

STATE OF MARYLAND

OFFICE OF THE STATE TREASURER

**Louis L. Goldstein Treasury Building
80 Calvert Street, Room 109
Annapolis, Maryland 21401**

REQUEST FOR PROPOSALS

FOR

BROKER SERVICES FOR

PROPERTY/PACKAGE INSURANCE COVERAGES

RFP # PROP/PKG-07292008

Due Date: August 25, 2008

WARNING: Prospective Offerors who received this document from a source other than the Issuing Office should immediately contact the Issuing Office and provide their name and mailing address in order that amendments to the RFP or other communications can be sent to them. Any prospective Offeror who fails to notify the Issuing Office with this information assumes complete responsibility in the event that they do not receive the solicitation from the Issuing Office prior to the closing date.

Issued: July 29, 2008

STATE OF MARYLAND

NOTICE TO VENDORS/CONTRACTORS

In order to help us improve the quality of State proposals and solicitations, and to make our procurement process more responsive and business friendly, we ask that you take a few minutes to provide comments and suggestions regarding the enclosed solicitation. Please return your comments with your proposals. If you have chosen not to bid on this contract, please fax this completed form to: 410-974-3530 to the attention of Anne Jewell.

RFP #PROPPKG-07292008

Title: Maryland State Treasurer's Office Request for Proposals for Broker Services for Property/Package Insurance Coverages

1. If you have responded with a "no bid", please indicate the reason(s) below:

- Other commitments preclude our participation at this time.
- The subject of the solicitation is not something we ordinarily provide.
- We are inexperienced in the work/commodities required.
- Specifications are unclear, too restrictive, etc. (Explain in REMARKS section.)
- The scope of work is beyond our present capacity.
- Doing business with Maryland government is simply too complicated. (Explain in REMARKS section.)
- We cannot be competitive. (Explain in REMARKS section.)
- Time allotted for completion of the bid/proposals is insufficient.
- Start-up time is insufficient.
- Bonding/Insurance requirements are restrictive. (Explain in REMARKS section.)
- Bid/Proposals requirements (other than specifications) are unreasonable or too risky. (Explain in REMARKS section.)
- MBE requirements. (Explain in REMARKS section.)
- Prior State of Maryland contract experience was unprofitable or otherwise unsatisfactory. (Explain in REMARKS section.)
- Payment schedule too slow.
- Other: _____

2. If you have submitted a bid or proposal, but wish to offer suggestions or express concerns, please use the REMARKS section below. (Use reverse or attach additional pages as needed.)

REMARKS: _____

Vendor Name: _____ Date: _____
Contact Person: _____ Phone: (____) _____

Address: _____

KEY INFORMATION SUMMARY SHEET

**Maryland State Treasurer's Office
Request for Proposals for
Broker Services for
Property/Package Insurance Coverages**

RFP #PROP/PKG-07292008

Procurement Officer: Anne Jewell
Tel.: (410)260-7903
Fax: (410)974-3530
E-mail: procurement@treasurer.state.md.us

Submit Proposals to: Maryland State Treasurer's Office
Attn: Procurement Officer
Louis L. Goldstein Treasury Building
80 Calvert Street, Room 109
Annapolis, Maryland 21401

Solicitation Issue Date: July 29, 2008

Deadline for Receipt of Questions: August 7, 2008 at 200 p.m. Eastern Daylight Time

Proposal Due Date and Time: August 25, 2008 at 2:00 p.m. Eastern Daylight Time

Oral Presentations: September 3-4, 2008

Tentative Contract Award: September 8, 2008

NOTICE

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SECTION I. PROCUREMENT OBJECTIVE

1.01 Summary Statement

The purpose of this procurement is to select brokers to represent the State for property/package insurance coverage needs. The selected brokers will market, manage, and service insurance policies and related documents. Brokers are encouraged to submit a proposal on Category A – Excess Blanket Property and Related Coverages and/or Category B – Bridges and Tunnels Property.

1.02 Issuing Office and Procurement Officer

Maryland State Treasurer's Office
Louis L. Goldstein Treasury Building
80 Calvert Street, Room 109
Annapolis, Maryland 21401

Procurement Officer: Anne Jewell
Tel.: (410) 260-7903
E-mail: procurement@treasurer.state.md.us

The sole point of contact for purposes of this procurement is the Procurement Officer. The Procurement Officer may designate others to act on her behalf. The Office may change the Procurement Officer or the limits of her authority at its discretion.

This RFP is available on the State Treasurer's website in PDF format at www.treasurer.state.md.us, by clicking "Procurement Information" and then clicking "RFP for Broker Services for Property/Package Insurance Coverages," and on eMaryland Marketplace at www.emarylandmarketplace.com.

1.03 Procurement Method

This contract will be awarded in accordance with the competitive sealed proposals process under COMAR 21.05.03.

1.04 Contract Officer

The Contract Officer monitors the daily activities of the contract and provides technical guidance to the Contractor. The State Contract Officer is:

Laura C. McWeeney
Director of Insurance
Maryland State Treasurer's Office
Louis L. Goldstein Treasury Building
80 Calvert Street, Room 109
Annapolis, Maryland 21401

Tel: (410)260-7929
E-mail: lmcweeney@treasurer.state.md.us

1.05 Use of eMaryland Marketplace

In order to receive a contract award, a vendor must be registered on eMaryland Marketplace. Vendor registration information can be found on the eMaryland Marketplace website at www.emarylandmarketplace.com.

1.06 Schedule of Events

<u>Event</u>	<u>Date</u>
Notice in "eMaryland Marketplace"	July 29, 2008
RFP Release Date	July 29, 2008
Deadline for Receipt of Questions	August 7, 2008
Proposal Due Date	August 25, 2008
Oral Presentations	September 3-4, 2008
Tentative Date of Contract Award	September 8, 2008

1.07 Questions and Inquiries

All questions and inquiries should be directed to the Procurement Officer identified in Section I., 1.02 above. Questions must be submitted in writing by mail or via email and received by the Issuing Office before 2:00 p.m. Eastern Daylight Time on Thursday, August 7, 2008. If the questions or inquiries pertain to a specific section of the RFP, the page and section number(s) must be referenced. Oral questions will not be permitted.

1.08 Submission Deadline

To be considered, a written original and 6 copies (total of 7) of the proposal for Category A and/or Category B must arrive at the Issuing Office by 2:00 p.m. Eastern Daylight Time on Monday, August 25, 2008. Additionally, an electronic copy of the proposal is requested on a compact disk to be submitted to the Procurement Officer. Requests for extension of this date or time will not be granted. Offerors mailing proposals should allow sufficient mail and internal

delivery time to ensure timely receipt at the Issuing Office. Proposals or unsolicited amendments to proposals arriving after the closing date and time will not be considered. Proposals submitted by electronic means only (facsimile or e-mail) will not satisfy the submission deadline and will not be considered.

1.09 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 general.* - In connection with a procurement contract a person may not willfully:
 - (1) falsify, conceal, or suppress a material fact by any scheme or device;
 - (2) make a false or fraudulent statement or representation of a material fact; or
 - (3) use a false writing or document that contains a false or fraudulent statement or entry of a material fact.
- (b) *Aiding or conspiring with others.* – A person may not aid or conspire with another person to commit an act under subsection (a) of this section.
- (c) *Penalty.* – 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 5 years or both.

1.10 Duration of Offer

Proposals submitted in response to this solicitation are irrevocable for 120 days following the closing date. This period may be extended at the Procurement Officer's request only by an offeror's written agreement.

1.11 Electronic Distribution

This RFP is available for distribution by e-mail. Potential offerors wishing to receive copies of the written document should contact the Procurement Officer identified in Section I.,1.02, above.

