offeror is a certified minority Contractor, it should be so indicated with the certification number in the Technical Proposal.

### **1.10 Minority Business Enterprises**

A Minority Business Enterprise (MBE) subcontractor participation goal of 1.0% of the actual total premiums collected by the Contractor(s) during the term of the contract has been established for this procurement. For purposes of developing a proposal, Offerors may use the total premium figure per Service Category from their financial proposals. The Contractor shall structure its award(s) of subcontracts under the contract in a good faith effort to achieve the goal in such subcontract awards by businesses certified by the State of Maryland as minority owned and controlled. MBE requirements are specified in ATTACHMENT D of this RFP. Subcontractors used to meet the MBE goal of this RFP must be identified in the Offeror's proposal.

Questions or concerns regarding the MBE requirements of this solicitation must be raised before the opening of bids or receipt of initial proposals.

ATTACHMENTS D-1 and D-2 must be completed and submitted with each Offeror's proposal. **Failure of the Contractor to complete, sign, and submit attachments D-1 and D-2 at the time it submits its Response to the RFP will result in the State's rejection of the Contractor's Proposal to the RFP. This failure is not curable.**

A current directory of MBEs is available through the Maryland State Department of Transportation, Office of Minority Business Enterprise, 7201 Corporate Center Drive, P.O. Box 548, Hanover, Maryland 21076. The phone number is 410-865-1269. The directory is also available at <http://www.e-mdot.com/>. Select the MBE Program label. The most current and up-to-date information on MBEs is available via the web site.

### **1.11 Multiple or Alternate Proposals**

Neither multiple nor alternate proposals will be accepted. Submitting proposals for both Service Categories is not considered a multiple proposal. (See Section 1.1.2)

### **1.12 Cancellations; Acceptance; Minor Irregularities and Discussions**

The State reserves the right to cancel this RFP, accept or reject any and all proposals, in whole or in part, received in response to this RFP, to waive or permit cure of minor irregularities, and to conduct discussions with all qualified or potentially qualified Offerors in any manner necessary to serve the best interests of the State. The State also reserves the right, in its sole discretion, to award a Contract based upon the written proposals received without prior discussions or negotiations.

### **1.13 Oral Presentation**

Offerors may be required to make oral presentations to State representatives in an effort to clarify information contained in their proposals. Significant representations made by an Offeror during the oral presentation shall be submitted in writing. All such representations will become part of the Offeror's proposal and are binding if the Contract is awarded. The Procurement Officer will notify Offerors of the time and place of oral presentations.

### **1.14 Duration of Offer**

Proposals submitted in response to this RFP are irrevocable for 120 days following the later of the closing date of proposals or of Best and Final Offers (BAFOs), if requested. This period may be extended at the Procurement Officer's request only with the Offeror's written agreement.

### **1.15 Public Information Act Notice**

An Offeror shall give specific attention to the clear identification of those portions of its proposal that it considers confidential, proprietary commercial information or trade secrets, and provide justification why such materials, upon request, should not be disclosed by the State under the Public Information Act, Title 10, Subtitle 6, Part III of the State Government Article of the Annotated Code of Maryland.

Offerors are advised that, upon request for this information from a third party, the Procurement Officer is required to make an independent determination whether the information can be disclosed (see COMAR 21.05.08.01). **Information which is claimed to be confidential is to be identified *after* the Title Page and *before* the Table of Contents in the Technical Proposal and, if applicable, also in the Financial Proposal.**

### **1.16 Arrearages**

By submitting a response to this solicitation, each Offeror represents that it is not in arrears in the payment of any obligations due and owing the State, including the payment of taxes and employee benefits, and that it shall not become so in arrears during the term of the Contract if selected for Contract award.

### **1.17 Bid/Proposal Affidavit**

A proposal submitted by an Offeror shall be accompanied by a completed Bid/Proposal Affidavit. A copy of this Affidavit is included as Attachment B of this RFP.

### **1.18 Contract Affidavit**

All Offerors are advised that if a Contract is awarded as a result of this solicitation, the successful Offeror will be required to complete a Contract Affidavit. A copy of this Affidavit is included for informational purposes as Attachment C of this RFP. This Affidavit shall be provided to the Procurement Officer within five business days of notification of proposed Contract award.

### **1.19 Contract Type**

The Contract that results from this RFP shall be an Indefinite Quantity Contract with Fixed Unit Prices in accordance with COMAR 21.06.03.06. The Fixed Unit Prices will be those reflected in the Offeror's Financial Proposal, Attachment E. The rates quoted by the Offeror shall remain fixed through the term of the contract regardless of actual enrollment.

### **1.20 Procurement Method**

This Contract will be awarded in accordance with the Competitive Sealed Proposals process under COMAR 21.05.03.

### **1.21 Mandatory Contractual Terms**

By submitting an offer in response to this RFP, an Offeror, if selected for award, shall be deemed to have accepted the terms of this RFP and the Contract, attached as Attachment A. **Any exceptions to this RFP or the Contract shall be clearly identified in the Executive Summary of the technical proposal; exceptions to the required format, terms and conditions of Financial Proposal must also be clearly identified in the Executive Summary, without disclosing any pricing information.** A proposal that takes exception to these terms may be rejected.

### **1.22 Protests/Disputes**

Any protest or dispute related respectively to this solicitation or the resulting Contract shall be subject to the provisions of COMAR 21.10 (Administrative and Civil Remedies).

### **1.23 Revisions to the RFP**

If it becomes necessary to revise this RFP before the due date for proposals, amendments will be provided to all prospective Offerors who were sent this RFP or otherwise are known by the Procurement Officer to have obtained this RFP. In addition, amendments to the RFP will be posted on the DBM Procurement web page and through eMarylandMarketplace. Amendments made after the due date for proposals will be sent only to those Offerors who submitted a timely proposal.

Acknowledgment of the receipt of all amendments to this RFP issued before the proposal due date shall accompany the Offeror's proposal in the Transmittal Letter accompanying the Technical Proposal submittal. Acknowledgement of the receipt of amendments to the RFP issued after the proposal due date shall be in the manner specified in the amendment notice. Failure to acknowledge receipt of amendments does not relieve the Offeror from complying with all terms of any such amendment.

### **1.24 eMarylandMarketplace**

eMarylandMarketplace (eMM) is an electronic commerce system administered by the Maryland Department of General Services. In addition to using the DBM web site ([www.dbm.maryland.gov](http://www.dbm.maryland.gov)) and other means for transmitting the RFP and associated materials, the solicitation and summary of the pre-bid/proposal conference, Offeror questions and the Procurement Officer's responses, addenda, and other solicitation related information will be provided via eMM.

In order to receive a contract award, a vendor must be registered on eMM. eMM registration is made through the eMarylandMarketplace website at [www.eMarylandMarketplace.com](http://www.eMarylandMarketplace.com).

### **1.25 Incurred Expenses**

The State will not be responsible for any costs incurred by an Offeror in preparing and submitting a proposal, in making an oral presentation, in providing a demonstration, or in performing any other activities relative to this solicitation.

### **1.26 Economy of Preparation**

Proposals should be prepared simply and economically, providing a straightforward, concise description of the Offeror's proposal to meet the requirements of this RFP.

### **1.27 Offeror Responsibilities**

The selected Offerors shall be responsible for rendering services within the category for which they have been selected as required by this RFP. All subcontractors shall be identified and a complete description of their role relative to the proposal shall be included in the Offeror's proposal. Additional information regarding MBE subcontractors is provided under paragraph 1.10 above.

If an Offeror that seeks to perform or provide the services required by this RFP is the subsidiary of another entity, all information submitted by the Offeror, such as but not limited to references and financial reports, shall pertain exclusively to the Offeror, unless the parent organization will guarantee the performance of the subsidiary. If applicable, the Offeror's proposal shall contain an explicit statement that the parent organization will guarantee the performance of the subsidiary. Subcontractors retained for the sole purpose of meeting the established MBE participation goal(s) for this solicitation shall be identified as provided in Attachment D of this RFP.

### **1.28 Verification of Registration and Tax Payment**

Before a corporation can do business in the State, it shall be registered and in good standing with the Department of Assessments and Taxation, State Office Building, Room 803, 301 West Preston Street, Baltimore, Maryland 21201. It is strongly recommended that any potential Offeror complete registration and ensure that it is in good standing prior to the due date for receipt of proposals. An Offeror's failure to complete registration and be in good standing with the Department of Assessments and Taxation may disqualify an otherwise successful Offeror from final consideration and recommendation for Contract award.

### **1.29 False Statements**

Offerors are advised that section 11-205.1 of the State Finance and Procurement Article of the Annotated Code of Maryland provides as follows:

- (a) In connection with a procurement Contract, a person may not willfully:
  - Falsify, conceal, or suppress a material fact by any scheme or device;
  - Make a false or fraudulent statement or representation of a material fact; or
  - Use a false writing or document that contains a false or fraudulent statement or entry of a material fact.
- (b) A person may not aid or conspire with another person to commit an act under subsection (a) of this section.
- (c) A person who violates any provision of this section is guilty of a felony and on conviction is subject to a fine not exceeding \$20,000 or imprisonment not exceeding five (5) years or both.

### **1.30 Payments by Electronic Funds Transfer**

By submitting a response to this solicitation, the Offeror agrees to accept payments by electronic funds transfer unless the State Comptroller's Office grants an exemption. The selected Offeror shall register using the COT/GAD X-10 Vendor Electronic Funds (EFT) Registration Request Form attached as Attachment F. Any request for exemption shall be submitted to the State Comptroller's Office for approval at the address specified on the COT/GAD X-10 form and shall include the business identification information as stated on the form and include the reason for the exemption. The COT/GAC X-10 form can be downloaded at: <http://compnet.comp.state.md.us/gad/pdf/GADX-10.pdf>.

### **1.31 Non-Disclosure Agreement**

In order to assist Offerors determine the "group size" and their characteristics, demographic data showing the date of birth, date of employment, gender and salary for approximately 75,000 active employees and similar data for the currently covered retiree population is available on a CD-ROM or e-mail (password protected 7MB Excel file/1MB zipped) by request. In order to obtain the data, an Offeror must first print, sign and return to the Procurement Officer (scanned copy with signature service and transmitted by e-mail is acceptable) a non-disclosure agreement found at Attachment I with a request for the data.

### **1.32 Living Wage**

A solicitation for services under a State contract valued at \$100,000 or more may be subject to Title 18, State Finance and Procurement (SFP) Article, Annotated Code of Maryland. Additional information regarding the State's Living Wage requirement is contained in this solicitation (see Attachment J entitled "Living Wage Requirements for Service Contracts"). If the Offeror fails to submit and complete the Living Wage Affidavit of Agreement (See Attachment K), the State may determine an Offeror to be not responsible.

Contractors and Subcontractors subject to the Living Wage Law shall pay each covered employee at least \$11.30 per hour, if State contract services valued at 50% or more of the total value of the contract are performed in the Tier 1 Area. If State contract services valued at 50% or more of the total contract value are performed in the Tier 2 Area, an Offeror shall pay each covered employee at least \$8.50 per hour. The specific Living Wage rate is determined by whether a majority of services take place in a Tier 1 Area or Tier 2 Area of the State. The Tier 1 Area includes Montgomery, Prince George's, Howard, Anne Arundel, and Baltimore Counties, and Baltimore City. The Tier 2 Area includes any county in the State not included in the Tier 1 Area. In the event that the employees who perform the services are not located in the State, the head of the unit responsible for a State contract pursuant to §18-102 (d) shall assign the tier based upon where the recipients of the services are located.

The contract resulting from this solicitation will be deemed to be a Tier 1 contract or a Tier 2 contract depending on the location(s) from which the Contractor provides 50% or more of the services. If the Contractor provides 50% or more of the services from a location(s) in a Tier 1 jurisdiction(s) the contract will be a Tier 1 contract. If the Contractor provides 50% or more of the services from a location(s) in a Tier 2 jurisdiction(s), the contract will be a Tier 2 contract. If the Contractor provides more than 50% of the services from an out-of-State location, then the contract will be deemed to be a Tier 1 contract. The Offeror must identify in their Offer the location(s) from which services will be provided.

Information pertaining to reporting obligations may be found by going to the DLLR Website <http://www.dllr.state.md.us/> and clicking on Living Wage.

### **1.33 Performance Guarantees and Liquidated Damages**

It is critical to the success of the State's benefits plans that services be maintained in a timely manner and that the Contractor operates in an extremely reliable manner. It would be impracticable and extremely difficult to fix the actual damage sustained by the State in the event of delays or failures in claims administration, service, reporting, and attendance of Contractor personnel on scheduled work and provision of services to the State employees, retirees and dependents served by this Contract. The State and the Contractor, therefore, presume that in the event of any such delay, the amount of damage which will be sustained from a failure to perform to certain standards will be the amounts set forth in Attachment L; and the Contractor agrees that in the event of any such failure of performance, the Contractor shall pay such amount as liquidated damages and not as a penalty. The State, at its option for amount due the State as liquidated damages, may deduct such from any money payable to the Contractor or may bill the Contractor as a separate item. See Section 3.5.10 and Attachment L for measurement parameters.

THE BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK

## SECTION 2 – MINIMUM QUALIFICATIONS

### 2.1 Minimum Qualification Requirements

The Contractor shall:

- Have an A.M. Best or Standard & Poor's insurance rating of no less than A,
- Have a minimum of \$1 billion of in-force volume for the category proposed, and
- Be licensed in Maryland at the time of proposal submission to issue the kinds of policies for which the proposals are submitted.

### 2.2 Minimum Qualification Proof

The below list of documentation represents the form of proof necessary to demonstrate that minimum qualifications are met. Please see RFP Section 4.4.3.2 for instructions on where to place the minimum qualification proofs and their significance.

- Provide a copy of a document (Internet document acceptable) reflecting an A.M. Best or Standard & Poor insurance rating of no less than A. An A- rating would not meet the requirement. The documents shall be originated by either A.M. Best or Standard & Poor.
- Provide a copy of the information reported most recently to A.M. Best. Please also provide the "net premium written" figure disclosed to A.M. Best and the date of submission.
- Provide a copy of the A.M. Best report showing the in-force volume of insurance for each Service Category proposed.
- Copy of the Offeror's Certificate of Authority issued by the Maryland Insurance Administration (MIA).

**THE BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK**



## SECTION 3 – SCOPE OF WORK

### 3.1 Description of Current Plans

- 3.1.1** The State currently has approximately 75,000 active employees located throughout the State and 40,000 retirees located across the country and overseas. Group Term Life insurance and PA&D insurance benefits are offered to employees through the State's health benefits program on a contributory basis. Approximately 45,000 lives are covered under the current life insurance program. Approximately 30,000 lives are covered under the current PA&D program.
- 3.1.2** The Plan Year for the benefits in the State Employee and Retiree Health and Welfare Benefits Program (Program), which includes the Group Term Life and PA&D insurance plans, runs from July 1 of each year through to June 30 of the next year. This Plan Year coincides with the State's fiscal year (FY). An annual Open Enrollment period is generally held before the start of the Plan Year, typically in April or May. Members in the Program make benefits elections which are generally irrevocable for the Plan Year, except for election changes which are permissible under federal cafeteria plan law (see 26 USC §125 and Treasury regulations promulgated thereunder). The State generally permits all changes in election that are permissible under the applicable federal cafeteria plan law. Elections for Group Term Life and PA&D coverage are evergreen elections that roll-over from Plan Year to Plan Year unless members elect to change (increase, decrease, drop or initiate) coverage.
- 3.1.3** The first \$50,000 of life coverage for employees is paid on a pre-tax basis through regular payroll deductions; coverage for employees above \$50,000 and dependent coverage is paid through post-tax payroll deductions only. Both plans are fully insured and are 100% contributory, i.e. the employee pays all premiums. Eligibility requirements for life insurance coverage are defined below. The total cost of the group term life insurance program in FY 2007, representing the total premiums paid to the insurance provider, was approximately \$14.4 million for active employees, retirees, satellites and direct pay enrollees. The total cost of the PA&D program for active employees, satellites and direct pay enrollees during the same period was approximately \$2.2 million.
- 3.1.4** The State makes all eligibility decisions – **excluding medical underwriting decisions** – with regard to participation in the Group Term Life and PA&D Insurance plans. The State generally handles all enrollment functions and will provide enrollment information to the Contractor(s). The State determines and approves any mid-year election or coverage changes. In the event that an employee fails to have sufficient funds in a bi-weekly or monthly paycheck to fund the deduction for insurance coverage (i.e. a No Pay situation), the State will provide a grace period to the employee to transmit the required premium. Such premiums will be forwarded to the Contractor(s). (See Section 3.4.) The Contractor must accept these determinations by the State and provide insurance coverage accordingly.
- 3.1.5** The below tables reflect insured volumes and other pertinent summary data since 2003 for both Categories:

### Group Life Insurance Historical Data

Inclusive Period	Avg Monthly Covered Lives	Avg Monthly Volume (\$)	Earned Premium (\$)	Incurred Claims (\$)	Incurred Claim Loss Ratio
1/2003–12/2004	46,453	*	10,833,429	8,696,705	0.80
1/2004-12/2004	46,453	*	11,794,749	9,714,822	0.82
1/2005-12/2005	49,098	*	13,034,765	8,842,658	0.68
1/2006- 6/2006	49,098	4,292,747,698	6,717,288	3,834,765	0.57
7/2006- 6/2007	52,922	4,684,468,200	14,411,605	11,080,137	0.77
7/2007- 9/2007	53,964	4,874,289,450	3,573,478	3,211,329	0.90

Note: \*Data Unavailable

### Personal Accident & Dismemberment Insurance Historical Data

Inclusive Period	Covered Lives at the End of the Year	Volume (\$) at the End of the Year	Premiums Paid (\$)	Incurred Claims (\$)	Incurred Claim Loss Ratio
2003	310,164	74,150,400,000	2,135,484.09	1,133,248.30	0.53
2004	401,653	111,496,056,662	2,006,055.15	601,999.45	0.30
2005	391,865	120,160,540,552	2,162,889.73	1,946,285.83	0.90
2006	401,412*	119,666,718,885*	2,154,010.95	1,509,229.93	0.70
1/1/07-9/30/07	331,003	93,117,293,900	1,676,111.29	1,129,473.44	0.67

## 3.2 Service Category I: Group Life Insurance

**Group Term Life Insurance Plan.** The optional 100% contributory group term life insurance program includes all eligible employees, retirees and their dependents as defined. The Contractor must agree to take over the accounts of the employees/retirees currently enrolled in the program at their current coverage levels without evidence of insurability.

