



Maryland
STATE
TREASURER
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Nancy K. Kopp
State Treasurer

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Chief Deputy Treasurer

**INVITATION TO BID
FOR
INSURANCE BROKER SERVICES FOR
CRIME, SURETY/BONDS, EMPLOYEE DISHONESTY AND RELATED COVERAGES
ITB #CSBC-04182017
(Small Procurement)**

Solicitation Issue Date: April 18, 2017

Questions Due: April 27, 2017 by 2:00 p.m. Eastern Time

Bid Due Date and Opening: May 8, 2017 by 2:00 p.m. Eastern Time

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

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Section I – GENERAL INFORMATION

1.1 Summary Statement

The Maryland State Treasurer's Office, the issuer of this Invitation to Bid (“ITB” or “solicitation”), is requesting proposals to select a broker to market, manage and service policies and/or sureties/bonds and related documents for crime, surety/bond, and related insurance coverages for the State of Maryland. The term “Bidder” as used in this ITB includes any broker submitting a proposal.

1.2 Issuing Office and Procurement Officer

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

1.3 Procurement Method

This contract will be awarded in accordance with the small procurement process under COMAR 21.05.07.

1.4 Questions and Inquiries

All questions must be submitted in writing by mail or via email and received by the Issuing Office no later than 2:00 p.m. local time on Thursday, April 27, 2017. Oral questions will not be permitted.

1.5 Submission Deadline

To be considered for award, the Bid must be received by the Procurement Officer at the Issuing Office no later than 2:00 p.m. Eastern time on Monday, May 8, 2017. Requests for extension of this date and time will not be granted. Bidders should allow sufficient mail and internal delivery time to ensure timely receipt at the Issuing Office. Bids or unsolicited amendments to bids arriving after the closing date and time will not be considered. Bids submitted by electronic means only (facsimile or email) will not satisfy the submission deadline and will not be considered.

1.6 Cancellation of the IFB; Rejection of all Bids

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

1.7 Bid/Proposal Affidavit

All bids submitted by a bidder must be accompanied by a completed Bid/Proposal Affidavit. A copy of this Affidavit is included as Appendix B to this IFB.

1.8 Acceptance of Terms and Conditions

By submitting a Bid in response to this solicitation, the bidder accepts all of the terms and conditions. If selected for award, the bidder will execute a Contract materially the same as Appendix C.

1.9 Contract Affidavit

All bidders are advised that if a Contract is awarded as a result of this solicitation, the successful bidder will be required to complete a Contract Affidavit. A copy of this Affidavit is included for informational purposes in Appendix E. This Affidavit need not be submitted with a bidder's bid.

1.10 Basis for Award

Pursuant to COMAR 21.05.02.13, the Office will make the award to the responsible and responsive bidder whose bid meets the requirements, evaluation criteria set forth in the invitation for bids and who submitted the most favorable bid price determined by the Office to represent the lowest cost to the State.

1.11 Bid Opening

The Office shall open the bids publicly at the Maryland State Treasurer's Office, Louis L. Goldstein Treasury Bldg., 80 Calvert Street, Annapolis, Maryland 21401, 4th Floor Conference Room, on Monday, May 8, 2017, at 2:00 p.m. Eastern Time. The Office shall read aloud or otherwise make available the name of each bidder, the fees, and such other information as is deemed appropriate. The Office shall make a bid abstract. The Office shall make available for public inspection opened bids at a reasonable time after bid opening but in any case before contract award, except to the extent a bidder designates trade secrets or other proprietary data to remain confidential.

SECTION II – SCOPE OF SERVICES

2.1 Introduction

This Insurance Broker Services ITB is to select an insurance broker to represent the State of Maryland for coverage needs for crime, surety/bonds and related coverages as described in *Category A – Bond/Surety Coverages, Category B – Employee Dishonesty Coverages, and Category C – Commercial Crime Coverages (below)*. Brokers will remain the broker of record for any coverage they place, until it expires.

The selected broker will market the coverages, present the Office with competitive quotes with recommendations, place and service the coverages, including any future additions or replacements thereto. Related coverages and services may be added or deleted at any time during the contract period, and all coverages, new or renewal can be written annually or for a multi-year term, for the stated broker fee, whichever is most advantageous to the State.

2.2 Broker Services

With respect to the coverages identified below, as well as any related coverages requested by the Office to be added in the future, the selected insurance broker shall be responsible for providing the following services to the Office:

- 2.2.1. Market and obtain quotations, evaluate and report on an insurer's financial status, including producing the most current audited financial statement for the insurer, place and service the desired insurance coverages.
- 2.2.2. Annually provide carrier loss runs, or letter, for Crime policies and Surety/Bond and related coverages a minimum of 60 days before expiration of each coverage, including any prior year with open losses.
- 2.2.3. Acting as an advocate for the Office in communications with the insurers, and intermediaries, and any other subcontractors. Insurance broker is expected to negotiate with insurance brokers and intermediaries to obtain the lowest possible fees.
- 2.2.4. Offer creative solutions and innovative suggestions for the Office to consider.
- 2.2.5. Reviewing and verifying insurance documents received from insurers for accuracy, requesting any needed corrections and ensuring receipt of any corrections from the insurance company.
- 2.2.6. Providing an original paper copy and an electronic copy of all policies and/or sureties/bonds (carrier or broker provided).