SECTION II. GENERAL INFORMATION

2.01 Purpose

The overall purpose of this RFP is to provide information to offerors interested in preparing and submitting proposals to meet the State Treasurer's Office (the "STO") requirements for broker services for property/package insurance coverages. The term "offeror" as used in this RFP, includes any broker submitting a proposal. Brokers are encouraged to submit a proposal on Category A – Excess Blanket Property and Related Coverages and/or Category B – Bridges and Tunnels Property.

2.02 Revisions to the RFP

The STO reserves the right to amend this RFP at any time prior to the proposal due date and time. If it becomes necessary to revise this RFP at any time prior to the proposal due date and time, amendments will be provided to all prospective offerors that were sent this RFP or otherwise are known by the Procurement Officer to have obtained this RFP. Written acknowledgment of the receipt of all amendments will be required. In addition, amendments to the RFP will be posted on the STO's Procurement Web Page at www.treasurer.state.md.us, (select "Procurement Information" and then "RFP for Broker Services for Property/Package Insurance Coverages"), and through eMaryland Marketplace at www.emarylandmarketplace.com. Amendments made after the due date for proposals will be sent only to those offerors who submitted a timely proposal.

2.03 Cancellation of the RFP; Rejection of All Proposals

The STO may cancel this RFP, in whole or in part, or may reject all proposals submitted in response whenever this action is determined to be fiscally advantageous to the State or otherwise in its best interests.

2.04 Insurance Market Contact

At this time, offerors are not authorized to approach insurers or other underwriting sources on behalf of the State. The STO specifically requests that no insurance market contact be made on behalf of the State, and that no market reservations or commitments be made for any purpose with respect to any insurance or reinsurance to be provided for the State of Maryland. Selection of a broker will not preclude the State from securing proposals from direct writing insurance companies at any time, if the STO deems it is in the State's best interest to do so.

2.05 Proposal Acceptance; Discussions

The STO reserves the right to 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 offerors in any manner necessary to serve the best interests of the State of Maryland. The STO also reserves the right, in its sole discretion, to award a contract based upon the written proposals received without prior discussions or negotiations.

2.06 Oral Presentation

In support of their proposals, offerors may be required to make an oral presentation, or conduct a demonstration, or both, not more than two calendar weeks after the STO has requested an offeror to do so. Failure to be prepared to make an oral presentation or conduct a demonstration within this time period may prevent the offeror's proposal from receiving further consideration. The main point of contact proposed in the offeror's proposal must be present during these interviews.

2.07 Incurred Expenses

The State will not be responsible for any costs incurred by an offeror in preparing and submitting a proposal in response to this RFP, including costs incurred in making an oral presentation, if required.

2.08 Proposal Form

Proposals should be prepared simply and economically, providing a straightforward, concise description of the offeror's proposal for meeting the requirements of this procurement. Oral, telegraphic, facsimile, mailgram, or electronically transmitted proposals will not be accepted.

2.09 Multiple Proposals

Multiple and Alternate proposals will not be accepted.

2.10 Access to Public Records Act Notice

An offeror should give specific attention to the 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 Access to Public Records Act, State Government Article, Title 10, Subtitle 6, Annotated Code of Maryland. A fee may be charged for copies and search and preparation time, in accordance with COMAR 25.01.04.09. The STO may require payment of such fees before releasing the requested information.

2.11 Protests

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

Any protest regarding this solicitation must be filed in writing with the Procurement Officer only. If the reason for the protest is apparent before the proposal opening, the protest must be filed before the proposal opening. In all other cases, the protest must be filed within 7 calendar days after the reason for the protest is known or should have been known.

The term "filed" means receipt by the Procurement Officer who has issued this solicitation.

The protest must be in writing and must contain (1) the name and address of the protester; (2) the appropriate identification of the solicitation and, if a contract has been awarded, the contract number if it is known; (3) a statement of the reasons for the protest; and (4) any supporting exhibits, evidence, or documents to substantiate any claims unless the documents are not available within the filing time, in which case the date by which the supporting documents are expected to be available is to be noted.

2.12 Proposal Opening

Proposals will not be opened publicly. When the contract is awarded, those portions of proposals available under Maryland laws regarding access to public information will be made available upon written request to the Procurement Officer.

2.13 Minority Business Enterprises

A minority business enterprise subcontractor participation goal of 25% has been established for this solicitation. Offerors should indicate in their proposals which services under Section 3.02 will be performed by minority firms, and complete the appropriate MBE participation forms in Appendix E.

This RFP is designed to encourage the participation of socially and economically disadvantaged individuals (members of a group as defined in Section 14-301 (i)(1) of the State Finance and Procurement Article of the Annotated Code of Maryland (the "Procurement Article") and minority business enterprises as defined in Section 14-301 (f) of the Procurement Article). The STO encourages minority business enterprises to respond to this RFP. Offerors are encouraged to submit Proposals that reflect significant participation by socially and economically disadvantaged individuals and/or minority business enterprises.

A directory of certified MBEs is maintained by the Maryland State Department of Transportation Office of Minority Business Enterprise, P.O. Box 8755, B.W.I. Airport, Maryland 21240-0755. The phone number is 410-865-1244. The directory is available online at www.mdot.state.md.us. Select the "Minority/Disadvantaged Business Enterprise" label. A search of the Directory using SICs 6411, for example, reveals a number of firms that are Insurance Agents, Brokers, and Services.

2.14 Acceptance of Terms and Conditions

By submitting a Proposal in response to this RFP, the offeror (a) accepts all of the terms and conditions set forth in this RFP, and (b) represents that it is not in arrears in the payment of any obligation due and owing the State or any department or unit thereof, including but not limited to the payment of taxes and employee benefits (the "State Obligations"). If selected for award, the offeror agrees (a) that it will comply with all federal, State and local laws applicable to its activities and obligations under the contract, (b) that it shall not become in arrears under any State Obligation during the term of the contract, and (c) to all terms and conditions set forth in the form of contract included as Appendix D to this RFP.

2.15 No Guarantee of Work

No Contractor is guaranteed any minimum amount of work or compensation. The STO can not make assurances funds will be appropriated and otherwise made available for payment of broker service fees.

2.16 Bid/Proposal Affidavit

All proposals submitted by an offeror must be accompanied by a completed Bid/Proposal Affidavit. A copy of this Affidavit is included as Appendix B to this RFP.

2.17 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 Appendix C to this RFP. This Affidavit need not be submitted with an offeror's proposal.

2.18 Order of Precedence

The contract between the parties will be embodied in the contract documents which will consist of the following, listed in their order of precedence:

1. the Contract and Contract modifications executed by both parties;
2. the RFP; and
3. the Contractor's proposal.

Modifications to the order of precedence provision of this solicitation will not be accepted. If any terms and conditions inconsistent with the requirements of the solicitation are proposed, those terms and conditions must be stated in the proposal.

III. SCOPE OF SERVICES AND REQUIREMENTS

3.01 Introduction

This Broker Services RFP is to select a broker(s) to represent the State for property/package insurance coverage needs included in Category A - Excess Blanket Property and Related Coverages and/or Category B - Bridges and Tunnels Property, as described in Section 3.05. The selected broker(s) will market the coverages, present the STO with competitive quotes with recommendations, place and service the coverages, including any additions or replacements thereto. Related coverages and services may be added at any time during the contract period.

Brokers should note that in the event that similar or improved coverage, deductibles, and premiums can be negotiated, the State may endorse the terrorism (for excess property) coverage and the electronic data processing coverage on to the blanket excess property policy at their next respective renewal dates. This consolidation would be in the best interest of the State from both a future claim perspective and from an accounting/administrative perspective.