**3.2.1** Annual renewable group term life insurance must be offered to active employees and retirees (as continued from active employment) in \$10,000 increments up to a maximum of \$300,000. Dependent children and spouses must be offered insurance coverage in \$5,000 increments up to a maximum of 50% of the employee's coverage. Spouse coverage premiums must be based on the spouse's age; children's coverage must be offered based on a flat dependent child premium and include all eligible children. Guaranteed issue amounts (no evidence of insurability) must be provided as follows:

- a) New employees within 60 days of hire may obtain up to \$50,000 (spouse \$25,000),
- b) Existing employees not previously enrolled may obtain up to \$50,000 (spouse \$25,000) during the annual Open Enrollment period.

**3.2.2** Members must have the ability to change coverage amounts during Open Enrollment or when permitted during a Plan Year by the applicable federal cafeteria plan regulations (i.e. when a qualifying event occurs); amounts requested above the guaranteed issue amount are subject to

medical underwriting. However, members who do not make changes during Open Enrollment will have existing coverage automatically rolled over to the new benefit year without additional medical underwriting.

- 3.2.3 Coverage must include a Living Benefit provision whereby the employee (or the employee on behalf of the spouse or dependent) may choose to access as much as 50% of the coverage amount if the employee or spouse or dependent is medically certified as being terminally ill by the insurance carrier with less than six months to live.
- 3.2.4 Retirees who were employed on or after January 1, 1995 must be permitted to continue coverage for themselves and their dependents at the amount carried at the time of retirement.
- 3.2.5 Members on paid and unpaid leave(s) of absence, **including** but not limited to military leave, from State service must be permitted to continue existing coverage for themselves and their dependents while on leave, as long as premiums are paid to the State.
- 3.2.6 The Contractor shall provide conversion benefits for members and dependents that are at least as good as provided under State law. See Maryland Annotated Code Insurance Article §§ 17-310 et. seq.
- 3.2.7 There shall be no maximum age for enrollment or claims payments for employees, spouses, or their disabled dependent children.
- 3.2.8 The plan must include a Waiver of Premium provision (see definition) for employees and dependents.
- 3.2.9 No exclusions are permitted under this contract.
- 3.2.10 Benefit reductions due to age cannot be greater than those provided below:

Age	Benefits Reduce to:
65	65% of the employee or dependent amount
70	45% of the employee or dependent amount
75	30% of the employee or dependent amount
80	20% of the employee or dependent amount

- 3.2.11 The Contractor shall provide medical underwriting services for the group term life insurance program. The Contractor’s medical underwriting criteria shall be used under the State contract to make coverage determinations. Material changes to such criteria, originally submitted in the Contractor’s Technical Proposal, during the term of the Contract are permissible only as a contract modification.
- 3.2.12 The Contractor shall have an ASM dedicated to the State account who shall act as a liaison between the Contractor and the State. The ASM will work full-time on-site at the State’s 301 W. Preston Street building. If the Contractor chooses to have access to its company’s information system from the State location, the Contractor will be responsible for any costs associated with establishing such access.
- 3.2.13 The ASM must have previous experience assisting with all facets of enrollment and claims services for enrollees and/or family members attempting to access their insurance benefits.

**3.2.14** Offeror must agree to waive the actively at work provision for all currently enrolled participants as of June 30, 2007.

### **3.3 Service Category II: Personal Accidental & Death (PA&D) Insurance**

**3.3.1 PA&D Insurance Plan.** The optional 100% contributory PA&D insurance program includes all eligible employees and their dependents as defined. Retirees are not eligible to participate in the PA&D insurance plan.

**3.3.2** Participants shall have the option of choosing a \$100,000, \$200,000, or \$300,000 death benefit (Principal Benefit Amount). The plan shall offer reduced benefits for dismemberment defined as a percentage of the Principal Benefit Amount.

**3.3.3** Employees on paid and unpaid leave(s) of absence, **excluding** military leave, must be permitted to continue coverage amounts while on leave as long as premiums are paid to the State.

**3.3.4** The plan shall also include a Waiver of Premium provision (see definition).

**3.3.5** Members must have the ability to change coverage amounts during Open Enrollment or when permitted during a Plan Year by the applicable federal cafeteria plan regulations (i.e. when a qualifying event occurs). However, members who do not make changes during Open Enrollment will have existing coverage automatically rolled over to the new benefit year.

**3.3.6** The PA&D insurance plan may include only the following exclusions from coverage. Loss caused by:

- Physical or mental illness, diagnosis of or treatment for the illness; or
- An infection, unless it is caused by an external wound that can be seen and which was sustained in an accident; or
- Suicide or attempted suicide; or
- Injuring oneself on purpose; or
- The use of any drug or medicine; or
- Committing or trying to commit a felony or an assault; or
- Any poison or gas, voluntarily taken, administered or absorbed; or
- Service in the armed forces of any country or international authority, except the United States National Guard; or
- Operating, learning to operate, or serving as a member of a crew of an aircraft; while in any aircraft operated by or under any military authority (other than the Air Mobility Command); or while in any aircraft being used for a test or experimental purposes; or while in any aircraft used or designed for use beyond the Earth's atmosphere; or
- Driving a vehicle while intoxicated as defined by the laws of the jurisdiction in which the vehicle was being operated.

**3.3.7** Offeror must agree to waive the actively at work provision for all currently enrolled participants as of June 30, 2007.

### 3.4 Payment Terms for Both Service Categories

3.4.1 The Contractor shall not receive compensation for services described under in this Section 3 that are performed prior to July 1, 2008 as part of the implementation of the new Contract. The State shall make payment to the Contractor for insurance coverage as follows:

3.4.2 **Active Employees:** Active employees are generally paid on a biweekly basis, with deductions for group term life, PA&D insurance and/or short term disability coverage taken from 24 paychecks. State Employees who work at the University of Maryland or other State colleges or universities may choose a paycheck schedule in which they are not paid over the summer months (21-pay). These individuals may have multiple benefit deductions in their last scheduled deduction before the summer months. Certain employees of the Maryland General Assembly and Judiciary, i.e., State legislators and Judges, are paid on a monthly basis. Deductions will occur on a monthly, rather than a bi-weekly basis for these employees. Satellite agencies who participate in the State program remit premium monthly.

The State will send a payment to the Contractor once a month. The first payment for the fiscal year is paid in early August. This payment will provide an estimated payment for the months of July and August. The estimate is based on the first Central Payroll and University of Maryland deduction report for the month of July. The State will multiply this first payroll by four, thereby estimating two months worth of deductions. The next payment for the plan year will be paid in September and will include reconciliation for July. The Contractor should receive this payment around September 15th. For example:

Payment #1 – July and August Payment		
First deduction report in January for CPB employees		\$500,000
	for USM employees	<u>\$250,000</u>
		\$750,000
July estimated payment	2 x \$750,000 =	\$1,500,000
August estimated payment	2 x \$750,000 =	<u>\$1,500,000</u>
Payment #1 of plan year		\$3,000,000

Payment #2 – September Payment		
Actual deductions for July CPB –	P.P.E. 01/11	\$500,000
	P.P.E. 01/25	\$550,000
	USM– P.P.E. 01/15	\$250,000
	P.P.E. 01/29	<u>\$260,000</u>
Total July actual deductions		\$1,560,000
July estimated payment:	2 x \$750,000 =	<u>\$1,500,000</u>
Adjustment for July		\$60,000
March estimated payment based on July actual payment		<u>\$1,560,000</u>
Payment #2 – September 15th		\$1,620,000

Payment # 3 will adjust for August and provide an estimated payment for October.

Payments #4 through #12 will follow same procedure through the plan year.

These payments will also include any retroactive adjustments and No Pay payments (i.e. late payments for a prior period of coverage) received during the month.

3.4.3 **Retirees:** Pension and retirement allowance payments are processed at the end of the month, and deductions are taken once a month. The State will send a payment to the Contractor once a month based upon the actual deduction reports from the State Retirement System. The first

payment for the fiscal year is paid in early August because deduction reports are not available until the first of the month following the period of coverage.

Payment #1 - July payment will be paid around the 10th of August based on the actual July retiree deduction report.

Payment #2 - August payment will be paid around the 10th of September based on the actual August retiree deduction report.

Payments #3 through #12 will follow the same procedure.

Retiree payments may also include any retroactive adjustments received during the month.

**3.4.4 Direct Pay Enrollees:** This category includes contractual employees and other individuals who are billed directly by the State for their health coverage. The State will send a payment to the Contractor once a month. These payments are based on actual premiums received during a calendar month. The first payment for the fiscal year is paid in early August. This payment will include all premiums received during the month of July, regardless of the month(s) for which premiums are being paid. For example, if the State receives a payment from an individual in July that pays for the months of July through October, the State will forward payment for the four months. A report detailing individuals for whom premiums have been received during the prior month will be forwarded to the Contractor to support the monthly payment.

Payment #1 - July payment will be paid around the 15th of August based on the actual premiums received during the month of July.

Payment #2 - August payment will be paid around the 15th of September based on the actual premiums received during the month of July.

Payments #3 through #12 will follow the same procedure.

**3.4.5 Satellite Account Employees:** This category includes governmental and non-profit agencies covered by the State's program. The State will send a payment to the Contractor once a month. These payments are based on actual premiums received during a calendar month. The first payment for the calendar year is paid in early August. This payment will include all premiums received during the month of July, regardless of the month(s) for which premiums are being paid. For example, if the State receives a payment from an agency in July that pays for the months of July and August, the State will forward payment for the two months. A report detailing individuals for whom premiums have been received during the prior month will be forwarded to the Contractor to support the monthly payment.

Payment #1 - July payment will be paid around the 15th of August based on the actual premiums received during the month of July.

Payment #2 - August payment will be paid around the 15th of September based on the actual premiums received during the month of July.

Payments #3 through #12 will follow the same procedure.

## **3.5 Specifications for All Plans**

The State is seeking an insurer(s) to provide, as separate or combined plans, group term life insurance and personal accident and dismemberment insurance. The Contractor(s) shall administer the plan(s) with all specifications outlined in this RFP and shall include, at a minimum, the following services for each plan, except where specifically limited to one plan:

**3.5.1** Plan Benefits booklets shall be provided by the Contractor(s) and distributed to each member enrolled in the plan(s); booklet design and format is subject to final approval by the State. Such

booklets must include evidence of coverage, specific directions as to reporting a covered loss, explanations of eligibility, a description of available benefits, and other information relevant to the plan. Distribution to covered members from the date of coverage shall be within four weeks of the contract start date.

- 3.5.2** Editable descriptive plan information to be incorporated into the State's Open Enrollment booklet shall be presented to the State within two weeks of the request made by the Contract Manager. Contractor(s) should anticipate such a request immediately upon notification of contract award.
- 3.5.3** Marketing brochures sufficient for all State employees and retirees (approximately 100,000) shall be made available to the Department for distribution during Open Enrollment and throughout the benefit year. Design and format are subject to final approval by the State.
- 3.5.4** All applications, claim forms, and printed materials shall be mailed to members within two business days from the date of request. Electronic versions must also be supplied for inclusion on the DBM Health Benefits website.
- 3.5.5** The Contractor shall assign a ASM to service State requirements under the Contract and to respond to inquiries and problems
- 3.5.6** A toll-free, 24-hour, 7 days/week telephone number dedicated to the State account must be available to facilitate members' access to services. Individuals with disabilities must be provided with adequate access to all customer service options.
- 3.5.7** The Contractor shall provide Open Enrollment services for each annual Open Enrollment period corresponding to a period of coverage covered by the Contract. Staff who provide open enrollment services must be knowledgeable and trained in the specifics of the insurance coverage offered by the Contractor. Open Enrollment is the primary marketing opportunity for the Contractor. Open Enrollment services once a year shall include, but are not limited to:
- Contractor attendance at all regional benefit coordinator training sessions held each benefit year; such sessions are usually held in March but may be rescheduled when necessary.
  - Contractor attendance at benefit fairs across the State each year of the contract including option years to answer employee questions and provide plan overview information (120 or more fairs, usually held in April and May).
  - Payment of a proportionate amount of Open Enrollment materials printing and mailing costs which are split equally among Program Contractors regardless of enrollment; costs for each Program Contractor have historically ranged between \$20,000 and \$25,000.
  - Medical underwriting reviews as necessary, with approved coverage beginning with the start of the applicable Plan Year even if medical underwriting decisions are delayed past the Plan Year beginning date.
- 3.5.8** The Contractor shall accept the State's format for enrollment information using the State's formats and transmission methods. Enrollment information is generally provided on the following schedule:
- A full positive file of all enrolled members with coverage election with start of each Plan Year.
  - Regular change files, noting additions and/or deletions to coverage, including insurance coverage amounts and dependents covered.
- 3.5.9** Quarterly and annual claims utilization reports shall be submitted to the State by the Contractor

not later than 30 days after the end of the reporting period.

- 3.5.10** The Contractor must comply with the State’s performance guarantees and liquidated damages as described in Attachment L. The Contractor shall submit performance reports to the State on a quarterly basis. Performance reporting (Report Card) by the Contractor will be subject to verification by the State’s audit contractor.
- 3.5.11** The Contractor must comply with all standards required under applicable state and federal laws and regulations (conversion and portability rights, etc.) and shall meet any State-mandated benefit provisions that may be required during the term of the Contract.
- 3.5.12** The insurance coverage issued pursuant to the Contract awarded in this procurement shall be situated in Maryland.
- 3.5.13** The Contractor must confirm and maintain all beneficiary designations for covered individuals. The State does not have this information for current members and covered individuals. Upon request by the State, the Contractor must provide beneficiary designation data to the Department for record keeping.
- 3.5.14** Each plan must be designed to ensure the highest level of customer service for State plan members.

<b>3.6 Implementation Schedule</b>
------------------------------------

<b>DATE</b>	<b>ACTIVITY</b>
Within 5 business days of contract start date	1) Begin implementation meetings with the State of Maryland 2) Provide Plan Benefits booklets for State review and approval. 3) Provide Open Enrollment materials (including plan description for Open Enrollment booklet and marketing brochures) for State review and approval. 4) Begin testing to ensure accurate and secure transmission of enrollment data. 5) Contractor must establish the necessary account with the Comptroller’s Office to enable electronic funds transfer. See Section 1.30.
March, 2008	1) Attend Benefit Coordinators Training Sessions 2) Provide marketing materials for distribution.
April, 2008	1) Attend Open Enrollment and Benefit Fairs 2) Provide marketing materials and information.
May, 2008	1) Receive positive file for enrollment and coverage beginning July 1, 2008. 2) Begin confirmation of beneficiary elections for all enrolled individuals.
July 1, 2008	Commence Benefit Coverage



### **3.7 Contract Transition**

- 3.7.1** The Contractor must accept evidence of insurability documents completed and sent to the prior carrier in the event such activity occurs during the transition of the prior contract to the new contract. The Contractor must render its decision as to the insurability of the individual if sufficient documentation is provided to do so even if it is not the same documentation required under the new Contract.
- 3.7.2** At Contract termination, the Contractor must provide evidence of insurability documents and decisions to the successor contractor providing the insurance coverage.