- 2.2.7. Obtaining endorsements as requested. The Office needs both an electronic copy and a paper copy of each endorsement (carrier or broker provided).
- 2.2.8. Preparing and mailing original certificates of insurance and providing an electronic copy to the Office and the applicable State agency as requested.
- 2.2.9. Including and identifying any intended intermediaries (who will be considered subcontractors under the Contract) used in the quote process and disclosing, where available, the full commission rate and the anticipated negotiated rate of commission. When commission rates are not available, the insurance broker must provide an explanation to the State for the reason the commission rate is not available.
- 2.2.10. Develop a brief renewal strategy for each upcoming renewal to be presented in writing to the Office a minimum of 90 days before expiration, INCLUDING the five coverages that renew in December of 2017 (three in Category A, one in Category B, and one in Category C). The renewal strategy should also include any requested renewal applications or information needed, and specify when the renewal information is due.
- 2.2.11. Providing renewal quotes including copies of the carrier quotes, on all policies and/or sureties/bonds, preferably 30 days before the expiration date. If a carrier only offers an "indication" of their premium quote, a copy of the carrier's indication must be included in the broker's renewal (or new) submission, and is acceptable as documentation of a quote. All quotes must include the insurance broker's recommendation, with the supporting reasons for that recommendation, the final intermediary used, if any, and the final negotiated intermediary commission rate. If available. Where there are an adequate number of markets to do so, provide multiple quotes (a minimum of two, but three preferred) for competitive purposes. If a broker has been delegated authority by an insurance carrier to provide quotes on the carrier's behalf, then the broker's quote letter is acceptable. In the event that the required number of quotes is not possible or recommended, the insurance broker must submit a letter of explanation/recommendation to the Director of Insurance 90 days before the coverage expiration to obtain acceptance or denial of the recommendation. Where a carrier declines to offer a quote on coverage, the insurance broker must provide documentation from each carrier indicating why they chose not to quote.
- 2.2.12. Considering all qualified carriers for quotes. Carriers may contact the insurance broker to quote coverage. The insurance broker must document all contacts from qualified and non-qualified carriers and must provide information to the Office on the results.
- 2.2.13. When requested by the Office, the insurance broker will provide detailed rating worksheets on insurance proposals, either a full set or a sampling that reflects the pricing detail used.

- 2.2.14. When requested by the Office, the insurance broker will offer guidance on State Agency RFP, ITB, or any other insurance requirements.
- 2.2.15. Providing answers to the Office and obtaining clarification from insurers, underwriters or adjusters regarding coverage or claims questions.
- 2.2.16. Providing a Binder of Insurance, electronically, prior to the effective date for all policies and/or sureties/bonds.
- 2.2.17. Disclose any coverage additions and/or coverage reductions on all renewal quotes.

2.3 Minimum Qualifications

To be considered for these Contracts, the broker:

- 2.3.1. Must have a minimum of 5 years experience in **each** of the crime, surety/bonds and related coverages as applicable.
- 2.3.2. Provide evidence of Professional Errors and Omissions Liability insurance (current certificate of insurance) with a limit of liability of at least \$5,000,000 and maintain such insurance at all times during the term of the Contract. Such insurance shall be written with an insurance company with a Best's (or equivalent) Rating of "A" or greater and be licensed to do business in the State of Maryland. If the insurance carrier is Lloyd's of London, include the Lloyd's of London syndicate(s) Best Rating also.
- 2.3.3. Confirm that your firm has and will maintain all necessary permits and licenses required by local, State, and/or Federal laws.

2.4 Auditing

Bidder must have its financial statements audited annually by an independent certified public accounting firm and receive an unqualified opinion from the Auditor. Upon request, over the term of the Contract, Bidder must provide the Office with current audited financial statements.

At the Office's discretion, the State may audit or subcontract an audit of the Contractor's procedures to ensure Contract compliance.

2.5 Summary of Coverages Required

Summary of Needs (full details to be provided to the selected broker):

Category A – Bond/ Surety Coverages

- 2.5.1. Patient Funds Bond for the Department of Health and Mental Hygiene for Willow Brook Square - Effective January 1, 2018.
The current bond carrier is Fidelity & Deposit Company of Maryland and has a limit of \$50,000.
- 2.5.2. Tuition Bond for the University of Maryland, University College for the State of Washington - Effective January 1, 2018.
The University conducts on-line learning classes in the State of Washington and is required to maintain a tuition bond. The current bond carrier is Travelers and has a limit of \$25,000.
- 2.5.3. Customs Bond for the University of Maryland, College Park - Effective January 3, 2018.
The University is an importer of goods into the United States and is required to maintain a customs bond. The current bond carrier is Fidelity & Deposit Company of Maryland and has a limit of \$50,000.
- 2.5.4. Public Official Bond for the Insurance Commissioner for Maryland Insurance Administration -Effective January 21, 2019 - January 21, 2023.
The current bond carrier is Ohio Casualty Insurance Company and has a limit of \$200,000.
- 2.5.5. Public Official Bond for the Comptroller of Maryland - Effective January 22, 2019 - 2023.
The current bond carrier is Hartford Fire Insurance Company and has a limit of \$200,000.
- 2.5.6. Public Official Bond for the State Treasurer - Effective February 1, 2019 - February, 2023.
The current bond carrier is Hartford Fire Insurance Company and has a limit of \$1,000,000.
- 2.5.7. Public Official Bond for the State Treasurer in his/her capacity as Custodian of the Unemployment Insurance Fund - Effective February 1, 2019 - February 1, 2023.
The current bond carrier is Ohio Casualty Insurance Company and has a limit of \$25,000.
- 2.5.8. Public Official Bond for the Chairman of the Maryland Board of Physicians Quality Assurance - Effective April 6, 2018.

The current bond carrier is Travelers Casualty & Surety Company of America and has a limit of \$10,000.

- 2.5.9. Public Official Bond for the Deputy Insurance Commissioner of the Maryland Insurance Administration - Effective July 1, 2022 - July 1, 2026.
The current bond is through Fidelity & Deposit Company of Maryland and has a limit of \$200,000.
- 2.5.10. Public Official Bond for the Executive Director of the Maryland Board of Physicians Quality Assurance - Effective August 4, 2018.
The current bond carrier is Hartford Fire Insurance Company and has a limit of \$10,000.
- 2.5.11. Tuition Bond for the University of Maryland, University College for the State of Hawaii - Effective September 5, 2018.
The University conducts on-line learning classes in the State of Hawaii and is required to maintain a tuition bond. The current bond carrier is Hartford Fire Insurance Company and has a limit of \$166,000.
- 2.5.12. Public Official Bond for the Legislative Auditor for the Maryland General Assembly - Effective December 4, 2017.
The current bond carrier is Liberty Mutual Surety and has a limit of \$200,000.
- 2.5.13. Surety Bond for Patients' Funds at Deer's Head Hospital Center - Effective December 18, 2017.
The current bond carrier is Travelers Casualty & Surety Company and has a limit of \$70,000.
- 2.5.14. Surety Bond for Patients' Funds at Western Maryland Hospital Center - Effective December 18, 2017.
The current bond carrier is Travelers Casualty & Surety Company and has a limit of \$70,000.

Category B – Employee Dishonesty Coverages

Summary of Needs (full details to be provided to the selected broker):

- 2.5.15. Maryland Department of Housing & Community Development (DHCD) - Effective March 1, 2018.

Scope of Operations:

In conjunction with a contract with the United States Department of Housing and Urban Development (**HUD**), DHCD is required to maintain commercial crime insurance.