3.02 Broker Services

Upon request of the STO, the broker shall:

- Market and obtain quotations, evaluate and report on an insurer's financial status, place and service the desired insurance coverages.
- Provide annual loss runs for each policy a minimum of 60 days before expiration, including any prior year with open losses.
- Act as an advocate for the STO in communications with the insurers and intermediaries, including negotiations of the lowest possible fees and/or deductible options.
- Offer creative solutions and innovative suggestions for the STO to consider.
- Submit a semi-annual stewardship report for property/package insurance coverages to the STO outlining intended activities on behalf of the State for the upcoming six months, including the status of all items in the prior six months' reports. Reports are due two weeks after the end of each six month calendar period.
- Review and verify insurance documents received from insurers for accuracy.
- Act as a liaison with insurers on loss control inspections and recommendations.
- In addition to the original paper copies, provide electronic copies of all policies. All coverages placed with multiple layers must include an Excel graphic display of the placement showing carriers, limits, and premiums per layer.

- Prepare certificates of insurance and endorsements as requested.
- Assist the STO if it requests that other related coverages be added during the term of the contract. The STO will not be charged a broker services fee for quotes for new coverage unless and until the coverage is purchased. If a renewal quote is offered and a decision is made not to renew the coverage for any reason, no broker fee will be paid. This would be an unusual occurrence.
- Develop a strategy for any upcoming renewal to be presented in writing to the STO a minimum of 90 days before expiration. Include and identify any intended intermediaries used in the quote process.
- Coordinate the collection of underwriting data for the policies placed on behalf of the State, including complete loss statistics and other underwriting data. The loss data should include a brief description of losses valued over \$25,000.
- Provide annual renewal quotes on all policies. Where there are an adequate number of markets to do so, provide multiple quotes (a minimum of three) for competitive purposes. In the event that this requirement is not possible or recommended, the broker must submit a letter of explanation/recommendation to the Contract Officer for acceptance or denial of the recommendation. For those carriers who decline to offer a quote on coverage, documentation from the carrier indicating why they chose not to quote is required.
- Carriers may contact a broker to quote on a policy. All qualified carriers will be considered for quotes by the broker. All contacts from qualified and non-qualified carriers must be documented and the broker must provide information to the STO on the results.
- Provide risk management and professional services directly or indirectly, and other recommendations as requested by the STO, including, but not limited to, minimizing loss potential, property or liability inspections and transfer of risk techniques.
- When requested by the STO, provide detailed rating worksheets on insurance proposals, either a full set or a sampling that reflects the pricing detail used is required.
- Assist the STO with training classes for State agency personnel.
- Disclose coverage additions and coverage restrictions on all renewal quotes in a chart format as compared to the expiring coverage.
- Provide answers to the STO and obtain clarification from insurers, underwriters or adjusters regarding coverage or claims questions.

- Provide a binder of insurance for coverages placed, prior to the expiration of the proceeding policy.

3.03 Minimum Qualifications

To be considered for this Contract, the broker:

1. Must have a minimum of 10 years experience in the commercial property/package business, including large commercial multi-layered placements.
2. Provide evidence of Professional Errors and Omissions Liability insurance (current certificate of insurance) with a limit of liability of at least \$10,000,000, and maintain such insurance at all times during the term of the Contract. Such insurance shall be with an insurance company with a Best's Rating of "A" or greater, or equivalent rating, and be licensed to do business in the State of Maryland.
3. Offeror must provide the most current audited annual financial statement with their proposal.

3.04 Auditing

Offeror must have its financial statements audited annually by an independent certified public accounting firm and receive an unqualified opinion from the Auditor. Offeror must provide the STO with the following:

- a copy of its most current audited annual financial statement upon request.

At the STO's discretion the State may audit or sub-contract an audit of the offeror's processing procedure to ensure contract compliance.

3.05 Property/Package Coverages Required

Brokers are encouraged to submit a proposal for Category A – Excess Blanket Property and Related Coverages and/or Category B – Bridges and Tunnels Property.

Category A
Excess Blanket Property and Related Coverages

Summary of Coverage Needs (full details to be provided to selected broker and the State will consider any and all deductible options).

I. Blanket Excess Property Coverage
Effective April 1, 2009

Insured: State of Maryland

Scope of Operations:

Excess coverage is to cover real and personal property owned, in the care, custody and control of, or operated by the State, including but not limited to office complexes, universities, hospitals, airports, correctional facilities, warehouses, military facilities, rail systems, port facilities, armories and stadiums.

A. Summary of Coverage and Limits:

1. Limits and sub limits:
\$500,000,000 blanket all risk excess property limit

Sub limits included but not limited to:

\$50,000,000 per occurrence and in the aggregate - Flood excluding 100 year flood zones
\$10,000,000 per occurrence and in the aggregate - Flood in 100 year flood zones
\$50,000,000 per occurrence and in the aggregate - Earthquake
\$25,000,000 per occurrence - Newly acquired locations subject to 90 days reporting
\$10,000,000 per occurrence - Extra Expense
\$10,000,000 per occurrence - Expediting Expense
\$10,000,000 per occurrence – Accounts Receivable
\$10,000,000 per occurrence – Valuable Papers and Records

2. Deductible:
\$2,500,000 self - insured retention with a \$10,000,000 annual aggregate.
3. Total insured value for 2008/2009 is \$ 20,730,271,766.

B. Current Carriers and Limits:

Lexington	\$250,000,000 x \$ 5,000,000 SIR
RSUI	\$100,000,000 x \$250,000,000
AXIS	\$100,000,000 x \$350,000,000
<u>C.N.A.U</u>	<u>\$ 50,000,000</u> x \$450,000,000
Total	\$500,000,000

C. Previous Carriers and Losses Incurred:

4-1-2007/08	Various	\$	0
4-1-2006/07	Various	\$	0
2-1-2005 to 4-1-2006	Various	\$	0
2-1-2004/05	Various	\$	6,513
2-1-2003/04	Various	\$2,370,017	(Tropical Storm Isabel)

II. Terrorism for Excess Property
Effective October 13, 2009

Insured: State of Maryland

Scope of Operations:

The State of Maryland operations include but are not limited to universities, hospitals, airports, correctional facilities, warehouses, military facilities, rail systems, port facilities, armories and stadiums.

A. Summary of Coverage and Limits:

1. Terrorism coverage for foreign and domestic acts of terrorism on blanket State owned real and personal property while located within the United States of America. The limit is \$100,000,000 any one occurrence and in all for the policy period.
2. Deductible:
\$100,000 any one occurrence

B. Previous Carriers and Losses Incurred:

10-13-2007/08	Lloyds of London	\$0
10-13-2006/07	Lloyds of London	\$0

(This was a new coverage written 10-13-2006)

III. Chemical, Biological, Nuclear and Radiological (CBNR) Coverage for Excess Property
Effective October 13, 2009

Insured: State of Maryland

Scope of Operations:

The State of Maryland operations include but are not limited to universities, hospitals, airports, correctional facilities, warehouses, military facilities, rail systems, port facilities, armories and stadiums.

A. Summary of Coverage and Limits:

1. CBNR coverage for State-owned buildings and contents with a blanket limit of \$1,000,000. Coverage is for certified and non-certified acts of terrorism.

2. Deductible:
\$1,000,000 self-insured retention

B. Previous Carriers and Losses Incurred:

10-13-2007/08	Lloyds/Catlin	\$0
10-13-2006/07	Lloyds/Catlin	\$0

(This was a new coverage written 10-13-2006)

IV. Electronic Data Processing (EDP)
Effective October 25, 2009

Insured: State of Maryland

Scope of Operations:

All electronic data processing systems including equipment (hardware, software and media) and component parts thereof, associated with property owned, leased, rented, or under the control of the State of Maryland. Included but not limited to:

1. Electronic train control and communication equipment for the Maryland Transit Administration;
2. Lottery terminals for the Maryland State Lottery;
3. Computerized testing equipment onboard the Automatic Road Analyzer (ARAN vehicle) owned by State Highway Administration;
4. Leased telephone communication systems;
5. State Board of Elections “polling books” at various locations.