**THE BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK**

## SECTION 4 – PROPOSAL FORMAT

### 4.1 Two Part Submission

Offerors shall submit proposals in separate volumes:

- Volume I – TECHNICAL PROPOSAL
- Volume II – FINANCIAL PROPOSAL

### 4.2 Proposals

Volume I – Technical Proposal shall be sealed separately from Volume II – Financial Proposal but submitted simultaneously to the Procurement Officer at the address listed on the Key Information Summary. An unbound original, so identified, and four copies of each volume are to be submitted. An electronic version of both the Volume I – Technical Proposal in MS Word or Excel format and the Volume II – Financial Proposal in MS Word or Excel format shall also be submitted with the unbound originals, technical or financial volumes, as appropriate. Electronic media may be submitted on 3-1/2” diskette or CD and shall bear a label on the outside containing the RFP title and number, the name of the Offeror, and the volume number (I or II).

### 4.3 Submission

Each Offeror is required to submit a separate sealed package for each "Volume", which is to be labeled Volume I – Technical Proposal and Volume II – Financial Proposal for each service category. Each sealed package shall bear the RFP title and number, name and address of the Offeror, the volume number (I or II), and closing date and time for receipt of the proposals on the outside of the package.

All pages of both proposal volumes shall be consecutively numbered from beginning (Page 1) to end (Page “x”).

### 4.4 Volume I – Technical Proposal

#### 4.4.1 Introduction

If an Offeror is submitting a proposal for *only one (1)* Service Category, the Offeror shall submit one proposal which is complete in all respects (identified as the “Complete Proposal”) and adhere to all applicable submission requirements as identified in this Section 4.4 – Volume I – Technical Proposal.

If an Offeror is submitting a proposal for *both* Service Categories, the Offeror shall submit a complete package for one Service Category identified as the “Complete Proposal. For the second Service Category, the proposal shall include only the information that is different from the contents of the “Complete Proposal”, which includes, but is not limited to a Title and Table of Contents (Ref. Section 4.4.3.1) and Technical Proposal (Ref. Section 4.4.3). This second Proposal shall reference the “Complete Proposal” for the information which is the same.

The Introduction and Title Page shall clearly identify the Service Category proposed per Proposal.

#### 4.4.2 Transmittal Letter

A transmittal letter shall accompany the Technical Proposal(s); if submitting for more than one Service Category, only one transmittal letter is needed. The transmittal letter does not need to be bound with the technical proposal. The purpose of this letter is to transmit the proposal(s) and acknowledge the receipt of any addenda. The transmittal letter should be brief and signed by an individual who is authorized to

commit the Offeror to the services and requirements as stated in this RFP. See Offeror's responsibilities in Section 1.27.

#### **4.4.3 Format of Technical Proposal**

Inside a sealed package described in Section 4.2 above, an unbound original, to be so labeled, four copies and the electronic version shall be provided. Section 3 of this RFP provides requirements and Section 4 provides reply instructions. The paragraphs in these RFP sections are numbered for ease of reference. In addition to the instructions below, the Offeror's Technical Proposal should be organized and numbered in the same order as provided in this RFP. This proposal organization will allow State officials and the Evaluation Committee to "map" Offeror responses directly to RFP requirements by paragraph number.

The Technical Proposal shall include the following sections in this order:

##### **4.4.3.1 Title and Table of Contents**

The Technical Proposal should begin with a title page bearing the name and address of the Offeror and the name and number of this RFP. A table of contents shall follow the title page for the Technical Proposal. *Note: Information which is claimed to be confidential is to be identified after the Title page and before the Table of Contents in the Offeror's Technical Proposal. An explanation for each claim of confidentiality shall be included.*

##### **4.4.3.2 Executive Summary**

The Offeror shall condense and highlight the contents of the Technical Proposal in a separate section titled "Executive Summary".

The Summary shall also identify any exceptions the Offeror has taken to the requirements of this RFP, the Contract (Attachment A), or any other attachments. Exceptions to terms and conditions may result in having the proposal deemed unacceptable or classified as not reasonably susceptible of being selected for award.

If the Offeror has taken no exceptions to the requirements of this RFP, the Executive Summary shall so state.

Following the narrative portion of the Executive Summary, attach the proofs required to show minimum qualifications in RFP Sec 2 have been met. See RFP Section 2.2. If the objective proofs do not demonstrate that the minimum qualifications are met, are not submitted or otherwise are not the form of proof requested, the Offeror's proposal may be deemed not reasonably susceptible for award and eliminated from further consideration.

##### **4.4.3.3 Offeror Technical Response to RFP Requirements**

A. The Offeror shall address each major section in the Technical Proposal for the Service Category which services are being proposed and describe how its proposed services will meet the requirements as described in the RFP. If the State is seeking Offeror agreement to a requirement, the Offeror shall state agreement or disagreement. As stated above, any exception to a term or condition may result in having the proposal deemed unacceptable or classified as not reasonably susceptible of being selected for award. Any paragraph that responds to a work requirement shall not merely rely on a stated agreement to perform the requested work; rather the Offeror should outline how the Offeror can fulfill the requested tasks in a manner that best meets the State's needs.

B. In addition to addressing Section 3 Scope of Work requirements, also provide a detailed implementation plan that clearly demonstrates the Offeror's ability to meet the State's requirements to have a fully functioning program in place and operable on July 1, 2008. This section may be identified as the technical proposal response to RFP Section 3.6. This implementation plan should include a list of specific implementation tasks and transition protocols, a timetable for initiation and completion of such tasks, beginning with the contract commencement and continuing through the effective date of operation

(July 1, 2008). This plan should address the specific milestones identified in Section 3.5 and all other tasks and protocols necessary for successful implementation. The implementation plan should be specific about requirements for information transfer as well as any services or assistance required from the State during implementation. The implementation plan should also specifically identify those individuals, by area of expertise, responsible for key implementation activities and clearly identify their roles for implementation.

C. The following questions are designed to solicit information critical to the State's evaluation of the Offeror's capabilities in terms of the evaluation criteria identified in Section 5 of this RFP. Although the Offeror's standard material may contain the requested information, the responses in this section will be an important component in the evaluation. Where applicable, these responses shall also be contract requirements for the Contractor upon award.

In responding, Offerors should repeat each question, followed by the answer. Answers should be concise, but complete. Offerors must respond specifically to each question in this section, regardless of whether the information appears in or may be gleaned from other sections of the offeror's proposal. Failure to respond in this section to all applicable questions may result in rejection of the Offeror's proposal. The responses to these questions shall follow the Implementation Plan and section-by-section response to the Scope of Work requirements. Offerors may supplement its response to the Scope of Work requirements by cross-referencing the answers to these questions where applicable.

1. Provide a draft plan description to be included in the Open Enrollment booklet. The plan description must describe in detail the procedures to be used by eligible members to obtain services. To assist offerors in the preparation of this draft, a copy of the plan description included in the Term Life Insurance and PA & D Section of the Summary of Benefits booklet for the plan year beginning July 1, 2007 can be found on the DBM Health Benefits website.
2. Describe the proposed benefit plan to be offered to State employees under the Contract, including all exclusions and limitations. Please note the plan design requirements of Section 3.2 (GTL) and 3.3 (PA&D). Please provide a sample of: 1) the Benefits Booklet to be distributed to each plan enrollee, and, 2) the marketing brochure to be distributed during Open Enrollment and throughout the year to potential enrollees.
3. List any additional or optional services that you offer without additional charge that have not been requested. Such services may include administration services and/or additional benefits to members.
4. Describe the kind of internet-based customer service(s) that your company provides. Will members be able to change or identify beneficiaries on-line?
5. Describe the training that is provided to persons designated to represent your company at Open Enrollment benefit fairs.
6. Describe the entire claims adjudication process for each coverage proposed, i.e., the process that takes place from the time a claim is received until the time a check is issued to a beneficiary or employee. Describe the appeal's process for claims that are fully or partially denied.
7. Provide the physical location from which State of Maryland claims will be processed. Include the street address and phone number. For the proposed claim office, what is the average number of working days for a claim to be processed (check issued) from the date of receipt? What training is provided to claims processors?

8. Describe the medical underwriting criteria to be used under the State contract to make coverage determinations.

#### **4.4.3.4 Corporate Experience and Capabilities**

A. The Offeror shall describe its overall experience and past performance in providing services similar to those solicited and the Category for which the Offeror is submitting a proposal. As part of this, the Offeror shall provide the organization's legal name and state of incorporation (and headquarters).

B. As part of its offer, each Offeror is to provide a list of all contracts with any entity of the State of Maryland that it is currently performing or which has been completed within the last 5 years. For each identified contract the Offeror is to provide in its Technical Proposal:

- The State contracting entity
- A brief description of the services/goods provided
- The dollar value of the contract
- The term of the contract
- The State employee contact person (name, title, telephone number and if possible e-mail address)
- Whether the contract was terminated before the end of the term specified in the original contract, including whether any available renewal option was not exercised.

The Procurement Officer or a designee will contact the identified State agencies, or the most appropriate ones if many contracts are involved, to ascertain the Offeror's level of performance of State contracts. Information obtained regarding the Offeror's level of performance on State contracts will be considered as part of the experience and past performance evaluation criteria of the RFP.

C. As part of its offer, each Offeror is to provide a list of references for which similar services have been provided, in the following categories:

- Three references including at least one from governmental accounts/clients
- Three references from terminated accounts/clients

The references shall be structured to permit investigation of the Offeror's prior experience. In the event that an Offeror is submitting proposals for more than one Category, the Offeror may duplicate references but should attempt to provide references that may address the Offeror's capabilities in connection with each Category.

Offerors shall list the following information for each of the references submitted:

- Client name & address
- Name, title & telephone number of person we may contact
- Number of employees/retirees covered
- Total number of employees/retirees of the client
- Length of time they have been a client
- Reason for terminating contract

D. The Offeror shall explain its organization's ownership structure, listing all separate legal entities; identifying all major shareholders/owners (10% or greater ownership); describing how long the current ownership structure has been in place; and noting any changes in ownership structure that have occurred within the last two years. To the extent that such disclosure is not prohibited, please also note any changes in ownership structure anticipated to occur within the next two years.

#### **4.4.3.5 Staffing Plan, Personnel Qualification and Professional Experience**

- A. The Offeror shall provide a staffing plan that describes how the Offeror intends to staff this Contract to meet the State's needs. The Offeror shall identify its proposed ASM and, to the extent applicable based on the Category to which the proposal applies any other key personnel.

As part of the staffing plan, the Offeror shall submit the resumes of the proposed key account services personnel responsible for the management of the Contract. The resumes and staffing plan may also include a description of whether the proposed staff worked on the accounts submitted as references by the Contractor.

- B. In addition, the Offeror shall identify the addresses, including city and state, for the following locations proposed to be used for State account activities. If more than one of any of the following will work on the State of Maryland contract, provide the requested information for all such offices.

- Corporate/Firm Management Office
- Customer Service Office
- Provider Service Office
- Account Management/Client Services Office
- Technical Support Office

- C. Provide a detailed management plan that clearly demonstrates the Offeror's ability to manage this program on an ongoing basis.

- The management plan shall include the name, title and resume of the person with overall responsibility for planning, supervising, and performing account support services for the State. The management plan should also note how many other clients are assigned to this person and the percentage of this person's time that will be devoted to the State.
- The management plan shall also include an organizational chart identifying the names, functions, and reporting relationships of key people directly responsible for account support services to the State. It should also include the mechanisms and processes in place to allow EBD personnel to communicate with account service representatives: the hours of operation; types of inquiries that can be handled by account service representatives; and a brief explanation of information available on-line. Describe how the Offeror's customer service and other support staff will respond to subscriber or client inquiries and problems. The management plan shall include the names, resumes and a description of functions and responsibilities for all supervisors and managers that will provide services to the State with respect to this contract.
- The Technical Proposal shall also document how many account executives and group services representatives will work full-time on the State's account, and how many will work part-time on the State's account. The management plan shall describe account management support, including the number of meetings to be held with the State each year (not less than quarterly), information to be reviewed at each meeting, frequency of ongoing communications, and assurance of accountability for account services satisfaction.

#### **4.4.3.6 Subcontractors**

Offerors shall identify all subcontractors, if any, and the role these subcontractors will have in the performance of the Contract. (Subcontractors will be evaluated under the appropriate criteria for the

Service Category(s) they will be providing.) Please also note MBE requirements in Section 1.9 - 1.10 and Attachment D.

#### **4.4.3.7 Economic Benefit Factors**

The Offeror shall describe the benefits that will accrue to the State economy as a direct or indirect result of the Offeror's performance of the Contract resulting from this RFP. The Offeror will take into consideration the following elements. (Do not include any detail of the Financial Proposals with this technical information):

- A. The estimated percentage of Contract dollars to be recycled into Maryland's economy in support of the Contract, through the use of Maryland subcontractors, suppliers and joint venture partners. Offerors should be as specific as possible and provide a percentage breakdown of expenditures in this category.
- B. The estimated number and types of jobs for Maryland residents resulting from this Contract. Indicate job classifications, number of employees in each classification, and the aggregate Maryland payroll percentages to which the Contractor has committed at both prime and, if applicable, subContract levels.
- C. Tax revenues to be generated for Maryland and its political subdivisions as a result of this Contract. Indicate tax category (sales tax, inventory taxes and estimated personal income taxes for new employees). Provide a forecast of the total tax revenues resulting from the Contract.
- D. The estimated percentage of subcontract dollars committed to Maryland small businesses and MBEs.

#### **4.4.3.8 Responsibility**

Additional information is necessary for the State to determine that the Offeror has the capability in all respects to perform fully the contract requirements, and the integrity and reliability that shall assure good faith performance:

- A. Describe any significant litigation and/or government action taken, proposed or pending against your company or any entities of your company during the most recent five (5) years. This information shall include notice whether the Offeror's organization has had its license to write or issue insurance – for any line of business - suspended or revoked in any jurisdiction within the last 5 years along with an explanation.
- B. Evidence that the Offeror has financial capacity to provide the services such as:
  - Copies of the last two (2) year end audited financial statements or best available equivalent report and an analysis of those financial statements/reports.
  - Abbreviated profit and loss statements and abbreviated balance sheets for the last two years.

#### **4.4.3.9 Additional Required Technical Submissions (with original of Technical Proposal only)**

- Completed Bid/Proposal Affidavit (Attachment B)
- Certified MBE Utilization and Fair Solicitation Affidavit (Attachment D-1)
- MBE Participation Schedule (Attachment D-2)
- Completed Living Wage Affidavit of Agreement (Attachment K)

#### **4.5 Volume II – Financial Proposal**

Under separate sealed cover from the Technical Proposal and clearly identified with the same information noted on the Technical Proposal, the Offeror must submit an original unbound copy, four (4) bound copies, and four (1) electronic copy (in MS Word format) in a separate envelope labeled as described in Section 4.2, of the Financial Proposal.

The Financial Proposal must contain all cost information in the format specified in Attachment E.

*Note: Information which is claimed to be confidential is to be clearly identified in the Offeror's Financial Proposal. An explanation for each claim of confidentiality shall be included.*

**THE BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK**



## **SECTION 5 – EVALUATION CRITERIA AND SELECTION PROCEDURE**

### **5.1 Evaluation Criteria**

Evaluation of the proposals will be performed by a committee established for that purpose and will be based on the criteria set forth below. The State reserves the right to utilize the services of individuals outside of the established committee for technical advice, as deemed necessary.

### **5.2 Technical Criteria**

The criteria to be applied to each Technical Proposal for each services category are listed below in descending order of importance:

- Offeror’s Technical Response to RFP Requirements. An Offeror’s response to work requirements in the RFP shall illustrate a comprehensive understanding of the work requirements and include an explanation of the methodology of how the work will be done. Responses to work requirements such as “concur” or “will comply” will receive a lower evaluation ranking than those Offerors who demonstrate they understand a work requirement and have a plan to meet or exceed it. (Ref. Section 4.4.3.3)
- Corporate Experience and Capability (RFP Sections 4.4.3.4)
- Staffing Plan, Personnel, Qualification and Professional Experience (RFP Section 4.4.3.5)
- Subcontractors (RFP Section 4.4.3.6)
- Economic Benefit Factors (RFP Section 4.4.3.7)

### **5.3 Financial Criteria**

All qualified Offerors will be ranked from the lowest to the highest price based on their total price proposed on Attachment E for the appropriate Service Category.