A. Summary of Coverage and Limits:			
1.	Public Employee Dishonesty	\$13,000,000	Single Loss Limit
	Single Loss retention	\$ 1,000,000	Per Occurrence
2.	Claim Expenses	\$ 250,000	Single Loss Limit
	Insured Co-participation	20%	Per Occurrence
B. Previous Carriers and Losses Incurred:			
3/1/2014-2015	Travelers Insurance Company		\$0
3/1/2015-2016	Travelers Insurance Company		\$0
3/1/2016-2017	Travelers Casualty & Surety		\$0
3/1/2017-2018	Travelers Casualty & Surety		\$0

2.5.16. Maryland 529 - Effective April 1, 2018

Scope of Operations:

Maryland 529 (formerly The College Savings Plans of Maryland) is an independent State agency that provides two plans to help Maryland families save for future college expenses and reduce dependence on student loans and other forms of debt. The two plans are:

- The Maryland Prepaid College Trust
- The Maryland College Investment Plan

Both plans are administered by the Maryland 529 Board, which includes 11 members, six of whom are State officials and five of whom are public members appointed by Maryland's Governor.

A. Summary of Coverage and Limits:			
1.	Public Employee Dishonesty,	\$1,000,000	Single loss Limit/per
	including Faithful Performance of		loss
	Duty		
	Single Loss retention	\$ 10,000	Per Occurrence
2.	Computer Fraud	\$1,000,000	Single Loss Limit
	Single Loss Retention	\$ 10,000	Per Occurrence
3.	Funds Transfer Fraud	\$1,000,000	Single Loss Limit
	Single Loss Retention	\$ 10,000	Per Occurrence
4.	Claim Expense	\$ 100,000	Single Loss Limit
	Single Loss Retention	\$ 1,000	Per Occurrence
B. Previous Carriers and Losses Incurred:			
4/1/2014-2015	Travelers Casualty & Surety Co.		\$0
4/1/2015-2016	Travelers Casualty & Surety Co.		\$0

4/1/2016-2017	Travelers Casualty & Surety Co.	\$0
4/1/2017-2018	Travelers Casualty & Surety Co.	\$0

2.5.17. The Maryland Judiciary: Clerks and Commissioners of District, Circuit, Appellate and Orphans Courts of Maryland - Effective July 1, 2020-July 1, 2023.

Scope of Operations:

The Maryland Judiciary includes several courts. The courts and their primary functions are listed below:

The District Courts hear misdemeanors, specified felonies, peace order petitions, small claims, and other civil cases involving limited dollar amounts, among others.

The Circuit Courts generally handle more serious criminal cases, major civil cases, and most cases appealed from District Court, among others.

The Appellate Courts review a trial court’s actions and decisions in given cases and decide whether the trial judge properly followed the law and legal precedent. The Court of Appeals is the highest court, and the Court of Special Appeals is the intermediate appellate court.

The Orphans’ Court is a specialized court that handles wills, estates and other probate matters and limited aspects of guardianship.

Maryland law requires that the Clerks of any Court and Court Commissioners be covered by a bond for the faithful performance of the duties of office. Court Commissioners exercise power with respect to warrants of arrest and bail or collateral, other terms of pretrial release pending a hearing, or incarceration pending a hearing. Court Clerks’ duties include participation in the preparation of the budget, oversight as to expenditures, oversight as to methods for the collection of revenue and the deposit of the same to the appropriate funds of the State, as well as general supervisory responsibility.

A. **Summary of Coverage and Limits:**

1.	<i>Public Employee Dishonesty including Faithful Performance of Duty</i>	\$1,000,000	Single Loss Limit
	<i>Single Loss Retention</i>	\$ 100,000	Per Occurrence
2.	<i>Computer Fraud</i>	\$ 1,000,000	Single Loss Limit
	<i>Single Loss Retention</i>	\$ 100,000	Per Occurrence
3.	<i>Claim Expense</i>	\$ 5,000	Single Loss Limit
	<i>Single Loss Retention</i>	\$ 0	Per Occurrence

B. Previous Carriers and Losses Incurred:

7/1/2011 – 7/1/2014	Travelers Casualty & Surety	\$0
7/1/2014 – 7/1/2017	Travelers Casualty & Surety	\$0

2.5.18. State Retirement and Pension System of Maryland - Effective July 1, 2018

Scope of Operations:

The State Retirement and Pension System of Maryland is responsible for properly administering retirement, disability and death benefits on behalf of over 350,000 active and former State employees, teachers, State police, judges, law enforcement officers, correctional officers, legislators, as well as local government employees and fire fighters whose employers have elected to participate in the System.

A. Summary of Coverage and Limits:

1.	Public Employee Dishonesty including Faithful Performance of Duty Deductible	\$1,000,000 \$ 10,000	Single Loss Limit Single Loss Retention
2.	Forgery or Alteration Deductible	\$1,000,000 \$ 10,000	Single Loss Limit Single Loss Retention
3.	Computer Fraud Deductible	\$1,000,000 \$ 10,000	Single Loss Limit Single Loss Retention
4.	Funds Transfer Fraud Deductible	\$1,000,000 \$ 10,000	Single Loss Limit Single Loss Retention
5.	Claim Expense Deductible	\$ 50,000 \$ 0	Single Loss Limit Single Loss Retention

B. Previous Carriers and Losses Incurred:

7/1/2014 - 7/1/2015	Travelers	\$0
7/1/2015 - 7/1/2016	Travelers	\$0
7/1/2016 - 7/1/2017	Travelers	\$0

2.5.19. Maryland Department of Housing & Community Development (DHCD) -
Effective December 31, 2017.

Scope of Operations:

In conjunction with a contract with the United States Department of Housing and Urban Development (Fannie Mae), DHCD is required to maintain commercial crime insurance.

