WASHINGTON STATE
OFFICE OF THE INSURANCE COMMISSIONER
OLYMPIA, WASHINGTON

REQUEST FOR PROPOSALS

ISSUE DATE: May 26, 2005

FOR
MARKET ANALYSIS PROGRAM DEVELOPMENT SERVICES

PROPOSAL DUE DATE:

June 17, 2005

CONSULTANT ELIGIBILITY: This procurement is open to those consultants that satisfy the minimum qualifications stated herein and that are available for work in Washington State.

CONTENTS OF THE REQUEST FOR PROPOSALS

1. Introduction
2. General Information for Bidders
3. Scope of Work
4. Proposal Contents
5. Evaluation and Award
6. Exhibits
   A. Certifications and Assurances
   B. Checklist for Responsiveness
   C. Personal Service Contract and General Terms and Conditions

TABLE OF CONTENTS

1. INTRODUCTION 1
   1.1. PURPOSE 1
   1.2. BACKGROUND 1
   1.3. MINIMUM QUALIFICATIONS 2
   1.4. FUNDING 2
   1.5. PERIOD OF PERFORMANCE 2

2. GENERAL INFORMATION FOR BIDDERS 2
   2.1. RFP COORDINATOR 2
   2.2. ESTIMATED SCHEDULE OF PROCUREMENT ACTIVITIES 3
   2.3. SUBMISSION OF PROPOSALS 3
   2.4. PROPRIETARY INFORMATION/PUBLIC DISCLOSURE 3
   2.5. REVISIONS TO THE RFP 4
   2.6. RESPONSIVENESS 4
   2.7. ACCEPTANCE PERIOD 4
   2.8. REJECTION OF PROPOSALS 4
   2.9. MOST FAVORABLE TERMS 4
   2.10. NO OBLIGATION TO CONTRACT 5
   2.11. COSTS TO PROPOSE 5
   2.12. COMMITMENT OF FUNDS 5
3. SCOPE OF WORK 5
   3.1. DESCRIPTION OF WORK TO BE PERFORMED 5
   3.2. SERVICES TO BE PROVIDED..... 6
4. PROPOSAL CONTENTS 7
   4.1. LETTER OF SUBMITTAL (MANDATORY) 7
   4.2. CERTIFICATIONS AND ASSURANCES (MANDATORY) 8
   4.3. MANAGEMENT PROPOSAL (SCORED) 8
   4.4. EXPERIENCE OF THE CONSULTANT (SCORED) 9
   4.5. TECHNICAL PROPOSAL (SCORED) 10
   4.6. COST PROPOSAL (SCORED) 10
5. EVALUATION AND CONTRACT AWARD 11
   5.1. EVALUATION PROCEDURE 11
   5.2. EVALUATION WEIGHTING AND SCORING 11
   5.3. NOTIFICATION TO PROPOSERS 11
   5.4. GENERAL TERMS AND CONDITIONS..... 12
   5.5. PROTEST PROCEDURE 12

RFP APPENDICES:

Exhibit A Certifications and Assurances
Exhibit B Checklist for Responsiveness
Exhibit C Personal Service Contract Format including General Terms and Conditions (GT&C's)

1. INTRODUCTION

1.1. PURPOSE

The purpose of this procurement is to select one or more consultants to perform market analysis program development services for the Washington State Office of the Insurance Commissioner (OIC). The contractor(s) will provide support services identified in paragraphs 3.2-3.3 to the OIC. Bidders must demonstrate an ability to draw from resources in their organization both locally and nationally. They must show an ability to deliver a broad base of consulting talent. Consultants should have demonstrated expertise in analyzing processes and procedures relating to monitoring and regulating insurer market activity. The Scope of Work is detailed in Section 3 of this document.

This Request for Proposals and its attachments can be accessed electronically at http://www.insurance.wa.gov.

1.2. BACKGROUND

The OIC is an independent state agency led by a state-wide elected Insurance Commissioner. The Insurance Commissioner is responsible for the administration and enforcement of Title 48 RCW (Washington Insurance Code).

OIC monitors and regulates insurer market activity through the largely independent operations of several OIC divisions. Information for those divisional operations is maintained in "silos" controlled and accessed by the operating divisions. Currently, no systematic approach is in place to collect and analyze data and information on market activity that would allow OIC divisions to coordinate and focus efforts and thereby operate more efficiently.