### **5.4 Reciprocal Preference**

Although Maryland law does not authorize procuring agencies to favor resident Offerors in awarding procurement Contracts, many other states do grant their resident businesses preferences over Maryland Contractors. Therefore, as described in COMAR 21.05.01.04, a resident business preference will be given if: a responsible Offeror whose headquarters, principal Base of Operations, or principal site that will primarily provide the services required under this RFP is in another state submits the most advantageous offer; the other state gives a preference to its residents through law, policy, or practice; and, the preference does not conflict with a Federal law or grant affecting the procurement Contract. The preference given shall be identical to the preference that the other state, through law, policy or practice gives to its residents.

### **5.5 Selection Procedures**

#### **5.5.1 General Selection Process**

Contracts will be awarded in accordance with the competitive sealed proposals process under COMAR 21.05.03. The competitive sealed proposals method is based on discussions and revision of proposals during these discussions.

Accordingly, the State may hold discussions with all Offerors judged reasonably susceptible of being selected for award, or potentially so. However, the State also reserves the right to make an award without holding discussions. In either case of holding discussions or not doing so, the State may determine an Offeror to be not responsible and/or an Offeror's proposal to be not reasonably susceptible of being selected for award, at any time after the initial closing date for receipt of proposals and the review of those proposals. If the State finds an Offeror to be not responsible and/or an Offeror's Technical Proposal to be not reasonably susceptible of being selected for award, an Offeror's Financial Proposal will be returned unopened.

### **5.5.2 Selection Process Sequence**

- The first step in the process will be an evaluation for technical merit. During this review oral presentations and discussions may be held. The purpose of such discussions will be to assure a full understanding of the State's requirements and the Offeror's ability to perform, and to facilitate arrival at a Contract that will be most advantageous to the State. For scheduling purposes, Offerors should be prepared to make an oral presentation and participate in discussions within two weeks of the delivery of proposals to the State. The Procurement Officer will contact Offerors when the schedule is set by the State.
- Offerors shall confirm in writing any substantive oral clarification of, or change in, their proposals made in the course of discussions. Any such written clarification or change then becomes part of the Offeror's proposal.
- The Financial Proposal of each qualified Offeror will be evaluated separately from the technical evaluation. After a review of the Financial Proposals of qualified Offerors, the Procurement Officer may again conduct discussions to further evaluate the Offeror's entire proposal.
- When in the best interest of the State, the Procurement Officer may permit Offerors who have submitted acceptable proposals to revise their initial proposals and submit, in writing, best and final offers (BAFOs).

## **5.5 Award Determination**

Upon completion of all discussions and negotiations, reference checks, and other record communications, the Procurement Officer will recommend award of the Contracts to the responsible Offeror in each Service Category whose proposal is determined to be the most advantageous to the State considering technical evaluation factors and price factors as set forth in this RFP. In making the most advantageous Offeror determination, technical factors will be given greater weight than price factors.

The final award approval will be made by the Board of Public Works.

**THE BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK**

## **ATTACHMENTS**

**ATTACHMENT A** – The State’s Contract. It is provided with the RFP for informational purposes and is not required at proposal submission time. However, it shall be completed, signed and returned by the selected Offeror to the Procurement Officer within 5 working days of notification of proposed Contract award.

**ATTACHMENT B** – Bid/Proposal Affidavit. This form shall be completed and submitted with the Offeror’s Technical Proposal.

**ATTACHMENT C** – Contract Affidavit. This Affidavit is not required at proposal submission time. It shall be submitted by the selected Offeror to the Procurement Officer within 5 working days of notification of proposed award.

**ATTACHMENT D** – MBE Forms and Instructions. The Certified MBE Utilization and Fair Solicitation Affidavit (Attachment D-1) and MBE Participation Schedule (Attachment D-2) shall be completed and submitted with the Offeror’s Technical Proposal. The Outreach Efforts Compliance Statement (Attachment D-3) and Subcontractor Project Participation Statement (Attachment D-4) shall be submitted as described in the attachment.

**ATTACHMENT E** – Financial Proposal Instructions and Form. The Financial Proposal Form shall be completed and submitted as the Financial Proposal.

**ATTACHMENT F** – Electronic Funds Transfer (EFT) Registration Request Form

**ATTACHMENT G** – Procurement Officer’s Checklist

**ATTACHMENT H** – Pre-Proposal Conference Response Form. It is requested that this form be completed and submitted as described in RFP Section 1.3 by those potential Offerors who plan on attending the conference.

**ATTACHMENT I** – Non-Disclosure Agreement for the Offeror to obtain demographic data which will help in pricing and building a proposal.

**ATTACHMENT J** – Living Wage Requirements for Service Contracts is a new requirement recently enacted by law. This attachment explains the main features of the legislation and the requirements that Contractors must meet.

**ATTACHMENT K** – Living Wage Affidavit of Agreement. The affidavit asks for acknowledgement of understanding and consent to comply with Living Wage provisions of the Contract.

**ATTACHMENT L** – Performance Guarantees and Liquidated Damages.

## ATTACHMENT A – CONTRACT

THIS CONTRACT is made this \_\_\_\_\_ day of \_\_\_\_\_, 2008 by and between \_\_\_\_\_ and the State of Maryland, acting through the Department of Budget and Management.

IN CONSIDERATION of the promises and the covenants contained herein, the adequacy and sufficiency of which is duly acknowledged by the parties, the parties agree as follows:

### 1. Definitions

In this Contract, the following words have the meanings indicated:

1.1 “Contract” means this Contract for [Group Term Life] [Personal Accident and Dismemberment] Insurance Service.

1.4 “Contractor” means \_\_\_\_\_, a \_\_\_\_\_ whose principal business address is \_\_\_\_\_.

1.5 “Contract Manager” means the individual identified in section 1.8 of the RFP or a successor designated by the Department.

1.6 “Department” means the Maryland Department of Budget and Management.

1.7 “Financial Proposal” means the Contractor’s Financial Proposal dated \_\_\_\_\_, as supplemented and revised by the best and final offer dated \_\_\_\_\_.

1.8 “Procurement Officer” means the individual identified in section 1.7 of the RFP or a successor designated by the Department.

1.9 “RFP” means the Request for Proposals for Group Term Life and Personal Accident & Dismemberment Insurance Services, No. \_\_\_\_\_, dated \_\_\_\_\_.

1.10 “State” means the State of Maryland.

1.11 “Technical Proposal” means the Contractor’s Technical Proposal, dated \_\_\_\_\_ as supplemented and revised by the Contractor’s \_\_\_\_\_.

### 2. Scope of Work

2.1 The Contractor shall provide [group term life] [personal accident and dismemberment] insurance coverage and administration services. These services shall be provided in accordance with this Contract and the following exhibits, which are attached and incorporated herein by reference:

Exhibit A – The RFP.

Exhibit B – The Technical Proposal.

Exhibit C – The Financial Proposal.

Exhibit D – Contract Affidavit.

- 2.2 If there are any inconsistencies between this Contract and Exhibits A, B, C, and D, the terms of this Contract shall control. If there is any conflict among the Exhibits, Exhibit A shall control.
- 2.3 The Procurement Officer may, at any time, by written order, make changes in the work within the general scope of the Contract. No other order, statement or conduct of the Procurement Officer or any other person shall be treated as a change or entitle the Contractor to an equitable adjustment under this section. Except as otherwise provided in this Contract, if any change under this section causes an increase or decrease in the Contractor's cost of, or the time required for, the performance of any part of the work, whether or not changed by the order, an equitable adjustment in the Contract price shall be made and the Contract modified in writing accordingly. The Contractor must assert in writing its right to an adjustment under this section within thirty (30) days of receipt of written change order and shall include a written statement setting forth the nature and cost of such claim. No claim by the Contractor shall be allowed if asserted after final payment under this Contract. Failure to agree to an adjustment under this section shall be a dispute under the Disputes clause of this Contract. Nothing in this section shall excuse the Contractor from proceeding with the Contract as changed.

**3. Time for Performance.**

Unless terminated earlier as provided in this Contract, the term of this Contract shall begin on or about February 1, 2008 and shall end on June 30, 2013. The Contractor shall provide insurance coverage beginning July 1, 2008. The Contractor's obligations as insurer with respect to covered losses and claims arising during a period of coverage shall survive the expiration of this Contract.

**4. Consideration and Payment**

- 4.1 Payment to the Contractor pursuant to this Contract shall be at the premium rates provided in the Financial Proposal for insurance coverage. The Contractor shall not receive any other payment for implementation and administrative services.
- 4.2 Invoices must be provided in the format and on the schedule identified in the RFP. Each invoice must reflect the Contractor's federal tax identification number, which is \_\_\_\_\_. The Contractor's e-MarylandMarketplace identification number is \_\_\_\_\_. Payments to the Contractor pursuant to this Contract shall be made no later than 30 days after the State's receipt of a proper invoice from the Contractor. Charges for late payment of invoices, other than as prescribed by Title 15, Subtitle 1, of the State Finance and Procurement Article, Annotated Code of Maryland, are prohibited. The final payment under this Contract will not be made until after certification is received from the Comptroller of the State that all taxes have been paid.
- 4.3 In addition to any other available remedies, if, in the opinion of the Procurement Officer, the Contractor fails to perform in a satisfactory and timely manner, the Procurement Officer may refuse or limit approval of any invoice for payment, and may cause payments to the Contractor to be reduced or withheld until such time as the Contractor meets performance standards as established by the Procurement Officer.
- 4.4 Electronic funds transfer will be used by the State to pay the Contractor for this contract and any other State payments due Contractor unless the State's Comptroller's Office grants the Contractor an exemption.

**5. Rights to Records**

- 5.1 The Contractor agrees that all documents and materials, including but not limited to, reports, drawings, studies, specifications, estimates, tests, maps, photographs, designs, software, graphics, mechanical, artwork, computations and data prepared by the Contractor for purposes of this Contract shall be the sole property of the Department and shall be available to the Department at any time. The Department shall have the right to use the same without restriction and without compensation to the Contractor other than that specifically provided by this Contract.
- 5.2 The Contractor agrees that at all times during the term of this Contract and thereafter, the works created and services performed under this Contract shall be “works made for hire” as that term is interpreted under U.S. copyright law. To the extent that any products created under this Contract are not works for hire for the Department, the Contractor hereby relinquishes, transfers, and assigns to the State all of its rights, title, and interest (including all intellectual property rights) to all such products created under this Contract, and will cooperate reasonably with the State in effectuating and registering any necessary assignments.
- 5.3 The Contractor shall report to the Department, promptly and in written detail, each notice or claim of copyright infringement received by the Contractor with respect to all data delivered under this Contract.
- 5.4 The Contractor shall not affix any restrictive markings upon any data and if such markings are affixed, the Department shall have the right at any time to modify, remove, obliterate, or ignore such warnings.

## **6. Confidentiality**

Subject to the Maryland Public Information Act and any other applicable laws, all confidential or proprietary information and documentation relating to either party (including without limitation, any information or data stored within the Contractor’s computer systems) shall be held in absolute confidence by the other party. Each party shall, however, be permitted to disclose relevant confidential information to its officers, agents and employees to the extent that such disclosure is necessary for the performance of their duties under this Contract, provided the data may be collected, used, disclosed, stored and disseminated only as provided by and consistent with the law. The provisions of this section shall not apply to information that (a) is lawfully in the public domain; (b) has been independently developed by the other party without violation of this Contract; (c) was already in the possession of such party; (d) was supplied to such party by a third party lawfully in possession thereof and legally permitted to further disclose the information; or (e) which such party is required to disclose by law.

## **7. Non-Hiring of Employees**

No official or employee of the State of Maryland or any unit thereof, as those terms are defined under State Government Article, §15-102, Annotated Code of Maryland, whose duties as such official or employee include matters relating to or affecting the subject matter of this Contract, shall during the pendency and term of this Contract and while serving as an official or employee of the State shall become or be an employee of the Contractor or any entity that is a subcontractor on this Contract.

## **8. Disputes**

This Contract shall be subject to the provisions of Title 15, Subtitle 2, of the State Finance and Procurement Article of the Annotated Code of Maryland, as from time to time amended, and COMAR 21.10 (Administrative and Civil Remedies). Pending resolution of a claim, the Contractor shall proceed diligently with the performance of the Contract in accordance with the Procurement Officer’s decision.

Unless a lesser period is provided by applicable statute, regulation, or the Contract, the Contractor must file a written notice of claim with the Procurement Officer within 30 days after the basis for the claim is known or should have been known, whichever is earlier. Contemporaneously with or within 30 days of the filing of a notice of claim, but no later than the date of final payment under the Contract, the Contractor must submit to the Procurement Officer its written claim containing the information specified in COMAR 21.10.04.02.

## **9. Maryland Law**

9.1 This Contract shall be construed, interpreted, and enforced according to the laws of the State of Maryland.

9.2 The insurance coverage provided pursuant to this Contract shall be compliant with Maryland law.

## **10. Nondiscrimination in Employment**

The Contractor agrees: (a) not to discriminate in any manner against an employee or applicant for employment because of race, color, religion, creed, age, sex, marital status, national origin, ancestry, or disability of a qualified person with a disability; (b) to include a provision similar to that contained in subsection (a), above, in any underlying subcontract except a subcontract for standard commercial supplies or raw materials; and (c) to post and to cause subcontractors to post in conspicuous places available to employees and applicants for employment, notices setting forth the substance of this clause.

## **11. Contingent Fee Prohibition**

The Contractor warrants that it has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee or bona fide agent working for the Contractor to solicit or secure this Contract, and that it has not paid or agreed to pay any person, partnership, corporation or other entity, other than a bona fide employee or bone fide agent, any fee or other consideration contingent on the making of this Contract.

## **12. Nonavailability of Funding**

If the General Assembly fails to appropriate funds or if funds are not otherwise made available for continued performance for any fiscal period of this Contract succeeding the first fiscal period, this Contract shall be canceled automatically as of the beginning of the fiscal year for which funds were not appropriated or otherwise made available; provided, however, that this will not affect either the State's rights or the Contractor's rights under any termination clause in this Contract. The effect of termination of the Contract hereunder will be to discharge both the Contractor and the State of Maryland from future performance of the Contract, but not from their rights and obligations existing at the time of termination. The Contractor shall be reimbursed for the reasonable value of any nonrecurring costs incurred but not amortized in the price of the Contract. The State shall notify the Contractor as soon as it has knowledge that funds may not be available for the continuation of this Contract for each succeeding fiscal period beyond the first.

## **13. Termination for Cause**

If the Contractor fails to fulfill its obligations under this Contract properly and on time, or otherwise violates any provision of the Contract, the State may terminate the Contract by written notice to the Contractor. The notice shall specify the acts or omissions relied upon as cause for termination. All finished or unfinished work provided by the Contractor shall, at the State's option, become the State's property. The State of Maryland shall pay the Contractor fair and equitable compensation for satisfactory

performance prior to receipt of notice of termination, less the amount of damages caused by the Contractor's breach. If the damages are more than the compensation payable to the Contractor, the Contractor will remain liable after termination and the State can affirmatively collect damages. Termination hereunder, including the termination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.11B.

#### **14. Termination for Convenience**

The performance of work under this Contract may be terminated by the State in accordance with this clause in whole, or from time to time in part, whenever the State shall determine that such termination is in the best interest of the State. The State will pay all reasonable costs associated with this Contract that the Contractor has incurred up to the date of termination, and all reasonable costs associated with termination of the Contract. However, the Contractor shall not be reimbursed for any anticipatory profits that have not been earned up to the date of termination. Termination hereunder, including the determination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.12 (A)(2).

#### **15. Delays and Extensions of Time**

The Contractor agrees to perform this Contract continuously and diligently. No charges or claims for damages shall be made by the Contractor for any delays or hindrances from any cause whatsoever during the progress of any portion of the work specified in this Contract. Time extensions will be granted only for excusable delays that arise from unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including but not restricted to acts of God, acts of the public enemy, acts of the State in either its sovereign or contractual capacity, acts of another Contractor in the performance of a contract with the State, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, or delays of subcontractors or suppliers arising from unforeseeable causes beyond the control and without the fault or negligence of either the Contractor or the subcontractors or suppliers.

#### **16. Suspension of Work**

The Procurement Officer unilaterally may order the Contractor in writing to suspend, delay, or interrupt all or any part of its performance for such period of time as the Procurement Officer may determine to be appropriate for the convenience of the State.

#### **17. Pre-Existing Regulations**

In accordance with the provisions of Section 11-206 of the State Finance and Procurement Article, Annotated Code of Maryland, the regulations set forth in Title 21 of the Code of Maryland Regulations (COMAR 21) in effect on the date of execution of this Contract are applicable to this Contract.