A. Summary of Coverage and Limits:

Blanket all risk, worldwide, replacement cost coverage including flood and earthquake for electronic data processing equipment owned, or the property of others leased, rented, or under the control of the State of Maryland. If any locations are excluded, they must be listed in the proposal.

1. Limits:

\$100,000,000	Any one occurrence, and not to exceed
\$ 5,000,000	In transit
\$ 1,000,000	Mobile computers, radar, satellite, microwave communication systems and servers
\$ 16,040,609	Election polling books

2. Deductibles:

\$100,000	Per occurrence
\$250,000	University of Maryland College Park only, per occurrence
\$ 10,000	ARAN equipment
\$100,000	Earthquake
\$500,000	Flood – In zones “A, B, or shaded X”
\$100,000	Flood – All other

B. Previous Carriers and Losses Incurred:

10-25-2005/06	Chubb/Federal	\$0
10-25-2006/07	Chubb/Federal	\$0
10-25-2007/08	Chubb/Federal	\$0

**V. Boiler and Machinery Coverage
Effective September 30, 2009**

Insured: State of Maryland

Scope of Operations:

The boiler and machinery coverage is Statewide with concentrations in Baltimore City, College Park, and Annapolis. Objects are located in over 5,000 buildings. The locations include but are not limited to, universities, airports, office complexes, hospitals, office complexes, warehouses, rail systems, port facilities, correctional facilities, military facilities, armories and stadiums. Objects include boilers and pressure vessels, and a larger number of heating, ventilation, and air conditioning units.

A. Summary of Coverage, Limits, and Services:

Comprehensive boiler and machinery coverage on a blanket basis covering all objects owned, leased, or under the direct control of the State.

1. Limits and sub limits:

\$100,000,000	Property Limit including Property Damage, Business Income, and Extra Expense
\$ 100,000	Combined Deductible

Sub limits included but not limited to:

\$ 10,000,000	Expediting Expenses
\$ 5,000,000	Spoilage
\$ 10,000,000	Ordinance or Law
\$ 1,000,000	Ammonia Contamination
\$ 2,500,000	Hazardous Substance
\$ 2,500,000	Water Damage
\$ 5,000,000	Unnamed Locations

2. Services will include timely inspections and reporting of all objects required to be inspected under the State of Maryland Boiler and Pressure Vessel Safety Act and Code of Maryland Regulations.
3. Boiler Safety Seminar to be provided annually upon request. The presentation shall include maintenance, safety, and code issues for State facilities and safety personnel.
4. Reports of location inspections and recommendation status on a quarterly basis, at a minimum.

5. 10 days of annual infrared testing is to be included in the premium.

B. Previous Carriers and Incurred Losses:

10-25-2005/06	Zurich	\$0
10-25-2006/07	Zurich	\$0
10-25-2007/08	Zurich	\$0

Category B
Bridges and Tunnels Property

Summary of Coverage Needs (full details to be provided to selected broker and the State will consider any and all deductible options).

Maryland Transportation Authority (MdTA)
Bridges and Tunnels - Property
Effective December 1, 2008

Insureds: Bank of New York Trustee under Amended and Restated Trust Agreement dated as of June 1, 2004 from Maryland Transportation Authority and Maryland Transportation Authority, as their respective interest may appear.

Scope of Operations:

MdTA owns, operates and maintains seven toll facilities in the State of Maryland, including five bridges and two tunnels. Day to day maintenance of the facilities is provided by MdTA staff. Large scale maintenance projects, such as resurfacing, are performed by qualified contractors. A nationally recognized consulting engineering firm inspects each of MdTA's facilities annually and recommends an intermediate to long range maintenance program.

A. Summary of Coverage and Limits:

All risks of direct physical loss or damage to the property, including terrorism.

1. Limits and sub limits:

\$300,000,000	Per occurrence
\$300,000,000	In the aggregate for Flood
\$300,000,000	In the aggregate for Earthquake

Sub limits included but not limited to:

\$50,000,000	Newly acquired locations
\$ 5,000,000	Or 25% of the loss(whichever is the greater of)for debris removal
\$ 5,000,000	Radioactive contamination

2 Deductibles:

Two percent of the value of the damaged structure, subject to a minimum of \$1,000,000 property damage (PD), a seven day Use and Occupancy (U&O), and an overall maximum combined PD and U&O deductible of \$5,000,000.

3. Property insured:

“Scheduled property structures and loss of revenue resulting from the necessary total or partial suspension of use of the property insured which results from an insured peril and occurring during the term of the policy”.

4. Valuation:

- a. Buildings and structures at replacement cost, if replaced;
- b. Improvements and betterments at replacement cost, if replaced;
- c. Contractors' equipment at replacement cost with like kind and quality;
- d. Use and Occupancy at the actual loss sustained.

B. Current Carriers (by Quota Share)

	<u>Quota Share % Property</u>	<u>Quota Share % Terrorism</u>
Ace	50%	
Lexington	16.67%	16.67%
RSUI	33.33%	33.33%
Lloyd's	<u> </u>	<u>50%</u>
Total	100%	100%

C. Previous Carriers and Losses Incurred:

12-1-2005/06	Various	\$0
12-1-2006/07	Various	\$0
12-1-2007/08	Various	\$0

3.06 General Terms for all Policies

- Policy Cancellation: 90 day cancellation clause required from carrier for non-renewal.
- The policy and any endorsement may not be modified except by mutual agreement and written instrument.

3.07 Term

The term of the Contract for Broker Services for Property/Package Insurance Coverages will be September 9, 2008 to September 9, 2012 with up to two consecutive one-year renewal options, exercisable at the sole discretion of the STO. Broker Services provided under each Contract shall continue for any policy placed within the term of the Contract until the expiration of the policy.

3.08 Compensation

Payments to the selected broker(s) shall be made no later than 30 days after receipt by the STO of original invoice/invoices from the selected broker(s). Payments of policy premiums may be paid in less than 30 days to comply with coverage dates. Each invoice for services rendered must reflect the selected broker's federal tax identification number. 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, as from time to time amended, are prohibited.

The selected broker(s) must agree to accept only the annual broker fee in remuneration for each annual policy ordered. The selected broker(s) must agree to return to the State of Maryland any and all commission income, overrides, contingencies or bonuses earned as a result of the State's policy/policies. If for any reason a policy cannot be written net of commission, any earned commission will be deducted by the STO from the broker fee and any excess will be returned to the State.

Broker services fees are all inclusive. Travel expenses and express mail or other administrative expenses will not be paid. The STO will not be charged a broker services fee for quotes for new coverage unless and until the coverage is purchased. If a renewal quote is offered, and a decision is made not to renew the coverage for any reason, no broker fee will be paid.

By submitting a response to this solicitation, the offeror agrees to accept any payments from the State by electronic funds transfer unless the State Comptroller's Office grants an exemption. The selected offeror shall register using form COT/GAD X-10 Vendor Electronic Funds (EFT) Registration Request Form. Any request for exemption must be submitted to the State Comptroller's Office for approval at the address specified on the COT/GAD X-10 form and must include the business identification information as stated on the form and include the reason for the exemption. The COT/GAD X-10 Vendor Electronic Funds (EFT) Registration Request Form may be downloaded from: www.comp.state.md.us, select "Compnet," then "General Accounting Division," and then "Electronic Funds Transfer, Form X-10."