NAIC, NCOIL, and Congress have proposed systems and methods requiring a systematic approach to monitoring and regulating insurer market activity. Those proposals include expanding the current NAIC accreditation process to include a review of a state's monitoring and regulation of insurer market activity. The adoption of any of those proposals will have a significant impact on OIC methods, processes, and resources.

1.3. MINIMUM QUALIFICATIONS

Proposals will be accepted from Bidders who meet or exceed the following criteria. Bidders must:

1.3.1. Be appropriately licensed for the services to be performed.

1.3.2. Demonstrate knowledge of, and prior experience in, the areas of work for which the Bidder is submitting a proposal. Qualified Bidders must have previously held responsibilities substantially the same as, or very similar to, the scope of work in Section 3 of this RFP for major employers. Qualified Bidders

must have provided evaluations or program development services to a state regulator within the last 10 years.

1.3.3. The primary services could be located out-of-state, but persons responsible for the services to be performed must be readily accessible to the OIC and be available for meetings, presentations, and testimony in –person in Washington as requested by the RFP Coordinator.

1.3.4. Agree to the Certifications and Assurances set forth in Exhibit A.

1.3.5. Submit proposals as specified in Section 4, "Proposal Contents" of this RFP.

1.4. FUNDING

Funding will be from amounts appropriated to OIC by the 2005 session of the legislature for market analysis.

1.5. PERIOD OF PERFORMANCE

The period of performance of any contract resulting from this RFP is tentatively scheduled for July 1, 2005 to June 30, 2006.

2. GENERAL INFORMATION FOR BIDDERS

2.1. RFP COORDINATOR

The RFP Coordinator is the sole point of contact in the OIC for this procurement. All communication between the Bidder and the OIC upon receipt of this RFP shall be with the RFP Coordinator:

James T. Odiorne
OFFICE OF THE INSURANCE COMMISSIONER
P.O. Box 40259
Olympia, Washington 98504-0259

Phone Number:	(360) 725-7214
Fax Number:	(360) 586-2022
Email Address:	JimO@oic.wa.gov

Email is the preferred method for submitting RFP questions. All questions, however transmitted, must identify the person and organization asking the question and provide a telephone number for question clarification.

Oral responses to questions from Bidders do not amend, alter, or modify this RFP. Bidders are to rely on written statements issued by the RFP Coordinator. Any other communication will be considered unofficial and non-binding on the OIC. Communication directed to parties other than the RFP Coordinator may result in disqualification of the Bidder.

RFP Coordinator will transmit a consolidated response to all questions received by June 7, 2005, to all persons/entities who were mailed an RFP. No response will be made to questions received after June 7, 2005.

2.2. ESTIMATED SCHEDULE OF PROCUREMENT ACTIVITIES

Issue Request for Proposals	May 26, 2005
Last date for questions	June 3, 2005
Proposals due	June 17, 2005
Announce "Apparent Successful Bidder" and notification to unsuccessful Bidders	June 20, 2005
Final contract negotiation completed	June 22, 2005
Begin Contract Work	July 5, 2005

The OIC reserves the right to revise the schedule.

2.3. SUBMISSION OF PROPOSALS

Bidders must send their responses to this RFP in hard copy form, for receipt by the OIC, no later than 3:00 p.m., PDT, on June 17, 2005.

The envelope should be clearly marked to the attention of the RFP Coordinator. Bidders should allow adequate delivery time to ensure timely receipt of their complete response by the RFP Coordinator. The OIC assumes no responsibility for delays caused by any delivery service.

Late proposals will not be accepted and will be automatically disqualified from further consideration. All proposals and any accompanying documentation become the property of the OIC and will not be returned.

2.4. PROPRIETARY INFORMATION/PUBLIC DISCLOSURE

Materials submitted in response to this competitive procurement become the property of the OIC.

All proposals received will remain confidential until the contract, if any, resulting from this RFP is signed by the OIC and the successful Contractor; thereafter, the proposals shall be deemed public records as defined in RCW 42.17.250 to 42.17.340, "Public Records."

All information in the proposal that the Bidder desires to claim as proprietary and exempt from disclosure under the provisions of RCW 42.17.250 to 42.17.340 must be clearly designated. Each page must identify the particular exception from disclosure upon which the Bidder is making the claim. Each page claimed to be exempt from disclosure must be clearly identified by the word "Confidential" printed on the lower right hand corner of the page.