A. Summary of Coverage and Limits:

1.	Public Employee Dishonesty	\$3,000,000	Single Loss Limit
	Deductible	\$ 100,000	Single Loss Retention
2.	Investigative Costs	\$ 5,000	Single Loss Limit
	Deductible	\$ 0	Single Loss Retention

B. Previous Carriers and Losses Incurred:

3/1/2013-2014	Travelers Insurance Company	\$0
3/1/2014-2015	Travelers Insurance Company	\$0
3/1/2015-2016	Travelers Insurance Company	\$0
3/1/2016-2017	Travelers Insurance Company	\$0

Category C – Commercial Crime Coverages

Summary of Needs (full details to be provided to the selected broker):

2.5.20. Maryland Transit Administration (MTA) - Effective March 10, 2019.

Scope of Operations:

The MTA has one central revenue handling facility known as the "Revenue Room", which is responsible for receiving, counting, storing and preparing bank deposits from all revenue generated from MTA's bus operating systems. Revenue collected from bus fare boxes is stored in receiver vaults. It is picked up each weekday morning by an MTA armored truck and delivered to the Revenue Room to be counted and deposited in the bank the next business day.

A. Summary of Coverage and Limits:

1.	Theft of Money and Securities		
	a. Inside the Premises	\$5,000,000	Per Occurrence
	Deductible	\$ 10,000	Per Occurrence
	b. Outside the Premises	\$ 400,000	Per Occurrence
	Deductible	\$ 10,000	Per Occurrence
2.	Forgery or Alteration	\$ 250,000	Per Occurrence
	Deductible	\$ 5,000	Per Occurrence

B. Previous Carriers and Losses Incurred:

3/10/2010- 3/10/2013	Fidelity & Deposit Co. of Maryland	\$0
3/10/2013- 3/10/2016	Fidelity & Deposit Co. of Maryland	\$0
3/10/2016-3/10/2019	Fidelity & Deposit Co. of Maryland	\$0

2.5.21. Maryland Transportation Authority (MdTA) - Effective December 1, 2017.

Scope of Operations:

The MdTA owns, operates and maintains seven toll facilities in the State of Maryland, including five bridges and two tunnels, as well as two toll highways when combined cover 28 miles. Day to day maintenance of the facilities is provided by Authority staff. Large scale maintenance projects, e.g. resurfacing are performed by qualified contractors.

A. Summary of Coverage and Limits:

1.	<i>Public Employee Dishonesty including Faithful Performance of Duty</i>	<i>\$750,000</i>	<i>Per Occurrence</i>
	<i>Deductible</i>	<i>\$ 50,000</i>	<i>Single Loss Retention</i>
2.	<i>Forgery or Alteration</i>	<i>\$ 750,000</i>	<i>Per Occurrence</i>
	<i>Deductible</i>	<i>\$ 50,000</i>	<i>Single Loss Retention</i>
3.	<i>Computer Fraud</i>	<i>\$ 750,000</i>	<i>Per Occurrence</i>
	<i>Deductible</i>	<i>\$ 50,000</i>	<i>Single Loss Retention</i>
4.	<i>Money & Securities on Premises</i>	<i>\$ 750,000</i>	<i>Per Occurrence</i>
	<i>Deductible</i>	<i>\$ 50,000</i>	<i>Single Loss Retention</i>
5.	<i>Money & Securities - Messenger</i>	<i>\$ 750,000</i>	<i>Per Occurrence</i>
	<i>Deductible</i>	<i>\$ 50,000</i>	<i>Single Loss Retention</i>
6.	<i>Money Orders & Counterfeit Money</i>	<i>\$750,000</i>	<i>Per Occurrence</i>
	<i>Deductible</i>	<i>\$ 50,000</i>	<i>Single Loss retention</i>
7.	<i>Funds Transfer Fraud</i>	<i>\$750,000</i>	<i>Per Occurrence</i>
	<i>Deductible</i>	<i>\$ 50,000</i>	<i>Single Loss Retention</i>
8.	<i>Claim Expense</i>	<i>\$ 25,000</i>	<i>Per Occurrence</i>
	<i>Deductible</i>	<i>\$ 0</i>	<i>Single Loss Retention</i>

B. Previous Carriers and Losses Incurred:

<i>12/1/2013 – 12/1/2014</i>	<i>Travelers Casualty & Surety</i>	<i>\$0</i>
<i>12/1/2014 – 12/1/2015</i>	<i>Travelers Casualty & Surety</i>	<i>\$0</i>
<i>12/1/2015 – 12/1/2016</i>	<i>Travelers Casualty & Surety</i>	<i>\$0</i>

2.6 General Terms for all Bonds and Policies

- Policy Cancellation: 60 day cancellation clause required from carrier for non-renewal.
- The policy, surety/bond and any endorsement may not be modified except by mutual agreement and written instrument.

2.7 Term

The term of this Contract for Insurance Broker Services for Crime, Surety/Bonds and related insurance coverages will be August 1, 2017 to August 1, 2020, with up to two consecutive one-year renewal options, exercisable at the sole discretion of the Treasurer or the Treasurer's designee. The first coverage effective dates under the contract are as specified in Section 3.05. Insurance broker services provided under each Contract shall continue for any crime, surety or bonds, or related coverages, placed within the term of each Contract until the expiration of the crime, surety, or bond coverages

2.8. Compensation

For each coverage obtained on behalf of the State by the Contractor, the Office shall be responsible for paying the insurance broker services fee for each policy and/or surety/bond as well as the premiums relating to any coverage placed under the Contract. The Office will not pay any insurance broker services fee for quotes for new coverage, unless and until, the coverage is purchased, or for any renewal quotes where a decision is made not to renew the coverage for any reason.

Generally, the Contractor will be responsible for submitting invoices for payment of broker services fees and premiums; however, in certain limited circumstances when payment of premiums may not be made directly to Contractor in order to comply with certain regulatory requirements, invoices for premiums may be submitted by a subcontractor approved by the Office. Approved subcontractors to whom such payment must be made directly will typically be intermediaries operating in foreign countries and are sometimes referred to as "Billing Subcontractors." All Billing Subcontractors must be identified on Exhibit C to the Contract (Appendix C to the ITB), which may be amended from time to time. Properly submitted invoices will be paid within 30 work days of receipt by the Office.

For coverages in existence at the time of this ITB the broker services fee shall be as specified in the Contract, the **broker services fee will apply regardless of the term of the coverage** (annual or multi- year coverages), the broker services fee will apply for the entire coverage term, even if the term extends beyond the term of the contract, and the broker services fee will be invoiced only at inception of the coverage. For new or added policies and/or sureties/bonds, the Contractor agrees to negotiate with the Office in good faith to determine a reasonable broker services fee for such coverage to be in effect for the remainder of the coverage even if the term extends beyond the Contract term.

Each invoice for services rendered and/or for premiums to be paid must reflect the federal tax identification number of the Contractor or approved Billing Subcontractor. 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.