SECTION IV. PROPOSAL FORMAT

4.01 Transmittal Letter

A brief transmittal letter prepared on the offeror's business stationery should accompany the original and required copies of the two-volume proposal. The letter must be signed by an individual authorized to bind the selected offeror to all statements, including services and prices, contained in the proposals. The transmittal letter should also indicate that, if selected, the offeror will execute a contract materially the same as Appendix D.

4.02 Two -Volume Submission

The selection procedure for this procurement requires that the initial technical evaluation of each portion of the proposal be completed before consideration of an offeror's pricing proposals. Consequently, each proposal must be submitted in two volumes as indicated below.

4.03 Volume I - Technical Proposal

Each volume shall be labeled "Maryland State Treasurer's Office Request for Proposals for Broker Services for Property/Package Insurance Coverages, Category A and/or Category B - Technical." Each volume shall contain the transmittal letter (Section IV., 4.01) and the completed proposal affidavit (Appendix B). Each proposal must include responses to the Minimum Qualifications in Section III, 3.03. Offerors submitting a proposal for broker services for Category A and/or Category B need to clearly designate and address the information requested in Section 1. through 7. below. It should be prepared in a clear and concise manner and should address all of the subsections below.

1. General Information

- A. Name of firm;
- B. Mailing address of the office from which the proposal is being submitted;
- C. Name of individual who will represent firm as primary contact person on matters relating to the proposal; and
- D. Telephone number and telefax number.
- E. Professional Errors and Omissions Liability carrier's current Best's Rating or equivalent.

2. Proposed Personnel

- A. Identify the professional staff and other resources that will be assigned to this account, quantify their availability to work on the account, their roles and responsibilities, and their expertise in the relevant coverage.

B. Provide information on how you expect to assign the broker services listed in Section III., 3.02 to the firm's personnel assigned to the contract, and to the MBE firms which will be participating in this contract.

3. Firm's Broker Services Experience

A. Provide a list of a minimum of three property/package broker services customers for other public entities, (preferably State), which are similar to the State of Maryland for which your firm served as a primary broker since January 1, 2004.

B. Select two of the customers listed above and discuss how the experience gained relates to the services requested by the STO. Be sure to indicate any unusual or exceptional problems, conditions, or situations that your firm faced and solved.

4. Firm Capabilities

A. Indicate how the offeror meets the Minimum Qualifications cited in Section III., 3.03.

B. Describe your firm, including when organized, corporate structure, and type of ownership.

5. Client References

A. Provide three client references. The list must include references related to broker services that are similar to the broker services requested in this RFP.

B. Furnish name, title, agency and telephone number for each reference.

The State reserves the right to contact any previous client whether or not provided as a reference.

6. Rationale for Appointment

This section of the proposal should be used by each offeror to present the case for its appointment as a broker. The section may include any additional material the offeror may choose to submit.

7. Economic Benefits to the State of Maryland

Each proposal submitted in response to this solicitation must describe the benefits that will accrue to the Maryland economy as a direct result of the offeror's performance of the contract resulting from the solicitation. Economic benefits include:

A. The 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 breakdown of expenditures in this category. Do not provide actual dollars for each category. Include percent of the total budget requested.

- B. The numbers and types of jobs for Maryland residents resulting from the contract. Indicate job classifications, number of employees in each classification, and the aggregate payroll to which the Contractor has committed at both prime, and if applicable, subcontract levels. Do not provide actual dollars for each category. Include percent of the total budget requested.
- C. Tax revenues to be generated for Maryland and its political subdivisions as a result of this Contract. Indicate the tax category (sales tax, payroll taxes, inventory taxes, and estimated personal income taxes for new employee). Provide a forecast of the total tax revenues resulting from the Contract. Do not provide actual dollars for each category. Include percent of the total budget requested.
- D. Subcontract dollars committed to Maryland Small Business and Minority Business Enterprises. Do not provide actual dollars for each category. Include percent of the total budget requested.
- E. In addition to the factors listed above, the offeror should explain any other economic benefits to the State of Maryland that would result from the offeror's proposal.

4.04 Volume II - Pricing Proposals

Each volume shall be labeled "Maryland State Treasurer's Office Request for Proposals for Broker Services for Property/Package Insurance Coverages, Appendix A1-Category A and/or Appendix-A2 Category B - Price." Each price proposal will include the annual fee for broker services for all coverages. For purposes of evaluating the price proposal, the Evaluation Committee will evaluate the fee for broker services only.

The broker services fees are all inclusive. Travel expenses or express mail or other administrative expenses will not be paid.

4.05 Disclosures

Disclose any relationships with persons or entities that may create a conflict of interest, or the appearance of a conflict of interest. Disclose specific details of any pending legal proceedings (criminal or civil), or regulatory or disciplinary actions by any state or federal regulatory agency, involving the firm or members of the firm; or any convictions, judgments or settlements resulting from such proceedings or actions within the past five years.

SECTION V. EVALUATION AND SELECTION PROCEDURE

5.01 Evaluation and Selection Committee

All qualifying proposals received by the submission deadline will be evaluated by an Evaluation and Selection Committee appointed by the Treasurer or Treasurer's designee.

5.02 Qualifying Proposals

The Procurement Officer first will review each proposal for completeness of response to requirements contained in Section IV, "Proposal Format," 4.03- Volume I – Maryland State Treasurer's Office Request for Proposals for Broker Services for Property/Package Insurance Coverages - Technical Proposal. Failure to respond to the appropriate questions or in the manner required may disqualify an offeror's proposal from consideration by the Committee.

5.03 Technical Evaluation

After the Procurement Officer selects the qualifying proposals, the Committee will conduct an initial evaluation of the technical merit of each qualifying proposal. This evaluation will be made solely on the basis of the evaluation criteria set forth in 5.05, below, and may include information obtained during oral interviews, if any.

5.04 Pricing Evaluation

Following completion of the initial technical evaluation, the Committee will conduct an initial evaluation of the pricing of each proposal and will establish a financial ranking of all proposals.

5.05 Evaluation Criteria

Only proposals determined to be qualifying proposals pursuant to subsection 5.02 above will be evaluated by the Committee.

For the technical evaluation, the Committee will take into consideration the information related to the questions in Section IV. in order of importance (greatest first):

1. Proposed Personnel
2. Firm's Broker Services Experience
3. Firm Capabilities
4. Client References
5. Rationale for Appointment
6. Economic Benefits to the State of Maryland

5.06 Responsibility

1. General

- (a) The procurement regulations in COMAR Title 21 define a “responsible” Offeror as one “...who has the capability in all respects to perform fully the contract requirements, and the integrity and reliability that shall assure good faith performance.”
- (b) COMAR, Title 21, also requires that the Procurement Officer determine before awarding a contract to an offeror whether the offeror is responsible. The determination of responsibility is based on the subjective judgment of the Procurement Officer about whether the offeror meets the definition of a “responsible” offeror.
- (c) In addition, the unreasonable failure of an offeror to supply information promptly in connection with the determination of responsibility shall be grounds for a determination that the offeror is not responsible.

2. Discussions

The STO reserves the right to discuss and negotiate with qualified offerors or potentially qualified offerors, (i.e., which are reasonably susceptible of being selected for award). Discussions or negotiations will be conducted with all qualified offerors. The STO, however, is not obligated to conduct any discussions or negotiations. Each offeror should be aware that the STO can select a proposal without first discussing the matter with the selected offeror.

5.07 Best and Final Offer

When deemed in the best interest of the State, the Procurement Officer may permit qualified offerors to revise their initial proposal by submitting a best and final offer. The Procurement Officer shall notify each qualified offeror of the scope of the requested best and final offer, and shall establish a date and time for the submission. The Procurement Officer may require more than one series of best and final offers and discussions, if determined that it is in the State’s best interest to do so. If more than one best and final offer is requested, an offeror’s immediate previous offer shall be construed as its best and final offer unless the offeror submits a timely notice of withdrawal or another best and final offer. The Procurement Officer may consult with and seek the recommendation of the Evaluation Committee during the best and final offer process.