#### **18. Financial Disclosure**

The Contractor shall comply with the provisions of Section 13-221 of the State Finance and Procurement Article of the Annotated Code of Maryland, as from time to time amended, which requires that every business that enters into contracts, leases, or other agreements with the State of Maryland or its agencies during a calendar year under which the business is to receive in the aggregate \$100,000 or more, shall, within 30 days of the time when the aggregate value of these contracts, leases or other agreements reaches \$100,000, file with the Secretary of the State of Maryland certain specified information to include disclosure of beneficial ownership of the business.

#### **19. Political Contribution Disclosure**



The Contractor shall comply with the provisions of Article 33, Sections 14-101 through 14-108 of the Annotated Code of Maryland, which require that every person that enters into contracts, leases, or other agreements with the State of Maryland, a county or an incorporated municipality or their agencies, during a calendar year under which the person receives in the aggregate \$100,000 or more, shall file with the State Board of Elections a statement disclosing contributions in excess of \$500 made during the reporting period to a candidate for elective office in any primary or general election. The statement shall be filed with the State Board of Elections: (1) before a purchase or execution of a lease or contract by the State, a county, an incorporated municipality, or their agencies, and shall cover the preceding two calendar years; and (2) if the contribution is made after the execution of a lease or contract, then twice a year, throughout the contract term, on: (a) February 5, to cover the 6-month period ending January 31; and (b) August 5, to cover the 6-month period ending July 31.

**20. Retention of Records.**

The Contractor shall retain and maintain all records and documents in any way relating to this Contract for three years after final payment by the State of Maryland under this Contract or any applicable statute of limitations, whichever is longer, and shall make them available for inspection and audit by authorized representatives of the State, including the Procurement Officer or the Procurement Officer's designee, at all reasonable times. All records related in any way to the Contract are to be retained for the entire time provided under this section. This provision shall survive expiration of this Contract.

**21. Compliance with Laws.**

The Contractor hereby represents and warrants that:

- A. It is qualified to do business in the State of Maryland and that it will take such action as, from time to time hereafter, may be necessary to remain so qualified;
- B. It is not in arrears with respect to the payment of any monies due and owing the State of Maryland, or any department or unit thereof, including but not limited to the payment of taxes and employee benefits, and that it shall not become so in arrears during the term of this Contract;
- C. It shall comply with all federal, State and local laws, regulations, and ordinances applicable to its activities and obligations under this Contract; and,
- D. It shall obtain, at its expense, all licenses, permits, insurance, and governmental approvals, if any, necessary to the performance of its obligations under this Contract.

**22. Cost and Price Certification**

By submitting cost or price information, the Contractor certifies to the best of its knowledge that the information submitted is accurate, complete, and current as of the date of its bid or offer.

The price under this Contract and any change order or modification hereunder, including profit or fee, shall be adjusted to exclude any significant price increases occurring because the Contractor furnished cost or price information which, as of the date of its bid or offer, was inaccurate, incomplete, or not current.

**23. Living Wage**

- 23.1 A State contract for services valued at \$100,000 or more may be subject to Title 18, State Finance and Procurement (SFP) Article, Annotated Code of Maryland. This contract has been deemed to be a Tier 1 contract.
- 23.2 Contractors and Subcontractors subject to the Living Wage Law shall pay each covered employee at least \$11.30 per hour, if State contract services valued at 50% or more of the total value of the contract are performed in the Tier 1 Area. If State contract services valued at 50% or more of the total contract value are performed in the Tier 2 Area, an Offeror shall pay each covered employee at least \$8.50 per hour.
- 23.3 The Contractor shall comply with Title 18, State Finance and Procurement Article, Annotated Code of Maryland, including the submission of payroll reports to the Commissioner of Labor and Industry and the posting in a prominent and easily accessible place at the work site(s) of covered employees a notice of the Living Wage Rates, employee rights under the law, and the name, address, and telephone number of the Commissioner.
- 23.4 The Contractor shall make any subcontractor on this Contract aware of the Living Wage law requirements.

## **24 Commercial Non-Discrimination**

- 24.1 As a condition of entering into this Contract, Contractor represents and warrants that it will comply with the State's Commercial Nondiscrimination Policy, as described under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland. As part of such compliance, Contractor may not discriminate on the basis of race, color, religion, ancestry or national origin, sex, age, marital status, sexual orientation, or on the basis of disability or other unlawful forms of discrimination in the solicitation, selection, hiring, or commercial treatment of subcontractors, vendors, suppliers, or commercial customers, nor shall Contractor retaliate against any person for reporting instances of such discrimination. Contractor shall provide equal opportunity for subcontractors, vendors, and suppliers to participate in all of its public sector and private sector subcontracting and supply opportunities, provided that this clause does not prohibit or limit lawful efforts to remedy the effects of marketplace discrimination that have occurred or are occurring in the marketplace. Contractor understands that a material violation of this clause shall be considered a material breach of this Contract and may result in termination of this Contract, disqualification of Contractor from participating in State contracts, or other sanctions. This clause is not enforceable by or for the benefit of, and creates no obligation to, any third party.
- 24.2 The Contractor shall include the above Commercial Nondiscrimination clause, or similar clause approved by DBM, in all subcontracts.
- 24.3 As a condition of entering into this Contract, upon the Maryland Human Relations Commission's request, and only after the filing of a complaint against Contractor under Title 19 of the State Finance and Procurement Article, as amended from time to time, Contractor agrees to provide within 60 days after the request a complete list of the names of all subcontractors, vendors, and suppliers that Contractor has used in the past 4 years on any of its contracts that were undertaken within the state of Maryland, including the total dollar amount paid by Contractor on each subcontract or supply contract. Contractor further agrees to cooperate in any investigation conducted by the State pursuant to the State's Commercial Nondiscrimination Policy as set forth under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland, and to provide any documents relevant to any investigation that are requested by the State. Contractor understands that violation of this clause is a material breach of this Contract and may

result in contract termination, disqualification by the State from participating in State contracts, and other sanctions.

**25. Subcontracting; Assignment**

The Contractor may not subcontract any portion of the services provided under this Contract without obtaining the prior written approval of the State of Maryland, nor may the Contractor assign this Contract or any of its rights or obligations hereunder, without the prior written approval of the State. Any such subcontract or assignment shall include the terms of sections 5 through 7, and 9 through 24 of this Contract and any other terms and conditions that the State deems necessary to protect its interests. The State shall not be responsible for the fulfillment of the Contractor's obligations to the subcontractors.

**26. Indemnification**

26.1 The Contractor shall indemnify the State against liability for any costs, expenses, loss, suits, actions, or claims of any character arising from or relating to the performance of the Contractor or its subcontractors under this Contract.

26.2 The State of Maryland has no obligation to provide legal counsel or defense to the Contractor or its subcontractors in the event that a suit, claim or action of any character is brought by any person not party to this Contract against the Contractor or its subcontractors as a result of or relating to the Contractor's obligations under this Contract.

26.3 The State has no obligation for the payment of any judgments or the settlement of any claims against the Contractor or its subcontractors as a result of or relating to the Contractor's obligations under this Contract.

26.4 The Contractor shall immediately notify the Procurement Officer of any claim or suit made or filed against the Contractor or its subcontractors regarding any matter resulting from or relating to the Contractor's obligations under the Contract, and will cooperate, assist, and consult with the State in the defense or investigation of any claim, suit, or action made or filed against the State as a result of or relating to the Contractor's performance under this Contract.

**27. Administrative**

27.1 **Procurement Officer.** The day-to-day work to be accomplished under this Contract shall be performed under the direction of the Contract Manager and, as appropriate, the Procurement Officer. All matters relating to the interpretation of this Contract shall be referred to the Procurement Officer for determination.

27.2 **Notices.** All notices hereunder shall be in writing and either delivered personally or sent by certified or registered mail, postage prepaid as follows:

**If to the State:**

Anne Timmons  
Director, Employee Benefits Division  
State of Maryland  
Director of Employee Benefits  
301 W. Preston Street, Room 510  
Baltimore, MD 21201

With a copy to:

\_\_\_\_\_  
Procurement Officer  
Department of Budget and Management  
Room 143  
45 Calvert Street  
Annapolis, Maryland \_\_\_\_\_

**If to the Contractor:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**IN WITNESS THEREOF**, the parties have executed this Contract as of the date hereinabove set forth.

CONTRACTOR

STATE OF MARYLAND  
BY: DEPARTMENT OF BUDGET AND  
MANAGEMENT

\_\_\_\_\_  
By:

\_\_\_\_\_  
By: T. Eloise Foster, Secretary

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Witness

Approved for form and legal  
sufficiency this \_\_\_\_ day \_\_\_\_\_, 2008.

\_\_\_\_\_  
Assistant Attorney General

APPROVED BY BPW: \_\_\_\_\_  
(Date)

\_\_\_\_\_  
(BPW Item #)

**ATTACHMENT B – BID/PROPOSAL AFFIDAVIT**

(Authorized Representative and Affiant)

**A. AUTHORIZED REPRESENTATIVE**

I HEREBY AFFIRM THAT:

I am the (title) \_\_\_\_\_ and the duly authorized representative of (business) \_\_\_\_\_ and that I possess the legal authority to make this Affidavit on behalf of myself and the business for which I am acting.

**B. CERTIFICATION REGARDING COMMERCIAL NONDISCRIMINATION**

The undersigned bidder hereby certifies and agrees that the following information is correct: In preparing its bid on this project, the bidder has considered all proposals submitted from qualified, potential subcontractors and suppliers, and has not engaged in “discrimination” as defined in §19-103 of the State Finance and Procurement Article of the Annotated Code of Maryland. “Discrimination” means any disadvantage, difference, distinction, or preference in the solicitation, selection, hiring, or commercial treatment of a vendor, subcontractor, or commercial customer on the basis of race, color, religion, ancestry, or national origin, sex, age, marital status, sexual orientation, or on the basis of disability or any otherwise unlawful use of characteristics regarding the vendors, supplier’s or commercial customer’s employees or owners. “Discrimination” also includes retaliating against any person or other entity for reporting any incident of “discrimination”. Without limiting any other provision of the solicitation on this project, it is understood that, if the certification is false, such false certification constitutes grounds for the State to reject the bid submitted by the bidder on this project, and terminate any contract awarded based on the bid. As part of its bid or proposal, the bidder herewith submits a list of all instances within the past 4 years where there has been a final adjudicated determination in a legal or administrative proceeding in the state of Maryland that the bidder discriminated against subcontractors, vendors, suppliers, or commercial customers, and a description of the status or resolution of that determination, including any remedial action taken. Bidder agrees to comply in all respects with the State’s Commercial Nondiscrimination Policy as described under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland.

**C. AFFIRMATION REGARDING BRIBERY CONVICTIONS**

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business (as is defined in Section 16-101(b) of the State Finance and Procurement Article of the Annotated Code of Maryland), or any of its officers, directors, partners, controlling stockholders, or any of its employees directly involved in the business’s contracting activities, including obtaining or performing Contracts with public bodies, has been convicted of, or has had probation before judgment imposed pursuant to Criminal Procedure Article, §6-220, Annotated Code of Maryland, or has pleaded nolo contendere to a charge of, bribery, attempted bribery, or conspiracy to bribe in violation of Maryland law, or of the law of any other state or federal law, except as follows (indicate the reasons why the affirmation cannot be given and list any conviction, plea, or imposition of probation before judgment with the date, court, official or administrative body, the sentence or disposition, the name(s) of person(s) involved, and their current positions and responsibilities with the business):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_.

D. AFFIRMATION REGARDING OTHER CONVICTIONS

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, or any of its officers, directors, partners, controlling stockholders, or any of its employees directly involved in the business's contracting activities including obtaining or performing contracts with public bodies, has:

- (1) Been convicted under state or federal statute of:
  - (a) a criminal offense incident to obtaining, attempting to obtain, or performing a public or private contract; or
  - (b) fraud, embezzlement, theft, forgery, falsification or destruction of records, or receiving stolen property;
- (2) Been convicted of any criminal violation of a state or federal antitrust statute;
- (3) Been convicted under the provisions of Title 18 of the United States Code for violation of the Racketeer Influenced and Corrupt Organization Act, 18 U.S.C. §1961, et seq., or the Mail Fraud Act, 18 U.S.C. §1341, et seq., for acts in connection with the submission of bids or proposals for a public or private contract;
- (4) Been convicted of a violation of the State Minority Business Enterprise Law, Section 14-308 of the State Finance and Procurement Article of the Annotated Code of Maryland;
- (5) Been convicted of a violation of the Section 11-205.1 of the State Finance and Procurement Article of the Annotated Code of Maryland;
- (6) Been convicted of conspiracy to commit any act or omission that would constitute grounds for conviction or liability under any law or statute described in subsection (1) through (5) above;
- (7) Been found civilly liable under a state or federal antitrust statute for acts or omissions in connection with the submission of bids or proposals for a public or private contract;
- (8) Been found in a final adjudicated decision to have violated the Commercial Nondiscrimination Policy under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland with regard to a public or private contract; or
- (9) Admitted in writing or under oath, during the course of an official investigation or other proceedings, acts or omissions that would constitute grounds for conviction or liability under any law or statute described in Section B and subsections (1) through (7) above, except as follows (indicate reasons why the affirmations cannot be given, and list any conviction, plea, or imposition of probation before judgment with the date, court, official or administrative body, the sentence or disposition, the name(s) of the person(s) involved and their current positions and responsibilities with the business, and the status of any debarment):

---



---



---

E. AFFIRMATION REGARDING DEBARMENT

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, or any of its officers, directors, partners, controlling stockholders, or any of its employees directly involved in the business's contracting activities, including obtaining or performing contracts with public bodies, has ever been suspended or debarred (including being issued a limited denial of participation) by any public entity, except as follows (list each debarment or suspension providing the dates of the suspension or debarment, the name of the public entity and the status of the proceedings, the name(s) of the person(s) involved and

their current positions and responsibilities with the business, the grounds of the debarment or suspension, and the details of each person's involvement in any activity that formed the grounds of the debarment or suspension):

---

---

---

#### F. AFFIRMATION REGARDING DEBARMENT OF RELATED ENTITIES

I FURTHER AFFIRM THAT:

- (1) The business was not established and it does not operate in a manner designed to evade the application of or defeat the purpose of debarment pursuant to Sections 16-101, et seq., of the State Finance and Procurement Article of the Annotated Code of Maryland; and
- (2) The business is not a successor, assignee, subsidiary, or affiliate of a suspended or debarred business, except as follows (you must indicate the reasons why the affirmations cannot be given without qualification):

---

---

---

#### G. SUB-CONTRACT AFFIRMATION

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, has knowingly entered into a contract with a public body under which a person debarred or suspended under Title 16 of the State Finance and Procurement Article of the Annotated Code of Maryland will provide, directly or indirectly, supplies, services, architectural services, construction related services, leases of real property, or construction.

#### H. AFFIRMATION REGARDING COLLUSION

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business has:

- (1) Agreed, conspired, connived, or colluded to produce a deceptive show of competition in the compilation of the accompanying bid or offer that is being submitted;
- (2) In any manner, directly or indirectly, entered into any agreement of any kind to fix the bid price or price proposal of the bidder or Offeror or of any competitor, or otherwise taken any action in restraint of free competitive bidding in connection with the contract for which the accompanying bid or offer is submitted.

#### I. FINANCIAL DISCLOSURE AFFIRMATION

I FURTHER AFFIRM THAT:

I am aware of, and the above business will comply with, the provisions of Section 13-221 of the State Finance and Procurement Article of the Annotated Code of Maryland, which require that every business that enters into contracts, leases, or other agreements with the State of Maryland or its agencies during a calendar year under which the business is to receive in the aggregate \$100,000 or more shall, within 30 days of the time when the aggregate value of the contracts, leases, or other agreements reaches \$100,000,

file with the Secretary of State of Maryland certain specified information to include disclosure of beneficial ownership of the business.

#### J. POLITICAL CONTRIBUTION DISCLOSURE AFFIRMATION

I FURTHER AFFIRM THAT:

I am aware of, and the above business will comply with, Election Law Article, §§14-101—14-108, Annotated Code of Maryland, which requires that every person that enters into contracts, leases, or other agreements with the State of Maryland, including its agencies or a political subdivision of the State, during a calendar year in which the person receives in the aggregate \$100,000 or more shall file with the State Board of Elections a statement disclosing contributions in excess of \$500 made during the reporting period to a candidate for elective office in any primary or general election.

#### K. DRUG AND ALCOHOL FREE WORKPLACE

(Applicable to all contracts unless the contract is for a law enforcement agency and the agency head or the agency head's designee has determined that application of COMAR 21.11.08 and this certification would be inappropriate in connection with the law enforcement agency's undercover operations.)