When insurance broker services fees specified in the Contract (or as negotiated for new or added coverages) and/or premiums are paid directly to the Contractor, the Contractor must agree to return to the State of Maryland, within 30 days of receipt, any and all commission income, overrides, contingencies or bonuses earned as a result of the State's coverage(s). If for any reason a policy or surety/bond for which the premium is paid directly to the Contractor cannot be written net of commission, any earned commission in excess of the insurance broker fee must be returned to the State. Notwithstanding anything to the contrary contained in the ITB or Contractor's Price Proposal, in the event that payment of a premium is made to a Billing Subcontractor instead of the Contractor in order ensure compliance with regulatory requirements, the Contractor shall not be obligated to return to the State any commission that is paid to such Billing Subcontractor.

Insurance broker services fees are all inclusive. The Office will not pay travel expenses or express mail or other administrative expenses of the Contractor.

By submitting a response to this solicitation, the Bidder agrees to accept any payments from the State by electronic funds transfer unless the State Comptroller's Office grants an exemption. The Contractor 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 "State Accounting Information," then "Electronic File Transfer," and then "Form X-10." Any approved Billing Subcontractor to whom direct payment of premiums may be made must also comply with these requirements

SECTION III - PROPOSAL FORMAT

3.1 Format

Each bidder must submit with its bid the following information:

3.1.1. General Information

Name of firm, firm's representative, address, telephone number and e-mail.

3.1.2. Bidder's Qualifications

Each Bidder shall provide Professional Errors and Omissions Liability carrier's current Best's Rating as described in Section 2.3 Minimum Qualifications. If the errors and omissions insurance carrier is Lloyd's of London, or partly Lloyd's of London, include the Lloyd's of London syndicate(s) Best Rating also.

3.1.3. Proposed Personnel

Indicate the manner in which you would organize your firm's resources to provide the appropriate assistance to the Office by identifying the individual(s) who will be assigned as the principal broker(s) to the account and define their position(s) with the firm. As described in Section 2.3 Minimum Qualifications, the designated employee to handle the coverages must have 5 years experience. Resumes may be requested.

3.1.4. Client References

- A. Provide at least two client references (preferably state or other public entity) for each of the relevant coverages (crime and surety/bond) for which the Bidder provides broker services. The list must include coverages you currently write that are **similar** to each of the insurance coverages requested in the ITB.
- B. Furnish company name, and contact name title, and telephone number for each client reference.

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

3.1.5. Subcontractors

If the Office will be required to make direct payment of premiums as a result of regulatory requirements to subcontractors, including intermediaries, please describe the regulatory requirements necessitating this arrangement.

3.2 Bid Submission

Each Bidder must submit a completed and signed Bid Form (Appendix A), Bid/Proposal Affidavit (Appendix B) and provide all required information requested Section 3.1 above. Bids must be received by the Procurement Officer no later than 2:00 p.m. Eastern Time Monday, May 8, 2017, The Bid must be completed and signed by an individual authorized to bind the bidder to all terms and conditions of this ITB.

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**APPENDIX A
PRICE PROPOSAL**

ITB for Insurance Broker Services for Crime, Surety/Bond, Employee Dishonesty and Related Coverages, ITB #CSBC-04182017

Firm Name

Address

City, State, Zip

Broker Service Fee Structure

If the coverage is annual, the Insurance Broker Services Fee(s) (all inclusive) for insurance broker services for the State of Maryland crime and surety/bond, and related coverages are for the initial term and for all subsequent annual terms.

If the coverage is a multi-year, (pre-paid or annual installments) for the State of Maryland crime and surety/bond, and related coverages, only **one** Insurance Broker Service Fee will apply for that entire coverage term and be invoiced only at inception.

Insurance Broker Services Fee must be provided for each line item for Crime, Surety/Bond, Employee Dishonesty and Related Coverages listed below.

Category A – Bond/Surety Coverages

	<u>Insurance Broker Services Fees</u>	<u>Current Structure</u>
<u>Surety/Bonds (Annual)</u>		
2.5.1. Resident Trust Fund Bond for Willow Brook Square (DHMH)		Annual
2.5.2. Tuition Bond for University of Maryland, University College for the State of Washington		Annual
2.5.3. Custom Bond for University of Maryland, College Park		Annual
2.5.8. Public Official Bond (“POB”) for Chairman of the Maryland Board of Physicians		Annual
2.5.10. POB for the Executive Director of the Maryland Board of Physicians		Annual

	<u>Insurance Broker Services Fees</u>	<u>Current Structure</u>
2.2.11. Tuition Bond for University of Maryland, University College, for the State of Hawaii		Annual
2.2.12. POB for Legislative Auditor for the Maryland General Assembly		Annual
2.2.13. Resident Trust Fund Bond for Deer's Head Hospital Center (DHMH)		Annual
2.2.14. Resident Trust Fund Bond for Western Maryland Hospital Center		Annual
TOTAL ANNUAL FLAT BROKER FEE FOR SURETY/BONDS:	\$ _____	

	<u>Insurance Broker Services Fees</u>	<u>Current Structure</u>
<u>Surety Bonds (Multi-Year)</u>		
2.5.4. POB for Insurance Commissioner for Maryland		Multi-year
2.5.5. POB for Comptroller of Maryland		Multi-year
2.5.6. POB for Maryland State Treasurer		Multi-year
2.5.7. POB for Maryland State Treasurer (Custodian of the Unemployment Insurance Fund)		Multi-year
2.5.9. POB for Deputy Insurance Commissioner of Maryland Insurance Administration		Multi-year
TOTAL MULTI-YEAR FLAT BROKER FEE FOR SURETY/BONDS:	\$ _____	

Category B – Employee Dishonesty Coverages

Insurance Broker Services Fee must be provided as an annual flat for each of the coverages listed below.

	<u>Insurance Broker Services Fees</u>	<u>Current Structure</u>
2.2.15. Maryland Department of Housing and Community Development (HUD requirement)	\$ _____	Annual
2.2.16. College Savings Plans of Maryland (Maryland 529)	\$ _____	Annual
2.2.17. Maryland Judiciary: Clerks and Commissioners of District, Circuit, Appellate and Orphans Courts of Maryland	\$ _____	Annual
2.2.18. State Retirement and Pension System of Maryland	\$ _____	Annual
2.2.19. Maryland Department of Housing and Community Development (Fannie Mae requirement)	\$ _____	Annual

Category C – Commercial Crime Coverages

2.2.20. Maryland Transit Administration (MTA) (Revenue Room)	\$ _____	Annual
2.2.21. Maryland Transportation Authority (MDTA) (Toll Facilities)	\$ _____	Annual

For each coverage obtained on behalf of the State under the Contract, the Office shall be responsible for paying the insurance broker services fees listed above as well as the applicable premiums. The insurance broker shall not be entitled to accept any other form of compensation in connection with the services provided under the Contract other than the insurance broker services fees listed above (or as negotiated for multi-year, new or added coverages).