5.08 Final Evaluation and Recommendation for Award

Following oral presentations, and reference checks, if any, the Committee will perform its final evaluations and will make a recommendation to the Procurement Officer for award of the contracts to the responsible offeror or offerors whose proposals are determined to be the most

advantageous to the State based on the results of the final technical and pricing evaluations. Technical merit will be given more weight than price in determining the Committee's final ranking. Contract awards, if any, are subject to the approval of the State Treasurer or the Treasurer's designee upon the recommendation of the Procurement Officer.

5.09 Debriefing of Unsuccessful Offerors

Unsuccessful offerors shall be debriefed upon their written request, provided the request is made within a reasonable period of time after receiving notice of a final determination of award from the Procurement Officer. Request for debriefings shall be honored by the STO at the earliest feasible time after the request has been received. Debriefings shall be held in accordance with COMAR 21.05.03.06.

APPENDIX A
Property/Package Coverages

A1–Category A
A2–Category B

PRICE PROPOSAL FORM INSTRUCTIONS

1. Offerors must submit their price proposals on Price Proposal Form for Broker Services (on Appendix A1-Category A and/or Appendix A2-Category B), in accordance with these instructions and as specified on the form. The price proposal must be separately sealed as directed in Section 4.04.
2. Appendix A1-Category A and/or Appendix A2-Category B are to be completed and signed by an individual who is authorized to bind the firm to all rates offered.
3. All data and information included on Appendix A1-Category A and/or Appendix A2-Category B are for price evaluation purposes. The State reserves the right, at its sole discretion, to purchase more or less, or not to purchase any services for which offers are solicited under this RFP.
4. On Appendix A1-Category A and/or Appendix A2-Category B, price must be recorded with dollars and cents, e.g., \$24.15. Fractional prices are not acceptable (e.g., \$24.15333).
5. Nothing shall be entered on any Price Proposal Form that alters or proposes conditions or contingencies on the proposed prices.

**APPENDIX A1
CATEGORY A**

Price Proposal for the RFP for Broker Services for Property/Package Insurance Coverages, RFP# 07292008

Firm Name

Address

City, State, Zip

ANNUAL broker fee (all inclusive) for broker services for the State of Maryland Property/Package Coverage's effective September 9, 2008 to September 9, 2009 and for all subsequent annual terms.

- | | |
|---|-----------------|
| I. Excess Property (Blanket) | \$ _____ |
| II. Terrorism Coverage for Excess Property | \$ _____ |
| III. CBNR Coverage for Excess Property | \$ _____ |
| IV. EDP (Blanket) | \$ _____ |
| V. Boiler & Machinery (Blanket) | \$ _____ |

Notice: Brokers who submit price proposals for broker services must provide a broker fee for all five coverages above.

If a multi-year policy can be obtained, the broker will be paid the ANNUAL fee at the beginning of each annual term, upon receipt of invoice from the broker.

Signature of Authorized Official

Name and Title of Authorized Official

**APPENDIX A2
CATEGORY B**

Price Proposal for the RFP for Broker Services for Property/Package Insurance Coverages, RFP# 07292008

Firm Name

Address

City, State, Zip

ANNUAL broker fee (all inclusive) for broker services for the State of Maryland Property/Package Coverage's effective September 9, 2008 to September 9, 2009 and for all subsequent annual terms.

**Maryland Transportation Authority
Bridges and Tunnels**

\$ _____

If a multi-year policy can be obtained, the broker will be paid the ANNUAL fee at the beginning of each annual term, upon receipt of invoice from the broker.

Signature of Authorized Official

Name and Title of Authorized Official

BID/PROPOSAL 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 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, or any of its employees directly involved in obtaining or performing contracts with public bodies (as is defined in Section 16-101(f) of the State Finance and Procurement Article of the Annotated Code of Maryland), 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, §14-308 of the State Finance and Procurement Article of the Annotated Code of Maryland;

(5) Been convicted of a violation of §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 subsections (1)—(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 §§B and C(1)—(8) 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, or any of its employees directly involved in 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 Administrative Board of Election Laws 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

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 21.08.06.

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: 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 or agent 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 or agent, any fee or any other consideration contingent on the making of the Contract.

N. 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)

9/20/2006

APPENDIX 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)

APPENDIX D

**(FORM OF)
CONTRACT FOR**

BETWEEN

MARYLAND STATE TREASURER'S OFFICE

and

CONTRACT

THIS CONTRACT is made as of the ____ day of _____, by and between _____ (the "Contractor"), and the **MARYLAND STATE TREASURER'S OFFICE**, 80 Calvert Street, Annapolis, Maryland 21401 (the "Office"), an office of the **STATE OF MARYLAND** (the "State").

IN CONSIDERATION OF the premises and the covenants herein contained, the parties agree as follows:

ARTICLE I - SCOPE OF SERVICES

The Office hereby engages the Contractor to perform the services set forth below:

- A. General Services. The Contractor shall provide Broker Services for Property/Package coverages as described in:
1. Exhibit A: The Office Request for Proposals for Broker Services for Property/Package Insurance Coverages, RFP #PROP/PKG-07292008;
 2. Exhibit B: Contractor's Technical Proposal dated _____;
 3. Exhibit C: Contractor's Price Proposal dated _____;
 4. Exhibit D: State Proposal and Contract Affidavits.

This agreement and Exhibits A through C shall constitute the scope of services provided under this Contract; provided, however, that the Office shall have the unilateral right to require changes in the scope of services provided so long as such changes are within the general scope of work to be performed. If there are any inconsistencies between this agreement and Exhibits A, B or C, or any of them, the terms of this document shall control.

- B. Specific Services. The Contractor agrees to provide the services as described in Exhibits A and B attached to this Contract.

ARTICLE II - TERM

The initial term of this Contract shall be from September 9, 2008 to September 9, 2012. In addition there shall be two additional one-year renewal options, which may be exercised at the sole discretion of the Treasurer of the State. Broker services shall continue for any policy placed within the term of the contract until the expiration of that policy.

ARTICLE III - CONSIDERATION, PAYMENT AND PERFORMANCE

- A. The using agency shall pay the fees set forth in the attached Contractor's Financial Proposal in Exhibit C, which shall not be adjusted during the term of the Contract.
- B. Payments to the Contractor may be withheld, without interest or penalty, when in the sole

discretion of the Treasurer, the Contractor's performance of any of the services under this Contract is unsatisfactory, or does not meet generally accepted industry standards. Notice of such withholding of payment and the reasons therefore shall be promptly provided to the Contractor, who shall be afforded an opportunity to cure any performance deficiencies.

- C. 1. All invoices for goods and services shall be submitted to:

Maryland State Treasurer's Office
Accounts Payable
Louis L. Goldstein Treasury Bldg.
80 Calvert Street, Room 109
Annapolis, MD 21401

2. Invoices must be submitted either:

- (a) For ongoing services, on a monthly basis for goods or services rendered in the preceding month; or
- (b) For one-time or periodic services, with 30 days of delivery or completion of the goods or services.

3. Except as provided in Article III. B. above, payments to the Contractor pursuant to this Contract shall be made no later than 30 days after receipt by Maryland State Treasurer's Office, Accounts Payable division of a proper invoice from the Contractor. Payments of policy premiums may be paid in less than 30 days to comply with coverage dates. Each invoice for services rendered must reflect the Contractor's federal tax identification number, which is _____, and shall clearly indicate the specific type of service provided. 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, as from time to time amended, are prohibited.