The OIC will consider a Bidder's request for exemption from disclosure; however, the OIC will make a decision predicated upon applicable laws. Marking the entire proposal

exempt from disclosure will not be honored. The Bidder must be reasonable in designating information as confidential. If a request for release of any part of the Bidder's proposal is received and the request includes a request for release of any information that is marked as proprietary in the proposal, such information will not be made publicly available until the affected Bidder had been given an opportunity to seek a court injunction against the requested disclosure.

A charge will be made for copying and shipping, as outlined in RCW 42.17.300. No fee will be charged for inspection of contract files, but twenty-four (24) hours' notice to the RFP Coordinator is required. All requests for information should be directed to the RFP Coordinator.

2.5. REVISIONS TO THE RFP

In the event it becomes necessary to revise any part of this RFP, addenda will be provided to all who receive the RFP.

The OIC also reserves the right to cancel or to reissue this RFP in whole or in part, prior to execution of a contract.

2.6. RESPONSIVENESS

All proposals will be reviewed by the RFP Coordinator to determine compliance with administrative requirements and instructions specified in this RFP. The Bidder is specifically notified that failure to fully comply with any part of the RFP may result in rejection of the Bidder's entire proposal as non-responsive.

The OIC also reserves the right, however, at its sole discretion to waive minor administrative irregularities.

2.7. ACCEPTANCE PERIOD

Proposals must provide sixty (60) days for acceptance by the OIC from the due date for receipt of proposals.

2.8. REJECTION OF PROPOSALS

The OIC reserves the right at its sole discretion to reject any and all proposals received without penalty and not to issue a contract as a result of this RFP.

2.9. MOST FAVORABLE TERMS

The OIC reserves the right to make an award without further discussion of the proposal submitted. Therefore, the proposal should be submitted initially on the most favorable terms that the Bidder can propose. There will be no best and final offer process. The OIC reserves the right to contact any Bidder for clarification of its proposal.

The proposal should be complete and any irregularities, exceptions or the like should be mentioned in the cover letter.

The Bidder should be prepared to accept this RFP for incorporation into a contract resulting from this RFP. Contract negotiations may incorporate some or all of the Bidders proposal. It is understood that the proposal will become a part of the official file on this matter without obligation to the OIC.

2.10. NO OBLIGATION TO CONTRACT

This RFP does not obligate Washington State or the OIC to contract for services specified herein.

2.11. COSTS TO PROPOSE

The OIC will not be liable for any costs incurred by the Bidder in preparation of a proposal submitted in response to this RFP, in conduct of a presentation, or any other activities related to responding to this RFP.

2.12. COMMITMENT OF FUNDS

Subject to the terms of this RFP, the Insurance Commissioner or his delegate are the only individuals who may legally commit the OIC to the expenditures of funds for a contract resulting from this RFP. No cost chargeable to the proposed contract may be incurred before receipt of a fully executed contract.

3. SCOPE OF WORK

The OIC may choose one primary consultant who will perform the bulk of the services and one or more consultants to perform some portion of the remaining services or to act as backup to the primary consultant. In the alternative, the OIC may choose one consultant to perform all of the services. The final contracting decision will be made after proposals arrive and the OIC has an opportunity to review them to determine what consultant or combination of consultants best fit the needs of the agency. Consultants may bid on all of the services as a block or may select the specific services they are interested in providing. However, a consultant who bids on all the services as a block will not be awarded a bid for selected services, unless the bid includes not only a price for the block of services but also a price for selected services.

Consultants must clearly state in their Submittal Letter the categories and specific numbered areas listed below for which they are bidding.

3.1. DESCRIPTION OF WORK TO BE PERFORMED

The services identified will be performed pursuant to the Insurance Commissioner's statutory authority. Unless otherwise specifically noted, the services identified and all deliverables and documents developed through these services will be available to and used by the Washington State Office of the Insurance Commissioner (OIC).

Bidders may submit proposals on any or all of the identified services, as long as the Bidder is qualified to perform the services. A separate proposal should be submitted for each identified service the Bidder proposes to offer. Sub-contracting is not an acceptable manner to provide the identified services.

3.2. SERVICES TO BE PROVIDED

3.2.1.1 OIC seeks to retain expert services to assist in the development and implementation of a plan for a systematic, comprehensive market analysis program within the Company Supervision Division of OIC.