I CERTIFY THAT:

- (1) Terms defined in COMAR 21.11.08 shall have the same meanings when used in this certification.
- (2) By submission of its bid or offer, the business, if other than an individual, certifies and agrees that, with respect to its employees to be employed under a contract resulting from this solicitation, the business shall:
  - (a) Maintain a workplace free of drug and alcohol abuse during the term of the contract;
  - (b) Publish a statement notifying its employees that the unlawful manufacture, distribution, dispensing, possession, or use of drugs, and the abuse of drugs or alcohol is prohibited in the business' workplace and specifying the actions that will be taken against employees for violation of these prohibitions;
  - (c) Prohibit its employees from working under the influence of drugs or alcohol;
  - (d) Not hire or assign to work on the contract anyone whom the business knows, or in the exercise of due diligence should know, currently abuses drugs or alcohol and is not actively engaged in a bona fide drug or alcohol abuse assistance or rehabilitation program;
  - (e) Promptly inform the appropriate law enforcement agency of every drug-related crime that occurs in its workplace if the business has observed the violation or otherwise has reliable information that a violation has occurred;
  - (f) Establish drug and alcohol abuse awareness programs to inform its employees about:
    - (i) The dangers of drug and alcohol abuse in the workplace;
    - (ii) The business' policy of maintaining a drug and alcohol free workplace;
    - (iii) Any available drug and alcohol counseling, rehabilitation, and employee assistance programs; and
    - (iv) The penalties that may be imposed upon employees who abuse drugs and alcohol in the workplace;
  - (g) Provide all employees engaged in the performance of the contract with a copy of the statement required by §J (2) (b), above;
  - (h) Notify its employees in the statement required by §J (2) (b), above, that as a condition of continued employment on the contract, the employee shall:
    - (i) Abide by the terms of the statement; and
    - (ii) Notify the employer of any criminal drug or alcohol abuse conviction for an offense occurring in the workplace not later than 5 days after a conviction;
      - (i) Notify the procurement officer within 10 days after receiving notice under §J(2)(h)(ii), above, or otherwise receiving actual notice of a conviction;



- (j) Within 30 days after receiving notice under §J (2) (h) (ii), above, or otherwise receiving actual notice of a conviction, impose either of the following sanctions or remedial measures on any employee who is convicted of a drug or alcohol abuse offense occurring in the workplace:
  - (i) Take appropriate personnel action against an employee, up to and including termination; or
  - (ii) Require an employee to satisfactorily participate in a bona fide drug or alcohol abuse assistance or rehabilitation program; and
- (k) Make a good faith effort to maintain a drug and alcohol free workplace through implementation of §J (2) (a)—(j), above.
- (3) If the business is an individual, the individual shall certify and agree as set forth in §J (4), below, that the individual shall not engage in the unlawful manufacture, distribution, dispensing, possession, or use of drugs or the abuse of drugs or alcohol in the performance of the contract.
- (4) I acknowledge and agree that:
  - (a) The award of the contract is conditional upon compliance with COMAR 21.11.08 and this certification;
  - (b) The violation of the provisions of COMAR 21.11.08 or this certification shall be cause to suspend payments under, or terminate the contract for default under COMAR 21.07.01.11 or 21.07.03.15, as applicable; and
  - (c) The violation of the provisions of COMAR 21.11.08 or this certification in connection with the contract may, in the exercise of the discretion of the Board of Public Works, result in suspension and debarment of the business under COMAR 21.08.03.

**L. CERTIFICATION OF CORPORATION REGISTRATION AND TAX PAYMENT**

**I FURTHER AFFIRM THAT:**

(1) The business named above is a (domestic \_\_\_) (foreign \_\_) corporation registered in accordance with the Corporations and Associations Article, Annotated Code of Maryland, and that it is in good standing and has filed all of its annual reports, together with filing fees, with the Maryland State Department of Assessments and Taxation, and that the name and address of its resident agent filed with the State Department of Assessments and Taxation is (IF NOT APPLICABLE, SO STATE):

Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

(2) Except as validly contested, the business has paid, or has arranged for payment of, all taxes due the State of Maryland and has filed all required returns and reports with the Comptroller of the Treasury, the State Department of Assessments and Taxation, and the Department of Labor, Licensing, and Regulation, as applicable, and will have paid all withholding taxes due the State of Maryland prior to final settlement.

**M. CONTINGENT FEES**

**I FURTHER AFFIRM THAT:**

The business has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee, bona fide agent, bona fide salesperson, or commercial selling agency working for the business, to solicit or secure the Contract, and that the business has not paid or agreed to pay any person, partnership, corporation, or other entity, other than a bona fide employee, bona fide agent, bona fide salesperson, or commercial selling agency, any fee or any other consideration contingent on the making of the Contract.

N. Repealed.

O. ACKNOWLEDGEMENT

I ACKNOWLEDGE THAT this Affidavit is to be furnished to the Procurement Officer and may be distributed to units of: (1) the State of Maryland; (2) counties or other subdivisions of the State of Maryland; (3) other states; and (4) the federal government. I further acknowledge that this Affidavit is subject to applicable laws of the United States and the State of Maryland, both criminal and civil, and that nothing in this Affidavit or any contract resulting from the submission of this bid or proposal shall be construed to supersede, amend, modify or waive, on behalf of the State of Maryland, or any unit of the State of Maryland having jurisdiction, the exercise of any statutory right or remedy conferred by the Constitution and the laws of Maryland with respect to any misrepresentation made or any violation of the obligations, terms and covenants undertaken by the above business with respect to (1) this Affidavit, (2) the contract, and (3) other Affidavits comprising part of the contract.

I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

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

By: \_\_\_\_\_  
(Authorized Representative and Affiant)

**ATTACHMENT C – CONTRACT AFFIDAVIT**

**A. AUTHORIZED REPRESENTATIVE**

I HEREBY AFFIRM THAT:

I am the \_\_\_\_\_(title) and the duly authorized representative of \_\_\_\_\_(business) and that I possess the legal authority to make this Affidavit on behalf of myself and the business for which I am acting.

**B. CERTIFICATION OF CORPORATION REGISTRATION AND TAX PAYMENT**

I FURTHER AFFIRM THAT:

(1) The business named above is a (domestic\_\_\_\_) (foreign\_\_\_\_) corporation registered in accordance with the Corporations and Associations Article, Annotated Code of Maryland, and that it is in good standing and has filed all of its annual reports, together with filing fees, with the Maryland State Department of Assessments and Taxation, and that the name and address of its resident agent filed with the State Department of Assessments and Taxation is: Name:\_\_\_\_\_ Address:\_\_\_\_\_.

(2) Except as validly contested, the business has paid, or has arranged for payment of, all taxes due the State of Maryland and has filed all required returns and reports with the Comptroller of the Treasury, the State Department of Assessments and Taxation, and the Department of Labor, Licensing, and Regulation, as applicable, and will have paid all withholding taxes due the State of Maryland prior to final settlement.

**C. CERTAIN AFFIRMATIONS VALID**

I FURTHER AFFIRM THAT:

To the best of my knowledge, information, and belief, each of the affirmations, certifications, or acknowledgements contained in that certain Bid/Proposal Affidavit dated \_\_\_\_\_, 20\_\_\_\_, and executed by me for the purpose of obtaining the Contract to which this Exhibit is attached remains true and correct in all respects as if made as of the date of this Contract Affidavit and as if fully set forth herein.

I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

Date:\_\_\_\_\_ By:\_\_\_\_\_ (Authorized Representative and Affiant)

**ATTACHMENT D – MINORITY BUSINESS ENTERPRISE PARTICIPATION**

**PURPOSE**

**COMAR 21.11.03** Provides maximum Contracting opportunities be extended to certified minority business enterprises, and establishes.

The Contractor shall structure its procedures for the performance of the work required in this Contract to attempt to achieve the Minority Business Enterprise (MBE) goal stated in the Request for Proposals (RFP). MBE performance shall be in accordance with this Exhibit, as authorized by Minority Business Enterprise Policies as set forth by 21.11.03 of the Code of Maryland Regulations (COMAR). Accordingly, the Contractor agrees to exercise all good faith efforts to carry out the requirements set forth in this Exhibit.

To meet the goal using MBE subcontractors, all Prime Contractors shall:

- Identify work areas for subcontracting
- Solicit minority business enterprises through written notice or personal contact
- Help minority businesses meet bonding requirements or grant them a waiver of bonding requirements
- Identify their MBE subcontractors at the time they submit their bids or proposals

**MBE GOAL AND SUB GOALS**

- An MBE subcontract participation goal of **1%** percent of the total Contract dollar amount for each Service Category has been established for this procurement. By submitting a response to this solicitation, the bidder or Offeror agrees that this dollar amount of the Contract will be performed by certified minority business enterprises

OR

- An overall MBE subcontract participation goal of \_\_\_ percent of the total Contract dollar amount has been established for this procurement. This dollar amount includes:
  - A sub-goal of \_\_\_ percent of the total Contract dollar amount to be allocated to certified minority business enterprises classified as women-owned businesses.
  - A sub-goal of \_\_\_ percent of the total Contract dollar amount to be allocated to certified minority business enterprises classified as African American-owned businesses.

By submitting a response to this solicitation, the bidder or Offeror agrees that these dollar amounts of the Contract will be performed by certified minority business enterprises as specified.

- ◆ A prime Contractor — including an MBE prime Contractor — shall accomplish an amount of work not less than the MBE subcontract goal with certified MBE subcontractors. (COMAR 21.11.03.09B(2))

- ◆ A prime Contractor comprising a joint venture that includes MBE partner(s) shall accomplish the MBE subcontract goal with certified MBE subcontractors.

#### **SOLICITATION AND CONTRACT FORMATION**

- ◆ A Bidder or Offeror shall include with its bid or offer:
  - (1) A completed Certified MBE Utilization and Fair Solicitation Affidavit (Attachment D-1) whereby the bidder or Offeror acknowledges the certified MBE participation goal or requests a waiver, commits to make a good faith effort to achieve the goal, and affirms that MBE subcontractors were treated fairly in the solicitation process.
  - (2) A completed MBE Participation Schedule (Attachment D-2) whereby the bidder or Offeror responds to the expected degree of Minority Business Enterprise participation as stated in the solicitation, by identifying the specific commitment of certified Minority Business Enterprises at the time of submission. The bidder or Offeror shall specify the percentage of Contract value associated with each MBE subcontractor identified on the MBE Participation Schedule.
    - a. **COMAR 21.11.03.09C(5) The failure of an Offeror to complete and submit the MBE utilization affidavit and the MBE participation schedule shall result in a determination that the bid is not responsive.**
    - b. **COMAR 21.11.03.09C(6) The failure of an Offeror to complete and submit the MBE utilization affidavit and the MBE participation schedule shall result in a determination that the proposal is not susceptible of being selected for award.**
- ◆ Within 10 working days from notification that it is the apparent awardee or from the date of the actual award, whichever is earlier, the apparent awardee shall provide the following documentation to the Procurement Officer.
  - (1) Outreach Efforts Compliance Statement (Attachment D-3)
  - (2) Subcontractor Project Participation Statement (Attachment D-4)
  - (3) If the apparent awardee has requested a waiver (in whole or in part) of the overall MBE goal or of any sub-goal as part of the previously submitted Attachment D-1, it shall submit documentation supporting the waiver request that complies with COMAR 21.11.03.11.
  - (4) Any other documentation required by the Procurement Officer to ascertain bidder or Offeror responsibility in connection with the certified MBE participation goal.

**NOTE: If the apparent awardee fails to return each completed document within the required time, the Procurement Officer may determine that the apparent awardee is not responsible and therefore not eligible for Contract award. If the Contract has already been awarded, the award is voidable.**

## MBE REPORTING INSTRUCTIONS

### **Prime Contractor shall:**

1. Submit by the 15<sup>th</sup> of each month to the Department a separate report (Attachment D-5) for each Subcontractor. The report shall list:
  - a) all payments made to the MBE subcontractor during the previous 30 days
  - b) any unpaid invoices over 30 days old received from any certified MBE subcontractor, the amount of each invoice and the reason payment has not been made.
2. Include in its written agreements with the MBE subcontractors as listed on the MBE Participation Schedule a requirement that those subcontractors submit monthly to the Department a report (Attachment D-6) that identifies the prime Contract. The D-6 report shall list:
  - a) all payments received from the Prime Contractor during the previous 30 days; *and*
  - b) any outstanding invoices to include number and date, and the invoice amount.
3. Maintain such records as are necessary to confirm compliance with its MBE participation obligations. These records shall indicate the identity of certified minority and non-minority subcontractors employed on the Contract, the type of work performed by each, and the actual dollar value of work performed. **Subcontract agreements documenting the work performed by all MBE participants shall be retained by the Contractor and furnished to the Procurement Officer on request.**
4. Consent to provide such documentation as reasonably requested and to provide right-of-entry at reasonable times for purposes of the State's representatives verifying compliance with the MBE participation obligations. **Contractor shall retain all records concerning MBE participation and make them available for State inspection for three years after final completion of the Contract.**
5. At the option of the Procurement Agency, upon completion of the Contract and before final payment and/or release of retainage, submit a final report in affidavit form and under penalty of perjury, of all payments made to, or withheld from MBE subcontractors.

### **Attachments**

- D-1 Certified MBE Utilization and Fair Solicitation Affidavit (shall be submitted with bid or offer)
- D-2 MBE Participation Schedule (shall be submitted with bid or offer)
- D-3 Outreach Efforts Compliance Statement (shall be submitted within 10 working days of notification of apparent award or actual award, whichever is earlier)
- D-4 Subcontractor Project Participation Statement (shall be submitted within 10 working days of notification of apparent award or actual award, whichever is earlier)

- D-5 Prime Contractor Paid/Unpaid MBE Invoice Report (shall be submitted monthly by the Prime Contractor)
- D-6 Subcontractor Paid/Unpaid MBE Invoice Report (shall be submitted monthly by the MBE subcontractor)

**ATTACHMENT D-1**  
Certified MBE Utilization and Fair Solicitation  
**Affidavit**

**This document shall be included with the submittal of the bid or offer. If the bidder or Offeror fails to submit this form with the bid or offer, the Procurement Officer shall deem the bid non-responsive or shall determine that the offer is not susceptible of being selected for award. (COMAR 21.11.03.09C(5) and 21.11.03.09C(6) )**

In conjunction with the bid or offer submitted in response to Solicitation No. F10B8200006, I affirm the following:

1. I acknowledge the overall certified Minority Business Enterprise (MBE) participation goal of \_\_\_\_\_% percent. I have made a good faith effort to achieve this goal.

OR

*After having made a good faith effort to achieve the MBE participation goal, I conclude I am unable to achieve it. Instead, I intend to achieve an MBE goal of \_\_\_\_\_% and request a waiver of the remainder of the goal. If I submit the apparent low bid or am selected as the apparent awardee (competitive sealed proposals), I will submit written waiver documentation that complies with COMAR 21.11.03.11 within 10 business days of receiving notification that our firm is the apparent low bidder or the apparent awardee.*

2. *I have identified the specific commitment of certified Minority Business Enterprises by completing and submitting an MBE Participation Schedule (Attachment D-2) with the bid or proposal.*
3. *I acknowledge that the MBE subcontractors/suppliers listed in the MBE Participation Schedule will be used to accomplish the percentage of MBE participation that I intend to achieve.*
4. I understand that if I am notified that I am the apparent awardee, I shall submit the following documentation within 10 working days of receiving notice of the potential award or from the date of conditional award (per COMAR 21.11.03.10), whichever is earlier.
  - (a) Outreach Efforts Compliance Statement (Attachment D-3)
  - (b) Subcontractor Project Participation Statement (Attachment D-4)
  - (c) MBE Waiver Documentation per COMAR 21.11.03.11 (if applicable)
  - (d) Any other documentation required by the Procurement Officer to ascertain bidder or Offeror responsibility in connection with the certified MBE participation goal.

If I am the apparent awardee, I acknowledge that if I fail to return each completed document within the required time, the Procurement Officer may determine that I am not responsible and therefore not eligible for Contract award. If the Contract has already been awarded, the award is voidable.

5. In the solicitation of subcontract quotations or offers, MBE subcontractors were provided not less than the same information and amount of time to respond as were non-MBE subcontractors.



I solemnly affirm under the penalties of perjury that the contents of this paper are true to the best of my knowledge, information, and belief.