ARTICLE IV – GENERAL CONDITIONS

1. Changes

The Procurement Officer may make any change in the work within the general scope of the Contract at any time by written order designated to be a change order. If any change under this clause causes an increase or decrease in the Contractor's cost of, or the time required for the performance of any part of the work under this Contract, an equitable adjustment shall be made and the Contract modified in writing accordingly.

2. Liability

The Contractor agrees to assume full responsibility for any and all damage to the property of the State Treasurer's Office, both real and personal, which results from or arises in connection with, the performance of this Contract.

The Contractor hereby agrees to indemnify and save harmless the State Treasurer's Office against all claims, damages, costs, losses and liabilities whatsoever, for any and all injury to persons and property which may arise out of the performance of this Contract.

The Contractor agrees to maintain adequate insurance coverage in order to fulfill responsibility under this section.

3. Tax Exemption

The State Treasurer's Office is generally exempt from Federal Excise Taxes, Maryland Sales and Use Taxes, District of Columbia Sales Tax and Transportation Taxes. Exemption certificates shall be completed upon request. Where a Contractor is required to furnish and install material in the construction or improvement of real property in the performance of a Contract, the Contractor shall pay the Maryland Sales Tax and the exemption does not apply.

4. Non-Assignment

The Contractor shall not sell, transfer, or otherwise assign its obligations under this Contract or any portion thereof, or its rights, title or interest herein without prior written consent of the State Treasurer's Office.

5. Non-Hiring of Employees

No employee of the State of Maryland or any unit thereof, whose duties as such employee include matters relating to or affecting the subject matter of this Contract, shall, while so employed, become or be an employee of the party or parties hereby contracting with the State of Maryland or any unit thereof.

6. 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 (Dispute Resolution), 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.

7. Maryland Law Prevails

The provisions of this Contract shall be governed by the Laws of Maryland.

8. Amendments

This Contract constitutes the entire agreement between the parties and all other communications prior to its execution, whether written or oral, with reference to the subject matter of this Contract are superseded by this agreement. Any amendment to this Contract must first be approved in writing by the Procurement Officer, subject to any additional approvals required by State law. No amendment to this Contract shall be binding unless so approved and unless it is in writing and signed by the party to be charged.

9. 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 physical or mental handicap unrelated in nature and extent so as reasonably to preclude the performance of such employment; (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.

10. Commercial Nondiscrimination Clause

A. As a condition of entering into this Agreement, 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 Agreement and may result in termination of this Agreement, 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.

B. As a condition of entering into this Agreement, 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 is requested by the State. Contractor understands that violation of this clause is a material breach of this Agreement and may result in contract termination, disqualification by the State from participating in State contracts, and other sanctions.

11. Contingent Fee Prohibition

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

12. Multi-Year Contracts Contingent Upon Appropriations

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 cancelled 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 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 non-recurring 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 Default

If the Contractor fails to fulfill its obligation 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 shall pay the Contractors fair and equitable compensation for satisfactory performance prior to receipt of notice of termination, less the amount of damages caused by 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 determination 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 21.07.01.12A(2).

15. Delays and Extensions of Time

The Contractor agrees to prosecute the work continuously and diligently and no charges or claims for damages shall be made by it 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. Variations in Estimated Quantities

No equitable adjustment shall be permitted in favor of either the State or the Contractor in the event that the quantity of any pay item in this Contract is an estimated quantity and the actual quantity of such pay item varies from the estimated quantity stated in the Contract.

17. 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.

18. 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 Title 21) in effect on the date of execution of this Contract are applicable to this Contract.

19. 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, 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 State of Maryland certain specified information to include disclosure of beneficial ownership of the business.

20. Political Contribution Disclosure

The Contractor shall comply with the 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, a county or an incorporated municipality, or their agencies, during a calendar year in which the person receives in the aggregate \$100,000 or more, shall file with the State Administrative Board of Election Laws 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 Administrative Board of Election Laws: (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.

21. Retention of Records

The Contractor shall retain and maintain all records and documents relating to this Contract for three years after final payment by the State hereunder 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 his designee, at all reasonable times.

22. 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.

23. Liability for Loss of Data

In the event of loss of any data or records necessary for the performance of this Contract where such loss is due to the error or negligence of the Contractor, the Contractor shall be responsible, irrespective of cost to the Contractor, for recreating such lost data or records.

24. Cost and Price Certification

- A. The Contractor by submitting cost or price information certifies that, to the best of its knowledge, the information submitted is accurate, complete, and current as a mutually determined specified date prior to the conclusion of any price discussions or negotiations for:
 - (1) A negotiated Contract, if the total contract price is expected to exceed \$100,000, or a smaller amount set by the procurement officer; or
 - (2) A change order or contract modification, expected to exceed \$100,000, or a smaller amount set by the procurement officer.
- B. 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 agreed upon between the parties, was inaccurate, incomplete, or not current.

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, 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 be subject to any terms and conditions that the Office deems necessary to protect the interest of the State. The Office shall not be responsible for the fulfillment of the Contractor's obligations to subcontractors.

26. Ownership of Documents and Materials

The Contractor agrees that all documents and materials including, but not limited to, reports, drawings, studies, specifications, estimates, maps, photographs, designs, graphics, mechanical, artwork, and computations prepared by or for it under the terms of this Contract shall at anytime during the performance of the services be made available to the State upon request by the State and shall become and remain the exclusive property of the State upon termination or completion of the services. The State shall have the right to use same without restriction or limitation and

without compensation to the Contractor other than that provided by this Contract. The State shall be the owner for purposes of copyright, patent or trademark registration.

27. Patents, Copyrights and Trade Secrets

- A. If the Contractor furnishes any design, device, material, process or other item, which is covered by a patent, or copyright or which is proprietary to or a trade secret of another, Contractor shall obtain the necessary permission or license to use such item.
- B. Contractor will defend or settle, at its own expense, any claim or suit against the State alleging that any such item furnished by Contractor infringes any patent, trademark, copyright, or trade secret. Contractor also will pay all damages and costs that by final judgment may be assessed against the State due to such infringement and all attorney fees and litigation expenses reasonably incurred by the State to defend against such a claim or suit. The obligations of this paragraph are in addition to those stated in paragraph C below.
- C. If any product(s) furnished by Contractor become, or in Contractor's opinion are likely to become, the subject of a claim of infringement, Contractor will, at its option: (1) procure for the State the right to continue using the applicable item; (2) replace the product with a non-infringing product substantially complying with the item's specifications; or (3) modify the item so it becomes non-infringing and performs in a substantially similar manner to the original item.

ARTICLE V - NOTICES

All notices required to be given by one party to the other hereunder shall be in writing and shall be addressed as follows:

If to the Office:

Procurement Officer
State Treasurer's Office
Louis L. Goldstein Treasury Building
80 Calvert Street
Annapolis, Maryland 21401

If to the Contractor:

All invoices and all correspondence and inquiries relating to invoices or payments shall be addressed to:

State Treasurer's Office
Attn: Accounts Payable
Louis L. Goldstein Treasury Building
80 Calvert Street
Annapolis, Maryland 21401

ARTICLE VI - ADMINISTRATION

The work to be accomplished under this Contract shall be performed under the direction of the Contract Officer, Laura C. McWeeney. All matters relating to the administration of this Contract shall be referred to the Procurement Officer for determination.

ARTICLE VII - REPRESENTATIONS

Each party to this agreement represents and warrants to the other that it has full right, power, and authority to execute this Contract.

IN WITNESS WHEREOF, the parties have executed this agreement as of the date hereinabove set forth.

ATTEST:

CONTRACTOR

WITNESS:

**MARYLAND STATE TREASURER'S
OFFICE**

Approved for form and legal sufficiency:

Assistant Attorney General

APPENDIX E

MINORITY BUSINESS ENTERPRISE PARTICIPATION

PURPOSE

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 Invitation for Bids or Request for Proposals. MBE performance must be in accordance with this Exhibit, as authorized by Code of Maryland Regulations (COMAR) 21.11.03. Contractor agrees to exercise all good faith efforts to carry out the requirements set forth in this Exhibit.