When insurance broker services fees specified in the Contract (or as negotiated for multi-year, new or added policies and/or sureties/bonds) and/or premiums are paid directly to the Contractor, the insurance broker must agree to return to the State of Maryland, within 30 days of receipt, any and all commission income, overrides, contingencies or bonuses

Appendix A - ITB for Insurance Broker Services for
Crime, Surety/Bond, Employee Dishonesty and Related Coverages, ITB #CSBC-04182017
(continued)

earned as a result of the State's policy(s) and/or surety(s)/bond(s). If for any reason a policy and/or surety/bond for which the premium is paid directly to the Contractor cannot be written net of commission, any earned commission in excess of the insurance broker fee must be returned to the State.

Notwithstanding anything to the contrary contained in this ITB or Contractor's Price Proposal, in the event that payment of a premium is made to a Billing Subcontractor (as defined in the ITB) instead of the Contractor in order to ensure compliance with regulatory requirements, as permitted under the Contract and specified in Appendix A of the Contract, which may be amended, the Contractor shall not be obligated to return to the State any commission that is paid to such Billing Subcontractor.

Insurance broker services fees are all inclusive. The Office will not pay travel expenses or express mail or other administrative expenses of the Bidder. The Office will not pay any insurance broker services fee relating to quotes for new coverage unless and until the coverage is purchased. If the Bidder provides a renewal quote, and the Office decides not to renew the coverage for any reason, the Office will not pay any insurance broker services fee.

Notwithstanding this proposal, for any annual or multi-year policy and/or surety/bond or any new or added policy and/or surety/bond, the Bidder agrees to negotiate with the Office an appropriate insurance broker services fee for that coverage.

In compliance with the ITB and with all terms and conditions set forth therein, the undersigned represents that he/she has full authority to submit the above insurance broker services fees.

Signature of Authorized Official

Name and Title of Authorized Official

Date

APPENDIX B
Bid/Proposal Affidavit
(To be submitted with Bid)

A. Authority

I HEREBY AFFIRM THAT:

I (print name)_____ possess the legal authority to make this Affidavit.

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 vendor's, 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.

B-1. Certification Regarding Minority Business Enterprises.

The undersigned bidder hereby certifies and agrees that it has fully complied with the State Minority Business Enterprise Law, State Finance and Procurement Article, §14-308(a)(2), Annotated Code of Maryland, which provides that, except as otherwise provided by law, a contractor may not identify a certified minority business enterprise in a bid or proposal and:

- (1) Fail to request, receive, or otherwise obtain authorization from the certified minority business enterprise to identify the certified minority proposal;
- (2) Fail to notify the certified minority business enterprise before execution of the contract of its inclusion in the bid or proposal;
- (3) Fail to use the certified minority business enterprise in the performance of the contract; or

(4) Pay the certified minority business enterprise solely for the use of its name in the bid or proposal.

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.

B-2. Certification Regarding Veteran-Owned Small Business Enterprises. The undersigned bidder hereby certifies and agrees that it has fully complied with the State veteran-owned small business enterprise law, State Finance and Procurement Article, §14-605, Annotated Code of Maryland, which provides that a person may not:

(1) Knowingly and with intent to defraud, fraudulently obtain, attempt to obtain, or aid another person in fraudulently obtaining or attempting to obtain public money, procurement contracts, or funds expended under a procurement contract to which the person is not entitled under this title;

(2) Knowingly and with intent to defraud, fraudulently represent participation of a veteran-owned small business enterprise in order to obtain or retain a bid preference or a procurement contract;

(3) Willfully and knowingly make or subscribe to any statement, declaration, or other document that is fraudulent or false as to any material matter, whether or not that falsity or fraud is committed with the knowledge or consent of the person authorized or required to present the declaration, statement, or document;

(4) Willfully and knowingly aid, assist in, procure, counsel, or advise the preparation or presentation of a declaration, statement, or other document that is fraudulent or false as to any material matter, regardless of whether that falsity or fraud is committed with the knowledge or consent of the person authorized or required to present the declaration, statement, or document;

(5) Willfully and knowingly fail to file any declaration or notice with the unit that is required by COMAR 21.11.12; or

(6) Establish, knowingly aid in the establishment of, or exercise control over a business found to have violated a provision of §B-2(1)—(5) of this regulation.

C. AFFIRMATION REGARDING BRIBERY CONVICTIONS

I FURTHER AFFIRM THAT:

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

disposition, the name(s) of person(s) involved, and their current positions and responsibilities with the business):

D. AFFIRMATION REGARDING OTHER CONVICTIONS

I FURTHER AFFIRM THAT:

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

(1) Been convicted under state or federal statute of:

(a) A criminal offense incident to obtaining, attempting to obtain, or performing a public or private contract; or

(b) Fraud, embezzlement, theft, forgery, falsification or destruction of records or receiving stolen property;

(2) Been convicted of any criminal violation of a state or federal antitrust statute;

(3) Been convicted under the provisions of Title 18 of the United States Code for violation of the Racketeer Influenced and Corrupt Organization Act, 18 U.S.C. §1961 et seq., or the Mail Fraud Act, 18 U.S.C. §1341 et seq., for acts in connection with the submission of bids or proposals for a public or private contract;

(4) Been convicted of a violation of the State Minority Business Enterprise Law, §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 and subsections D(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, controlling stockholders, or any of its employees directly involved in the business's contracting activities, including obtaining or performing contracts with public bodies, has ever been suspended or debarred (including being issued a limited denial of participation) by any public entity, except as follows (list each debarment or suspension providing the dates of the suspension or debarment, the name of the public entity and the status of the proceedings, the name(s) of the person(s) involved and their current positions and responsibilities with the business, the grounds of the debarment or suspension, and the details of each person's involvement in any activity that formed the grounds of the debarment or suspension).