\_\_\_\_\_  
Bidder/Offeror Name

\_\_\_\_\_  
Signature of Affiant

\_\_\_\_\_  
Address

\_\_\_\_\_  
Printed Name, Title

\_\_\_\_\_  
Date

**SUBMIT THIS AFFIDAVIT WITH BID/PROPOSAL**

**ATTACHMENT D-2**  
**MBE Participation Schedule**  
*(for submission with bid or proposal)*

**This document shall be included with the submittal of the bid or offer. If the bidder or Offeror fails to submit this form with the bid or offer, the procurement officer shall deem the bid non-responsive or shall determine that the offer is not susceptible of being selected for award.**

Prime Contractor (Firm Name, Address, Phone)	Project Description
Project Number	
<b>List Information For Each Certified MBE Subcontractor On This Project</b>	
Minority Firm Name	MBE Certification Number
<i>Work To Be Performed/NAICS</i>	
<i>Percentage of Total Contract</i>	
Minority Firm Name	MBE Certification Number
<i>Work To Be Performed/NAICS</i>	
<i>Percentage of Total Contract</i>	
Minority Firm Name	MBE Certification Number
<i>Work To Be Performed/NAICS</i>	
<i>Percentage of Total Contract</i>	

**USE ATTACHMENT D-2 CONTINUATION PAGE AS NEEDED**

**SUMMARY**

<b>TOTAL MBE PARTICIPATION:</b>	%
<b>TOTAL WOMAN-OWNED MBE PARTICIPATION:</b>	%
<b>TOTAL AFRICAN AMERICAN-OWNED MBE PARTICIPATION:</b>	%

Document Prepared By: (please print or type)

Name: \_\_\_\_\_ Title: \_\_\_\_\_

**ATTACHMENT D-2**  
 MBE Participation Schedule (continued)

List Information For Each Certified MBE Subcontractor On This Project	
Minority Firm Name	MBE Certification Number
Work To Be Performed/NAICS	
Percentage of Total Contract	
Minority Firm Name	MBE Certification Number
Work To Be Performed/NAICS	
Percentage of Total Contract	
Minority Firm Name	MBE Certification Number
Work To Be Performed/NAICS	
Percentage of Total Contract	
Minority Firm Name	MBE Certification Number
Work To Be Performed/NAICS	
Percentage of Total Contract	
Minority Firm Name	MBE Certification Number
Work To Be Performed/NAICS	
Percentage of Total Contract	
Minority Firm Name	MBE Certification Number
Work To Be Performed/NAICS	
Percentage of Total Contract	
Minority Firm Name	MBE Certification Number
Work To Be Performed/NAICS	
Percentage of Total Contract	

**ATTACHMENT D-3**  
Outreach Efforts Compliance  
Statement

In conjunction with the bid or offer submitted in response to Solicitation No. F10B820006, I state the following:

1. Bidder/Offeror took the following efforts to identify subcontracting opportunities in these specific work categories:
  
2. Attached to this form are copies of written solicitations (with bidding instructions) used to solicit certified MBEs for these Subcontract opportunities.
  
3. Bidder/Offeror made the following attempts to contact personally the solicited MBEs:
  
4.  Bidder/Offeror assisted MBEs to fulfill or to seek waiver of bonding requirements. (DESCRIBE EFFORTS)
  
- This project does not involve bonding requirements.
  
5.  Bidder/Offeror did/did not attend the pre-bid/proposal conference  
 No pre-bid/proposal conference was held.

\_\_\_\_\_  
Bidder/Offeror Name

By: \_\_\_\_\_  
Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**ATTACHMENT D-4**  
**Subcontractor Project Participation**  
**Statement**

**Submit one form for each MBE**  
**Listed on the MBE Participation Schedule**

Provided that \_\_\_\_\_ is awarded the State Contract in conjunction with  
(Prime Contractor Name)  
Solicitation No. F10B8200006, it and \_\_\_\_\_,  
(Subcontractor Name)

MDOT Certification No. \_\_\_\_\_, intend to enter into a Contract by which Subcontractor shall:

(describe work) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- No bonds are required of Subcontractor
- The following amount and type of bonds are required of Subcontractor:

By: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
Prime Contractor Signature

\_\_\_\_\_  
Subcontractor Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**ATTACHMENT D-5**

<p><b>This form is to be completed monthly by the prime contractor.</b></p>
---

**Maryland Department of Budget and Management  
Minority Business Enterprise Participation  
Prime Contractor Paid/Unpaid MBE Invoice Report**

Report #: _____  Reporting Period (Month/Year): _____  <b>Report is due by the 15<sup>th</sup> of the month following the month the services were provided.</b>	Contract #: Contracting Unit: Contract Amount: MBE Subcontract Amt: Project Begin Date: Project End Date: Services Provided:
---	--

Prime Contractor:		Contact Person:	
Address:			
City:		State:	ZIP:
Phone:	FAX:		
Subcontractor Name:		Contact Person:	
Phone:	FAX:		

Subcontractor Services Provided:																															
<b>List all payments made to MBE Subcontractor named above during this reporting period:</b>  <table> <thead> <tr> <th></th> <th align="center"><u>Invoice#</u></th> <th align="center"><u>Amount</u></th> </tr> </thead> <tbody> <tr><td>1.</td><td></td><td></td></tr> <tr><td>2.</td><td></td><td></td></tr> <tr><td>3.</td><td></td><td></td></tr> <tr> <td><b>Total Dollars Paid: \$</b></td> <td colspan="2">_____</td> </tr> </tbody> </table>		<u>Invoice#</u>	<u>Amount</u>	1.			2.			3.			<b>Total Dollars Paid: \$</b>	_____		<b>List dates and amounts of any outstanding invoices:</b>  <table> <thead> <tr> <th></th> <th align="center"><u>Invoice #</u></th> <th align="center"><u>Amount</u></th> </tr> </thead> <tbody> <tr><td>1.</td><td></td><td></td></tr> <tr><td>2.</td><td></td><td></td></tr> <tr><td>3.</td><td></td><td></td></tr> <tr> <td><b>Total Dollars Unpaid: \$</b></td> <td colspan="2">_____</td> </tr> </tbody> </table>		<u>Invoice #</u>	<u>Amount</u>	1.			2.			3.			<b>Total Dollars Unpaid: \$</b>	_____	
	<u>Invoice#</u>	<u>Amount</u>																													
1.																															
2.																															
3.																															
<b>Total Dollars Paid: \$</b>	_____																														
	<u>Invoice #</u>	<u>Amount</u>																													
1.																															
2.																															
3.																															
<b>Total Dollars Unpaid: \$</b>	_____																														

\*\*If more than one MBE Subcontractor is used for this Contract, you shall use separate D-5 forms.

**\*\*Return one copy (hard or electronic) of this form to the following address (electronic copy with signature and date is preferred):**

MBE Officer Department of Budget and Management Procurement Unit 45 Calvert Street, 1 <sup>st</sup> Floor Annapolis, MD 21401 <a href="mailto:MBEOfficer@dbm.state.md.us">MBEOfficer@dbm.state.md.us</a>
---

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

**ATTACHMENT D-6**  
**Minority Business Enterprise Participation**  
**Subcontractor Paid/Unpaid MBE Invoice Report**

Report#: _____	Contract #
Reporting Period (Month/Year): _____	Contracting Unit:
<b>Report is due by the 15<sup>th</sup> of the month following the month the services were performed.</b>	MBE Subcontract Amount:
	Project Begin Date:
	Project End Date:
	Services Provided:

MBE Subcontractor Name:		
MDOT Certification #:		
Contact Person:		
Address:		
City:	State: Maryland	ZIP:
Phone:	FAX:	
<b>Subcontractor Services Provided:</b>		
<b>List all payments received from Prime Contractor during reporting period indicated above.</b>		<b>List dates and amounts of any unpaid invoices over 30 days old.</b>
<u>Invoice Amt</u>	<u>Date</u>	<u>Invoice Amt</u>
1.		1.
2.		2.
3.		3.
<b>Total Dollars Paid: \$</b> _____		<b>Total Dollars Unpaid: \$</b> _____
Prime Contractor:		Contact Person

**\*\*Return one copy (hard or electronic) of this form to the following address (electronic copy with signature and date is preferred):**

MBE Officer Department of Budget and Management Procurement Unit 45 Calvert Street, 1 <sup>st</sup> Floor Annapolis, MD 21401 <a href="mailto:MBEOfficer@dbm.state.md.us">MBEOfficer@dbm.state.md.us</a>
---

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

## ATTACHMENT E – FINANCIAL PROPOSAL INSTRUCTIONS AND FORM

### A. Instructions

In order to assist Offerors in the preparation of their Financial Proposal and to comply with the requirements of this solicitation, Price Instructions and a Financial Proposal Form have been prepared. Offerors shall submit their Financial Proposal on the form in accordance with the instructions on the form and as specified herein. Do not alter the form. The Financial Proposal Form is to be signed and dated, where requested, by an individual who is authorized to bind the Offeror to all proposed prices.

The Financial Proposal Form is used to calculate the Offeror's TOTAL PRICE PROPOSED.

- A) All Unit/Extended Prices shall be clearly entered in dollars and cents, e.g., \$24.15
- B) All Unit Prices shall be the actual unit price the State shall pay for the proposed item per this RFP and may not be contingent on any other factor or condition.
- C) All calculations shall be rounded to the nearest cent, i.e. .344 shall be 34 and .345 shall be 35.
- D) Every blank in the Financial Proposal Form shall be filled in.
- E) Except as instructed on the Form, nothing shall be entered on the Financial Proposal Form that alters or proposes conditions or contingencies on the prices.
- F) It is imperative that the prices included on the Financial Proposal Form have been entered correctly and calculated accurately by the Offeror and that the respective total prices agree with the entries on the Financial Proposal Form. Any incorrect entries or inaccurate calculations by the Offeror will be treated as provided in COMAR 21.05.03E and 21.05.02.12.
- G) The figures on the price sheets represent current enrollment and volumes from which to derive an evaluated price and do not represent minimum or maximum State guarantees of enrollment.
- H) The State will begin collecting premiums for term life insurance from enrolled members in July, 2008. Beginning August, 2008, contractors will be paid based on the actual premiums collected from members enrolled in the Service Plans as of July 1, 2008. See Section 3.4.2 for details. No other payments shall be made to the contractor under the contract resulting from this RFP.



## Attachment E-1: Term Life Insurance Unit Price Detail

The offeror shall provide monthly term life insurance rates per applicable unit of coverage (\$10,000 for employees, \$5,000 for spouses) in each age bracket indicated. A flat monthly rate per \$5,000 of coverage shall be provided for child(ren) coverage. Rates quoted in the tables below shall apply to the entire 5-year base contract term. Enrollment and utilization information is provided in the price sheet to assist Offerors with rate calculations.

For purposes of financial ranking, the State will use the “**TOTAL PREMIUMS**” from Column O as the evaluated price in order to rank Offerors’ proposals in order of lowest to highest price to the State.

### Employees/Retirees

Age Brackets for Employees/Retirees	# of Insured Employees/Retirees (A)	Monthly Rate (per \$10,000) (B)	Volume per \$10,000 (C)	Total Monthly Amount (D) (BxC=D)
0-29	5,023		235,550	
30 to 34	4,489		278,360	
35 to 39	6,033		421,780	
40 to 44	7,120		495,810	
45 to 49	7,900		505,370	
50 to 54	8,012		466,150	
55 to 59	7,096		369,830	
60 to 64	4,660		209,960	
64 to 69	1,954		65,090	
70 to 74	807		19,700	
75 to 79	187		3,750	
80 and older	38		660	
<b>Totals</b>	<b>53,319</b>		<b>3,072,010</b>	

## Attachment E-1 (Continued)

### Spouses

Age Brackets for Spouses	# of Insured Spouses (E)	Monthly Rate (per \$5,000) (F)	Volume per \$5,000 (G)	Total Monthly Amount (H) (F x G = H)
0-29	913		24,360	
30 to 34	1,583		51,705	
35 to 39	2,517		80,495	
40 to 44	2,924		93,715	
45 to 49	3,102		85,900	
50 to 54	3,100		76,860	
55 to 59	2,676		60,755	
60 to 64	1,733		34,640	
64 to 69	872		14,565	
70 to 74	388		5,275	
75 to 79	127		1,615	
80 and older	54		700	
<b>Totals</b>	<b>19,989</b>		<b>530,585</b>	

### Dependent Children

# of Insured Dependent Children (I)	Dependent Monthly Rate (per \$5,000) (J)	Volume per \$5,000 (K)	Total Monthly Amount (L) (J x K = L)
15,097		272,945	

**Attachment E-1 (Continued)**

**Summary and Totals**

<b>Member Group</b>	<b>Monthly Total (M) Enter totals from D, H and K respectively</b>	<b>60 Months (N)</b>	<b>Total (O) (MxN=O)</b>
<b>Employees/Retirees (D)</b>		<b>60</b>	
<b>Spouses (H)</b>		<b>60</b>	
<b>Dependent Children (L)</b>		<b>60</b>	
<b>TOTAL PREMIUMS (Sum of Column L) (Evaluated Price)</b>			

\_\_\_\_\_  
 AUTHORIZED SIGNATURE DATE

\_\_\_\_\_  
 PRINTED NAME AND TITLE

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

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

\_\_\_\_\_  
 FEIN NUMBER

\_\_\_\_\_  
 TELEPHONE NUMBER

**Attachment E-2**  
**Personal Accident and Dismemberment**  
**Unit Price Detail**

The Offeror shall provide monthly unit costs for PA & D insurance for each of the three coverage levels indicated. The rates provided shall apply to all eligible employees, spouses and children. Rates quoted in the tables below shall apply to the entire term of the contract.

For purposes of financial ranking, the State will use the “TOTAL PREMIUMS” from Column W as the evaluated price in order to rank Offerors’ proposals in order of lowest to highest price to the State.

**PA&D—Employee Only**

Coverage Level	Employee Only # of Enrollees (P)	Employee Only Monthly Rate (Q)	Total (R) (PxQ=R)
\$100,000	11,557		
\$200,000	3,206		
\$300,000	4,826		
<b>Total (Sum of R)</b>			

**PA&D—Family & Employee**

Coverage Level	Family # of Enrollees (S)	Family & Employee Monthly Rate (T)	Total (U) (SxT=U)
\$100,000	7,612		
\$200,000	4,300		
\$300,000	7,643		
<b>Total (Sum of U)</b>			

## Attachment E-2 (Continued)

### PA&D—Summary and Totals

Coverage Level	Monthly Totals (V)	# of Months (W)	Total (X) (VxW=X)
Employee Only		60	
Family & Employee		60	
Total Premiums (Sum of X) (Evaluated Price)			

---

AUTHORIZED SIGNATURE

DATE

---

PRINTED NAME AND TITLE

---

COMPANY NAME

---

COMPANY ADDRESS

---

FEIN NUMBER

---

TELEPHONE NUMBER

**ATTACHMENT F – ELECTRONIC FUNDS TRANSFER (EFT) REGISTRATION  
REQUEST FORM**

State of Maryland  
Comptroller of Maryland

Date of request \_\_\_\_\_

**Business identification information (Address to be used in case of default to check):**

Business name \_\_\_\_\_

Address line 1 \_\_\_\_\_

Address line 2 \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip code 

--	--	--	--	--	--

--	--	--	--

**Taxpayer identification number:**

Federal Employer Identification Number: 

--	--

--	--	--	--	--	--	--	--

(or) Social Security Number: 

--	--	--

--	--

--	--	--	--

Business contact name, title, e-mail and phone number including area code. (And address if different from above):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Financial institution information:**

Name and address \_\_\_\_\_  
\_\_\_\_\_

Contact name, phone number (include area code), \_\_\_\_\_

ABA number 

--	--	--	--	--	--	--	--	--	--	--	--

Account number 

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Account type  Checking  Money Market  Savings

**Format Desired:** \_\_\_\_\_ CCD \_\_\_\_\_ CCD+ \_\_\_\_\_ CTX\* (Check one.)

\*Note – There may be a charge to you by your bank with this format.

**A VOIDED CHECK from the bank account shall be attached.**

(OVER)

**Transaction requested:**

- 1. \_\_\_ Initiate all disbursements via EFT to the above account.
- 2. \_\_\_ Discontinue disbursements via EFT, effective \_\_\_\_\_
- 3. \_\_\_ Change the bank account to above information – a copy of the approved Registration Form for the previous bank account shall be attached.

I am authorized by \* \_\_\_\_\_  
 (hereinafter Company) to make the representations contained in this paragraph. Company authorizes the Comptroller and the Treasurer of Maryland to register it for electronic funds transfer (EFT) using the information contained in this registration form. Company agrees to receive all funds from the State of Maryland by electronic funds transfer according to the terms of the EFT program. Company agrees to return to the State of Maryland any EFT payment incorrectly disbursed by the State of Maryland to the Company’s account. Company agrees to hold harmless the State of Maryland and its agencies and departments for any delays or errors caused by inaccurate or outdated registration information or by the financial institution listed above.