MBE GOALS AND SUB GOALS

- An MBE subcontract participation goal of 25% of the total contract dollar amount 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 — must accomplish an amount of work not less than the MBE subcontract goal with certified MBE subcontractors.
- A prime contractor comprising a joint venture that includes MBE partner(s) must accomplish the MBE subcontract goal with certified MBE subcontractors.

SOLICITATION AND CONTRACT FORMATION

- A bidder or offeror must include with its bid or offer:
 - (1) A completed Certified MBE Utilization and Fair Solicitation Affidavit (Attachment A) 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 B) 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 MBEs at the time of submission. The bidder or offeror shall specify the price and/or the percentage of contract value associated with each MBE subcontractor identified on the MBE Participation Schedule.

If a bidder or offeror fails to submit Attachment A and Attachment B at with the bid or offer as required, the Procurement Officer shall deem the bid non-responsive or shall determine that the offer is not reasonably 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 must provide the following documentation to the Procurement Officer.
 - (1) Outreach Efforts Compliance Statement (**Attachment C**)
 - (2) Subcontractor Project Participation Statement (**Attachment D**)
 - (3) If the apparent awardee believes a waiver (in whole or in part) of the overall MBE goal or of any sub goal is necessary, it must submit a fully documented 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.

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.

CONTRACT ADMINISTRATION REQUIREMENTS

Contractor shall:

1. Submit monthly to the Department a report listing 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 agreements with its certified MBE subcontractors a requirement that those subcontractors submit monthly to the Department a report that identifies the prime contract and lists all payments received from Contractor in the preceding 30 days, as well as any outstanding invoices, and the amount of those invoices.
3. Maintain such records as are necessary to confirm compliance with its MBE participation obligations. These records must 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 must 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 must 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

- A. Certified MBE Utilization and Fair Solicitation Affidavit (must be submitted with bid or offer)
- B. MBE Participation Schedule (must be submitted with bid or offer)
- C. Outreach Efforts Compliance Statement (must be submitted within 10 working days of notification of apparent award or actual award, whichever is earlier)
- D. Subcontractor Project Participation Statement (must be submitted within 10 working days of notification of apparent award or actual award, whichever is earlier)
- E. Waiver Request Procedure

Attachment A

CERTIFIED MBE UTILIZATION AND FAIR SOLICITATION

AFFIDAVIT

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

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

1. I acknowledge the overall certified Minority Business Enterprise (MBE) participation goal of ____ percent and, if specified in the solicitation, sub goals of ____ percent for MBEs classified as African American-owned and ____ percent for MBEs classified as women-owned. 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 MBE participation of _____% and request a waiver of the remainder of the goal. Within 10 business days of receiving notice that our firm is the apparent low bidder or the apparent awardee (competitive sealed proposal), I will submit a written waiver request that complies with COMAR 21.11.03.11. 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.

2. I have identified the specific commitment of certified MBEs by completing and submitting an MBE Participation Schedule with the bid or proposal.
3. I understand that if I am notified that I am the apparent awardee, I must 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 C**)
 - (b) Subcontractor Project Participation Statement (**Attachment D**)
 - (c) MBE Waiver Request 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.

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.

4. 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 B
MBE Participation Schedule
(for submission with bid or proposal)

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

Prime Contractor (Firm Name, Address, Phone)	Project Description
Project Number	Total Contract Amount \$
List Information For Each Certified MBE Subcontractor On This Project	
Minority Firm Name	MBE Certification Number
Work To Be Performed	
Dollar Amount of Percentage of Total Contract	
Minority Firm Name	MBE Certification Number
Work To Be Performed	
Dollar Amount of Percentage of Total Contract	
Minority Firm Name	MBE Certification Number
Work To Be Performed	
Dollar Amount of Percentage of Total Contract	

USE ATTACHMENT B CONINUATION PAGE AS NEEDED

SUMMARY

Total MBE Participation: _____ % \$ _____

Total African-American MBE Participation: _____ % \$ _____

Total Woman-Owned MBE Participation: _____ % \$ _____

Document Prepared By: (please print or type) Name: _____ Title: _____
--

ATTACHMENT B

MBE PARTICIPATION SCHEDULE (continued)

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

Attachment C

***Outreach Efforts Compliance
Statement***

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

1. Bidder/ Offeror identified opportunities to subcontract 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 conference
 No pre-bid conference was held.

Bidder/Offeror Name

By: _____

Address

Name, Title

Date

Attachment D

***Subcontractor Project Participation
Statement***

SUBMIT ONE FORM FOR EACH CERTIFIED MBE LISTED IN THE MBE PARTICIPATION SCHEDULE

Provided that _____ is awarded the State contract in
Prime Contractor Name

conjunction with Solicitation No. _____, 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:

Prime Contractor Signature

Subcontractor Signature

By: _____
Name, Title

By: _____
Name, Title

Date

Date

ATTACHMENT E

WAIVER REQUEST PROCEDURE

- A. If, for any reason, the apparent successful bidder or offeror is unable to achieve the contract goal for each certified MBE classification specified as having a subcontract goal or the overall MBE contract goal, the bidder or offeror may request, in writing, a waiver to include the following:
- (1) A detailed statement of the efforts made to select portions of the work proposed to be performed by certified MBEs, including the work to be performed by each MBE classification if an MBE subgoal has been specified, in order to increase the likelihood of achieving the stated goal;
 - (2) A detailed statement of the efforts made to contact and negotiate with certified MBEs, and if appropriate, by certified MBE classification, including:
 - (a) The names, addresses, dates, telephone numbers, and classification of certified MBEs contacted, and
 - (b) A description of the information provided to certified MBEs regarding the plans, specifications, and anticipated time schedule for portions of the work to be performed;
 - (3) As to each certified MBE that placed a subcontract quotation or offer that the apparent successful bidder or offeror considers not to be acceptable, a detailed statement of the reasons for this conclusion;
 - (4) A list of certified MBEs including, if applicable, certified MBEs in each MBE classification, found to be unavailable, which shall be accompanied by an MBE unavailability verification form signed by the certified MBE, or a statement from the apparent successful bidder or offeror that the certified MBE refused to give the written verification;
 - (5) The record of the apparent successful bidder's or offeror's compliance with the outreach efforts required under COMAR 21.11.03.09C(2)(a)—(e); and
 - (6) If the request for a waiver is for a certain MBE classification within an overall MBE goal, the bidder or offeror shall demonstrate reasonable efforts to meet the overall MBE goal with other MBE classification or classifications.
- B. A waiver of a certified MBE contract goal may be granted only upon a reasonable demonstration by the bidder or offeror that certified MBE subcontract participation was unable to be obtained, or was unable to be obtained at a reasonable price or in the appropriate MBE classifications, and if the agency head or designee determines that the public interest is served by a waiver. In making a determination under this section, the

agency head or designee may consider engineering estimates, catalogue prices, general market availability, and availability of certified MBEs in the area in which the work is to be performed, other bids or offers and subcontract bids or offers substantiating significant variances between certified MBE and non-MBE cost of participation, and their impact on the overall cost of the contract to the State and any other relevant factor.

- C. An agency head may waive any of the provisions of Regulations in COMAR 21.11.03 .09—.10 of for a sole source, expedited, or emergency procurement in which the public interest cannot reasonably accommodate use of those procedures.
- D. When a waiver is granted, except waivers under §C of this regulation, one copy of the waiver determination and the reasons for the determination shall be kept by the MBE liaison officer with another copy forwarded to the Office of Minority Affairs.