F. AFFIRMATION REGARDING DEBARMENT OF RELATED ENTITIES

I FURTHER AFFIRM THAT:

(1) The business was not established and it does not operate in a manner designed to evade the application of or defeat the purpose of debarment pursuant to Sections 16-101, et seq., of the State Finance and Procurement Article of the Annotated Code of Maryland; and

(2) The business is not a successor, assignee, subsidiary, or affiliate of a suspended or debarred business, except as follows (you must indicate the reasons why the affirmations cannot be given without qualification):

G. SUB-CONTRACT AFFIRMATION

I FURTHER AFFIRM THAT:

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

H. AFFIRMATION REGARDING COLLUSION

I FURTHER AFFIRM THAT:

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

(1) Agreed, conspired, connived, or colluded to produce a deceptive show of competition in the compilation of the accompanying bid or offer that is being submitted;

(2) In any manner, directly or indirectly, entered into any agreement of any kind to fix the bid price or price proposal of the bidder or offeror or of any competitor, or otherwise taken any action in restraint of free competitive bidding in connection with the contract for which the accompanying bid or offer is submitted.

I. CERTIFICATION OF TAX PAYMENT

I FURTHER AFFIRM THAT: 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.

J. CONTINGENT FEES

I FURTHER AFFIRM THAT:

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

K. CERTIFICATION REGARDING INVESTMENTS IN IRAN

(1) The undersigned certifies that, in accordance with State Finance and Procurement Article, §17-705, Annotated Code of Maryland:

(a) It is not identified on the list created by the Board of Public Works as a person engaging in investment activities in Iran as described in State Finance and Procurement Article, §17-702, Annotated Code of Maryland; and

(b) It is not engaging in investment activities in Iran as described in State Finance and Procurement Article, §17-702, Annotated Code of Maryland.

2. The undersigned is unable to make the above certification regarding its investment activities in Iran due to the following activities:

L. CONFLICT MINERALS ORIGINATED IN THE DEMOCRATIC REPUBLIC OF CONGO (FOR SUPPLIES AND SERVICES CONTRACTS)

I FURTHER AFFIRM THAT:

The business has complied with the provisions of State Finance and Procurement Article, §14-413, Annotated Code of Maryland governing proper disclosure of certain information regarding conflict minerals originating in the Democratic Republic of Congo or its neighboring countries as required by federal law.

M. 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: _____ (print name of Authorized Representative and Affiant)

_____ (signature of Authorized Representative and Affiant)

APPENDIX C

(FORM OF SMALL PROCUREMENT CONTRACT)

INSURANCE BROKER SERVICES FOR CRIME, SURETY/BONDS, EMPLOYEE DISHONESTY AND RELATED COVERAGES

THIS CONTRACT (the "Contract"), is made as of the ___ day of _____, 2017 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")

The Parties agree as follows:

Scope of Services

The Office hereby engages the Contractor to perform insurance broker services as described in this Contract which includes the following exhibits:

- Exhibit A: Invitation to Bid for Insurance Broker Services for Crime, Surety/Bond, Employee Dishonesty and Related Coverages, ITB #CSBC-04182017;
- Exhibit B: Contractor's Bid dated _____, 2017;
- Exhibit C: Billing Subcontractors, and
- Exhibit D: Bid/Proposal and Contract Affidavits.

If there are any inconsistencies between this Contract and the Exhibits, the terms of this Contract, shall control. If there is any conflict among the Exhibits, Exhibit A shall control.

Term of Contract

The term of the Contract will be for the period beginning August 1, 2017 and ending August 1, 2020 with up to two one-year renewal options exercisable at the sole discretion of the Treasurer or the Treasurer's designee.

Insurance Broker Services provided under the Contract shall continue for any policy or surety/bond placed within the term of the Contract until the expiration of the policy or surety/bond

Payment

1. Contractor shall charge only the fees as described on Contractor's Price Proposal [BAFO] as Exhibit __, with the term fixed fee not to exceed \$25,000. The Office shall compensate Contractor for services satisfactorily performed in accordance with this Contract. The rates will include all expenses other than direct out of pocket travel

expenses and express mail charges where using express mail is at the direction of the Office. Travel expenses will be invoiced and reimbursed in accordance with the State's standard travel regulations (COMAR 23.02.01).

2. Generally, the Contractor will submit invoices for payment of broker services fees and premiums to the Office for payment to the Contractor; however, where applicable regulatory requirements necessitate direct payment of premiums to any Subcontractor(s) identified on Exhibit C (each, a "Billing Subcontractor"), Billing Subcontractor will submit an invoice to the Office for payment to Billing Subcontractor. Contractor agrees that payment by the Office of any invoice for premiums submitted to the Office by a Billing Subcontractor shall relieve Office from any obligation or liability to the Contractor for premiums referenced on such invoice. Further, Contractor agrees to release, indemnify, defend and hold harmless the State against any claims, expenses or losses arising out of the Office's payment of such invoice to Billing Subcontractor.

3. A. All invoices for services shall be submitted to:

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

B. Payments to the Contractor shall be made no later than 30 days after receipt by the Office of monthly invoices from the Contractor. The Contractor's Federal Tax Identification Number shall appear on invoices. The Contractor's Federal Tax Identification Number is _____. The federal tax identification numbers of each of the Billing Subcontractors, if any, are listed on Exhibit C. 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.

General Conditions

1. Termination for Nonappropriation

If funds are not appropriated or otherwise made available to support continuation in any fiscal year succeeding the first fiscal year, this Contract shall be terminated automatically as of the beginning of the fiscal year for which funds are not available. The Contractor may not recover anticipatory profits or costs incurred after termination.

2. Maryland Law Prevails

The law of Maryland shall govern the interpretation and enforcement of this Contract.

3. Disputes

Disputes arising under this Contract shall be governed by State Finance and Procurement Article, Title 15, Subtitle 2, Part III, Annotated Code of Maryland, and by COMAR 21.10. Pending resolution of a dispute, the Contractor shall continue to perform this Contract, as directed by the Procurement Officer.

4. Changes

This Contract may be amended only with the written consent of both parties. Amendments may not change significantly the scope of the Contract (including the Contract price).

5. Termination for Default

If the Contractor does not fulfill obligations under this Contract or violates any provision of this Contract, the State may terminate the Contract by giving the Contractor written notice of termination. Termination under this paragraph does not relieve the Contractor from liability for any damages caused to the State. 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.