\*Name of registering business entity

\_\_\_\_\_  
 Signature of company treasurer, controller, or chief financial officer and date

Completed by GAD/STO

Date Received \_\_\_\_\_

GAD registration information verified \_\_\_\_\_ Date to STO \_\_\_\_\_

STO registration information verified \_\_\_\_\_ Date to GAD \_\_\_\_\_

R\*STARS Vendor No. and Mail Code Assigned:

\_\_\_\_\_

\_\_\_\_\_  
 State Treasurer’s Office approval date

\_\_\_\_\_  
 General Accounting Division approval date

---

**To Requestor:**

Please retain a copy of this form for your records. Please allow approximately 30 days from the date of your request for the Comptroller’s and Treasurer’s Offices to process your request. Failure to maintain current information with this office could result in errors in payment processing. If you have any questions, please call the EFT registration desk at 410-260-7375.

**Please submit form to:** EFT Registration, General Accounting Division  
 Room 205, P.O. Box 746  
 Annapolis, Maryland 21404-0746

Instructions: Electronic Funds Transfer instructions are located: <http://compnet.comp.state.md.us/gad>. Questions may be requested by email, [gad@comp.state.md.us](mailto:gad@comp.state.md.us). Or call 1-888-784-0144.  
 COT/GAD X-10

**ATTACHMENT G – PROCUREMENT OFFICER CHECKLIST**

<b>RFP</b>	<b>Requirement</b>	<b>Y/N</b>	<b>Remarks</b>
4.2	Was Vol I sealed separately from Vol II but submitted simultaneously?		
4.2	Were an unbound original and four copies of the Vol I- Technical Proposal submitted?		
4.2	Was an electronic version submitted in MS Word or Excel format for Vol I enclosed in the original copy of the Tech Proposal?		
4.2	Was the electronic media labeled with the RFP title/number, Offeror name and Vol I?		
4.2	Was the electronic media labeled with the RFP title/number, Offeror name and Vol II?		
4.3	Were separate volumes labeled Vol I—Technical Proposal and Vol II—Financial Proposal, in sealed packages bearing RFP title & number, name/address of Offeror, and closing date/time on outside of the packages? Were proposal pages numbered consecutively?		
4.4.1	(If the Offeror submitted a proposal for more than one service category) Did the Offeror submit one complete package entitled “Complete Proposal” and a separate proposal for the second service category?		
4.4.2	Was there a letter which transmitted the Technical Proposal and acknowledged the receipt of addenda. Was the letter signed by an individual authorized to commit the Offeror to the services and requirements of the RFP?		
4.4.3	Did the Offeror provide a completed Bid/Proposal Affidavit (Atch B), Certified MBE Utilization and Fair Solicitation Affidavit (Atch D-1). Were all the blocks filled in and were the Affidavits signed?		
4.4.3	Were proposals numbered to match numbering in RFP?		
4.4.3.1	Did the Technical Proposal begin with a title page bearing the name and address of the Offeror and the name and number of the RFP followed by a table of contents for the Technical Proposal? Was confidential information identified after title page of Technical Proposal?		
4.4.3.2	Is there a separate executive summary, which condenses and highlights the contents of the Technical Proposal?		
4.4.3.2	Does the executive summary identify any exceptions the Offeror has taken to the requirements of the RFP, the Contract (Atch A) or any other attachments? ( <b>Warning— Exceptions may result in proposal being rejected</b> )		
4.4.3.2	If there are no exceptions, does the executive summary so state?		



4.4.3.3	Did the Offeror address each applicable criterion in the Technical Response to RFP Requirements? Provide an implementation plan? Respond to the listed questions?		
4.4.3.4	Does Offeror Exp & Capabilities info include: (A) overview, (B) list of State of Maryland Contracts currently performing or completed within the last 5 years, (C) 3 references, (D) ownership structure?		
4.4.3.5	Did the Offeror provide: (A) staffing plan, ID locations to be used for State activities, (C) management plan?		
4.4.3.6	Did the Offeror identify subs and their roles?		
4.4.3.7	Did the Offeror address economic benefit factors?		
4.4.3.8	Did the Offeror submit financial statements (P&L/balance sheet), bank credit line/reference, Dunn & Bradstreet rating and illustrate financial track record/adequate working capital?		
4.4.3.9	Did the Offeror submit the Bid/Proposal Affidavit (Atch B) and the MBE Forms (D-1 and D-2)		
4.4.3.10	Did the Offeror submit litigation history for last 5 years and state if license had ever been revoked?		

**ATTACHMENT H – PRE-PROPOSAL CONFERENCE RESPONSE FORM**

**Project No. F10B8200006  
GROUP TERM LIFE AND PA&D INSURANCE**

A Pre-Proposal Conference will be held at 10:00 AM, on October 24, 2007, at 45 Calvert Street, Annapolis, MD 21401. Please return this form by October 19, 2006 advising whether or not you plan to attend.

Return or fax this form to the Procurement Officer:

Joseph Gatto  
Department of Budget and Management  
Procurement Unit  
45 Calvert Street, Room 141  
Annapolis, MD 21401  
Fax # (410) 974-3274

Please indicate:

\_\_\_\_\_ Yes, the following representatives will be in attendance:

- 1.
- 2.

\_\_\_\_\_ No, we will not be in attendance.

---

Signature

Title

## ATTACHMENT I – NON-DISCLOSURE AGREEMENT (OFFEROR)

This Non- Disclosure Agreement (the “Agreement”) is made this \_\_\_ day of \_\_\_\_\_ 200\_, by and between \_\_\_\_\_ (hereinafter referred to as "the OFFEROR ") and the State of Maryland (hereinafter referred to as " the State").

OFFEROR warrants and represents that it intends to submit a Technical Proposal in response to RFP #F10P8200006 for GROUP TERM LIFE and PA&D INSURANCE SERVICES. In order for the OFFEROR to submit a Proposal, it will be necessary for the State to provide the OFFEROR with access to certain confidential information including, but not limited, to demographic information on State employees and State retirees. All such information provided by the State shall be considered Confidential Information regardless of the form, format, or media upon which or in which such information is contained or provided, regardless of whether it is oral, written, electronic, or any other form, and regardless of whether the information is marked as “Confidential Information”. As a condition for its receipt and access to the Confidential Information described in Section 1.31 of the RFP, OFFEROR agrees as follows:

1. OFFEROR will not copy, disclose, publish, release, transfer, disseminate or use for any purpose in any form any Confidential Information received under Section 1.31, except in connection with the preparation of it's Proposal.
2. Each employee or agent of the OFFEROR who receives or has access to the Confidential Information shall execute a copy of this Agreement and the OFFEROR shall provide originals of such executed Agreements to the State. Each employee or agent of the OFFEROR who signs this Agreement shall be subject to the same terms, conditions, requirements and liabilities set forth herein that are applicable to the OFFEROR.
3. OFFEROR shall return the Confidential Information to the State within five business days of the State's Notice of recommended award. If the OFFEROR does not submit a Proposal, the OFFEROR shall return the Confidential Information to Joseph Gatto, Procurement Officer, Department of Budget & Management on or before the due date for Proposals. If the Confidential Information was provided by e-mailed file, the OFFEROR shall send an e-mail to the Procurement Officer certifying deletion of the e-mail and all copies of the file as well as the destruction of any paper copies or electronic media copies within the five business days referenced above.
4. OFFEROR acknowledges that the disclosure of the Confidential Information may cause irreparable harm to the State and agrees that the State may obtain an injunction to prevent the disclosure, copying, or other impermissible use of the Confidential Information. The State's rights and remedies hereunder are cumulative and the State expressly reserves any and all rights, remedies, claims and actions that it may have now or in the future to protect the Confidential Information and/or to seek damages for the OFFEROR'S failure to comply with the requirements of this Agreement. The OFFEROR consents to personal jurisdiction in the Maryland State Courts.
5. In the event the State suffers any losses, damages, liabilities, expenses, or costs (including, by way of example only, attorneys' fees and disbursements) that are attributable, in whole or in part to any failure by the OFFEROR or any employee or agent of the OFFEROR to comply with the requirements of this Agreement, OFFEROR and such employees and agents of OFFEROR shall hold harmless and indemnify the State from and against any such losses, damages, liabilities, expenses, and/or costs.
6. This Agreement shall be governed by the laws of the State of Maryland.
7. OFFEROR acknowledges that pursuant to Section 11-205.1 of the State Finance and Procurement Article of the Annotated Code of Maryland, a person may not willfully make a false or fraudulent statement or representation of a material fact in connection with a procurement contract. Persons making such statements are guilty of a felony and on conviction subject to a fine of not more than \$20,000 and/or imprisonment not exceeding 5 years or both. OFFEROR further acknowledges that this Agreement is a statement made in connection with a procurement contract.
8. The individual signing below warrants and represents that they are fully authorized to bind the OFFEROR to the terms and conditions specified in this Agreement. If signed below by an individual employee or agent of the OFFEROR under Section 2 of this Agreement, such individual acknowledges that a failure to comply with the requirements specified in this Agreement may result in personal liability.

OFFEROR: \_\_\_\_\_ BY: \_\_\_\_\_  
NAME: \_\_\_\_\_ TITLE: \_\_\_\_\_  
ADDRESS: \_\_\_\_\_

**OFFEROR'S EMPLOYEES AND AGENTS WHO WILL BE GIVEN ACCESS TO THE  
CONFIDENTIAL INFORMATION**

<b>Printed Name and Address of Individual/Agent</b>	<b>Employee (E) or Agent (A)</b>	<b>Signature</b>	<b>Date</b>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

---

**ATTACHMENT J – LIVING WAGE REQUIREMENTS FOR SERVICE CONTRACTS**

- A. This contract is subject to the Living Wage requirements under Title 18, State Finance and Procurement Article, Annotated Code of Maryland and the regulations proposed by the Commissioner of Labor and Industry. The Living Wage generally applies to a Contractor or Subcontractor who performs work on a State contract for services that is valued at \$100,000 or more. An employee is subject to the Living Wage if he/she is at least 18 years old or will turn 18 during the duration of the contract; works at least 13 consecutive weeks on the State Contract and spends at least one-half of the employee’s time during any work week on the State Contract.
  
- B. The Living Wage Law does not apply to:
  - (1) A Contractor who:
    - (A) has a State contract for services valued at less than \$100,000, or
    - (B) employs 10 or fewer employees and has a State contract for services valued at less than \$500,000.
  
  - (2) A Subcontractor who:
    - (A) performs work on a State contract for services valued at less than \$100,000,
    - (B) employs 10 or fewer employees and performs work on a State contract for services valued at less than \$500,000, or
    - (C) performs work for a Contractor not covered by the Living Wage Law as defined in B(1)(B) above, or B (3) or C below.
  
  - (3) Service contracts for the following:
    - (A) services with a Public Service Company;
    - (B) services with a nonprofit organization;
    - (C) services with an officer or other entity that is in the Executive Branch of the State government and is authorized by law to enter into a procurement (“Unit”); or
    - (D) services between a Unit and a County or Baltimore City.
  
- C. If the Unit responsible for the State contract for services determines that application of the Living Wage would conflict with any applicable Federal program, the Living Wage does not apply to the contract or program.
  
- D. A Contractor must not split or subdivide a State contract for services, pay an employee through a third party, or treat an employee as an independent Contractor or assign work to employees to avoid the imposition of any of the requirements of Title 18, State Finance and Procurement, Annotated Code of Maryland.

- E. Each Contractor/Subcontractor, subject to the Living Wage Law, shall post in a prominent and easily accessible place at the work site(s) of covered employees a notice of the Living Wage Rates, employee rights under the law, and the name, address, and telephone number of the Commissioner.
- F. The Commissioner of Labor and Industry shall adjust the wage rates by the annual average increase or decrease, if any, in the Consumer Price Index for all urban consumers for the Washington/Baltimore metropolitan area, or any successor index, for the previous calendar year, not later than 90 days after the start of each fiscal year. The Commissioner shall publish any adjustments to the wage rates on the Division of Labor and Industry's Website. An employer subject to the Living Wage Law must comply with the rate requirements during the initial term of the contract and all subsequent renewal periods, including any increases in the wage rate, required by the Commissioner, automatically upon the effective date of the revised wage rate.
- G. A Contractor/Subcontractor who reduces the wages paid to an employee based on the employer's share of the health insurance premium, as provided in §18-103(c), State Finance and Procurement Article, Annotated Code of Maryland, shall not lower an employee's wage rate below the minimum wage as set in §3-413, Labor and Employment Article, Annotated Code of Maryland. A Contractor/Subcontractor who reduces the wages paid to an employee based on the employer's share of health insurance premium shall comply with any record reporting requirements established by the Commissioner of Labor and Industry.
- H. A Contractor/Subcontractor may reduce the wage rates paid under §18-103(a), State Finance and Procurement, Annotated Code of Maryland, by no more than 50 cents of the hourly cost of the employer's contribution to an employee's deferred compensation plan. A Contractor/Subcontractor who reduces the wages paid to an employee based on the employer's contribution to an employee's deferred compensation plan shall not lower the employee's wage rate below the minimum wage as set in §3-413, Labor and Employment Article, Annotated Code of Maryland.
- I. Under Title 18, State and Finance Procurement Article, Annotated Code of Maryland, if the Commissioner determines that the Contractor/Subcontractor violated a provision of this title or regulations of the Commissioner, the Contractor/Subcontractor shall pay restitution to each affected employee, and the State may assess liquidated damages of \$20 per day for each employee paid less than the Living Wage.
- J. Information pertaining to reporting obligations may be found by going to the DLLR Website <http://www.dllr.state.md.us/> and clicking on Living Wage.



**ATTACHMENT L – PERFORMANCE GUARANTEES AND LIQUIDATED DAMAGES**

L-1: GROUP TERM LIFE INSURANCE QUARTELY REPORT

Name of Plan: \_\_\_\_\_

For Semi-Annual Period and Year: \_\_\_\_\_

DBM Use Only Date Received: _____
--------------------------------------

Performance Standard	Standard/Goal	Reporting Measurements	Liquidated Damages
1. Telephone call on-hold time (in phone queue)	Average of 2 minutes or less on hold before reaching a customer service representative	Report Card*	\$500 per reporting period in which the standard is not met.
2. Telephone Call Abandonment Rate	Abandonment Rate of 5% or less	Report Card*	\$500 per percentage point over 5% per reporting period.
3. Vendor Attendance at State Plan Management meetings	Attendance by plan representative(s) at 100% of meetings scheduled by the State	Sign-In sheets at the meetings	\$500 per scheduled meeting not attended.
4. Vendor attendance at State-sponsored annual Open Enrollment and orientation meetings	Attendance by plan representative(s) at 100% of meetings scheduled by the State	Sign-in sheets at Open Enrollment meetings and coordinator surveys	\$500 per scheduled meeting not attended.
5. Claims processing time	Upon receipt of all required documentation, 95% claims processed accurately within five business days; 98% within 10 business days.	Report Card*	\$500 per period in which standard is not met.
6. Complaint Resolution Time	Plan will: a) acknowledge receipt of the written complaint to the State and member within 10 calendar days of receipt of the complaint letter and; b) provide a written complaint response to the State and member within 60 calendar days of receipt of the initial complaint letter	Report Card* and State correspondence logs  Note: *See RFP Section 3.5.10	a) \$250 for each late acknowledgement letter, and, b) \$250 for each late written complaint response.



L-2: PERSONAL ACCIDENT & DISMEMBERMENT QUARTERLY REPORT

Name of Plan: \_\_\_\_\_

For Semi-Annual Period and Year: \_\_\_\_\_

DBM Use Only Date Received: _____
--------------------------------------

Performance Standard	Standard/Goal	Reporting Measurements	Liquidated Damages
1. Telephone call on-hold time (in phone queue)	Average of 2 minutes or less on hold before reaching a customer service representative	Report Card*	\$500 per reporting period in which the standard is not met.
2. Telephone Call Abandonment Rate	Abandonment Rate of 5% or less	Report Card*	\$500 per percentage point over 5% per reporting period.
3. Vendor Attendance at State Plan Management meetings	Attendance by plan representative(s) at 100% of meetings scheduled by the State	Sign-In sheets at the meetings	\$500 per scheduled meeting not attended.
4. Vendor attendance at State-sponsored annual Open Enrollment and orientation meetings	Attendance by plan representative(s) at 100% of meetings scheduled by the State	Sign-in sheets at Open Enrollment meetings and coordinator surveys	\$500 per scheduled meeting not attended.
5. Claims processing time	Upon receipt of all required documentation, 95% claims processed accurately within five business days; 98% within 10 business days.	Report Card*	\$500 per period in which standard is not met.
6. Complaint Resolution Time	Plan will: c) acknowledge receipt of the written complaint to the State and member within 10 calendar days of receipt of the complaint letter and; d) provide a written complaint response to the State and member within 60 calendar days of receipt of the initial complaint letter	Report Card* and State correspondence logs  Note: *See RFP Section 3.5.10	c) \$250 for each late acknowledgement letter, and, d) \$250 for each late written complaint response.