6. Nondiscrimination

The Contractor shall comply with the nondiscrimination provisions of federal and Maryland law.

7. Anti-Bribery

The Contractor certifies that, to the Contractor's best knowledge, neither the Contractor; nor (if the Contractor is a corporation or partnership) any of its officers, directors, or partners; nor any employee of the Contractor who is directly involved in obtaining contracts with the State or with any county, city, or other subdivision of the State, has been convicted of bribery, attempted bribery, or conspiracy to bribe under the laws of any state or of the United States.

8. Termination for Convenience

The State may terminate this Contract, in whole or in part, without showing cause upon prior written notice to the Contractor specifying the extent and the effective date of the termination. The State shall 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 may not be reimbursed for any anticipatory profits which 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).

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

Attest:

Witness:

[Contractor Name]

By: _____

**MARYLAND STATE TREASURER'S
OFFICE**

By: _____

Bernadette T. Benik
Chief Deputy Treasurer

Approved for form and legal sufficiency
for the Maryland State Treasurer's Office:

David P. Chaisson
Assistant Attorney General

APPENDIX D
(to the ITB)

**Exhibit C to Contract for Insurance Broker Services for Crime, Surety/Bonds,
Employee Dishonesty and Related Coverages, ITB #CSBC-04182017**
Billing Subcontractors

Contractor has requested and the Office has approved the following subcontractors to be used in providing services under the Contract that are Billing Subcontractors under Article III, Section ____ of the Contract.

Legal Name of Billing Subcontractor(s)	Federal Tax Identification Number

4.3.3. With respect to each of the Billing Subcontractors, Contractor makes the following representations:

(a) The Billing Subcontractor is designated as such solely as a result of regulatory requirements that prohibit Contractor from receiving payment of premiums for coverages placed under the Contract. To the extent that premiums earned as a result of Billing Subcontractor's efforts may legally be paid to Contractor, Billing Subcontractor will not submit invoices to the Office for payment. In no event will Billing Subcontractor submit invoices to the Office for broker services fees.

(b) The Billing Subcontractor will accept any payments from the State by electronic funds transfer unless the State Comptroller's Office grants an exemption, and the Billing Subcontractor has registered or requested and received an exemption using form COT/GAD X-10 Vendor Electronic Funds (EFT) Registration Request Form.

Signatures on following page

Exhibit C to Contract for Insurance Broker Services for Crime, Surety/Bonds, Employee Dishonesty and Related Coverages, Billing Subcontractors, ITB #CSBC-04182017 (continued)

ATTEST:

[Contractor's Legal Name]

By: _____

[Signatory]

[Title]

WITNESS:

MARYLAND STATE TREASURER'S OFFICE

By: _____

Bernadette T. Benik

Chief Deputy Treasurer

Approved for form and legal sufficiency
for the Maryland State Treasurer's Office:

Assistant Attorney General

**APPENDIX E
CONTRACT AFFIDAVIT
(To be signed with Contract)**

A. AUTHORITY

I HEREBY AFFIRM THAT:

I, _____ (print name), possess the legal authority to make this Affidavit.

**B. CERTIFICATION OF REGISTRATION OR QUALIFICATION WITH THE STATE
DEPARTMENT OF ASSESSMENTS AND TAXATION**

I FURTHER AFFIRM THAT:

The business named above is a (check applicable box):

- (1) Corporation — domestic or foreign;
- (2) Limited Liability Company — domestic or foreign;
- (3) Partnership — domestic or foreign;
- (4) Statutory Trust — domestic or foreign;
- (5) Sole Proprietorship.

and is registered or qualified as required under Maryland Law. I further affirm that the above business is in good standing both in Maryland and (IF APPLICABLE) in the jurisdiction where it is presently organized, and has filed all of its annual reports, together with filing fees, with the Maryland State Department of Assessments and Taxation. The name and address of its resident agent (IF APPLICABLE) filed with the State Department of Assessments and Taxation is:

Name and Department ID
Number: _____ Address: _____

and that if it does business under a trade name, it has filed a certificate with the State Department of Assessments and Taxation that correctly identifies that true name and address of the principal or owner as:

Name and Department ID Number: _____
Address: _____.

C. FINANCIAL DISCLOSURE AFFIRMATION

I FURTHER AFFIRM THAT:

I am aware of, and the above business will comply with, the provisions of State Finance and Procurement Article, §13-221, 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.

D. POLITICAL CONTRIBUTION DISCLOSURE AFFIRMATION

I FURTHER AFFIRM THAT:

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

E. DRUG AND ALCOHOL FREE WORKPLACE

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

I CERTIFY THAT:

(1) Terms defined in COMAR 21.11.08 shall have the same meanings when used in this certification.

(2) By submission of its bid or offer, the business, if other than an individual, certifies and agrees that, with respect to its employees to be employed under a contract resulting from this solicitation, the business shall:

(a) Maintain a workplace free of drug and alcohol abuse during the term of the contract;

(b) Publish a statement notifying its employees that the unlawful manufacture, distribution, dispensing, possession, or use of drugs, and the abuse of drugs or alcohol is

prohibited in the business' workplace and specifying the actions that will be taken against employees for violation of these prohibitions;

(c) Prohibit its employees from working under the influence of drugs or alcohol;

(d) Not hire or assign to work on the contract anyone who 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's 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 §E(2)(b), above;

(h) Notify its employees in the statement required by §E(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 §E(2)(h)(ii), above, or otherwise receiving actual notice of a conviction;

(j) Within 30 days after receiving notice under §E(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 §E(2)(a)—(j), above.

(3) If the business is an individual, the individual shall certify and agree as set forth in §E(4), below, that the individual shall not engage in the unlawful manufacture, distribution, dispensing, possession, or use of drugs or the abuse of drugs or alcohol in the performance of the contract.

(4) I acknowledge and agree that:

(a) The award of the contract is conditional upon compliance with COMAR 21.11.08 and this certification;

(b) The violation of the provisions of COMAR 21.11.08 or this certification shall be cause to suspend payments under, or terminate the contract for default under COMAR 21.07.01.11 or 21.07.03.15, as applicable; and

(c) The violation of the provisions of COMAR 21.11.08 or this certification in connection with the contract may, in the exercise of the discretion of the Board of Public Works, result in suspension and debarment of the business under COMAR 21.08.03.

F. 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 _____, 2017, 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: _____ (printed name of Authorized Representative and Affiant)

_____ (signature of Authorized Representative and Affiant)