Contractor will analyze (1) current OIC systems and processes relating to market analysis, (2) changes to OIC systems and processes planned for implementation as part of the on-going HP conversion, (3) NAIC, NCOIL, and Congressional proposals related to market analysis, (4) best practices in the area of market analysis in states that have implemented a market analysis program, and (5) proposals for accreditation in the area of market analysis. Based on its findings and professional judgment, Contractor will propose a plan for developing and implementing a market analysis program, including an identification of desirable information system capabilities.

Contractor's plan will include, among other matters, suggested organization of market analysis unit, recommended KSAs for each market analysis unit staff member, identification of non-staff resources for market analysis unit, drafts of proposed legislation necessary to implement a market analysis program, proposed budget for phasing in market analysis program which identifies budget needs for at least four fiscal years beginning July 1, 2006. Contractor will also provide written justification for all elements of its plan which can be used to support requested legislative action.

Contractor will assist OIC's legislative liaison in stakeholder development and any necessary legislative testimony.

3.2.1.2 Prior to performing any work, the contractor and James T. Odiorne, OIC, will define the scope and hours expected to complete the task/s. Contractor shall not exceed the agreed upon scope/hours without specific written permission from James T. Odiorne.

3.2.1.3 The contractor will review paper and electronic documents from multiple public sources. Most of the work will be performed at the offices of the contractor firms. Some travel to Washington may be necessary in order for the contractor to review additional documents and provide face-to-face consultation with the OIC. The OIC will make legislative proposals based on contractors work and contractor may need to make presentations or provide testimony. In addition, the contractor may be asked to review and evaluate oral and written comments submitted at legislative hearings and, where appropriate, address such comments in the contractor's testimony at the legislative hearings.

3.2.2. Deliverables – :Dates Suggested by OIC, subject to negotiation in final contract. By October 31, 2005, Contractor will submit preliminary drafts of its plan for the development and implementation of a market analysis unit. Those drafts will include suggested organization, recommended KSAs for staff, written identification of non-staff resources, proposed legislation and proposed budgets.

By November 30, 2005, Contractor, with input from OIC, will provide final drafts of all documents.

3.2.3. State Resources to be Provided

OIC employees from the Company Supervision, Rates and Forms, Consumer Advocacy, and Legal Affairs Divisions may also be available to provide assistance.

3.2.4. Timeline

The Insurance Commissioner wishes to retain the services of a firm immediately.

4. PROPOSAL CONTENTS

Proposals must be submitted in four major sections and in the order noted below:

1) Letter of Submittal;
2) Management Proposal;
3) Technical Proposal; and
4) Cost Proposal.

Proposals must provide information in the same order presented in this document with the same headings. This will not only be helpful to the evaluators of the proposal, but should assist the Bidder in preparing a thorough response.

In order for a proposal to be considered responsive, all items in this section marked "mandatory" must be included as part of the proposal even though these items are not scored. Items marked "scored" are those that are awarded points as part of the evaluation.

4.1. LETTER OF SUBMITTAL (MANDATORY)

Along with introductory remarks, the Letter of Submittal must include or attach the following information about the Bidder and any proposed subcontractors. The letter of submittal must be included with the Bidder's proposal.

4.1.1. Name, address, principal place of business, telephone number, fax number and e-mail address of the legal entity or individual with whom contract would be written.

4.1.2. Clearly state the portion(s) of the Scope of Work for which the Bidder is submitting a proposal. Bidders submitting proposals for any line item portions of the Scope of Work should do so by listing the numbers corresponding to the items in the Scope of Work.

4.1.3. Name, address, and telephone number of each principal officer (President, Vice President, Treasurer, Chairperson of the Board of Directors, etc.).

4.1.4. Legal status of the Bidder (sole proprietorship, partnership, corporation, etc.), and the year the entity was organized to do business as the entity now substantially exists.

4.1.5. Federal Employer Tax Identification number or Social Security number and the Washington Uniform Business Identification (UBI) number issued by the State of Washington Department of Revenue (if applicable).

4.1.6. Location of the facility from which the Bidder would operate.

4.1.7. Identity of any employees or former employees of the State of Washington employed by or on the firm's governing board as of the date of the proposal. For former State employees, provide the date State service terminated. Include their title, position and responsibilities within the Bidder's organization. If, following a review of this information, it is determined by the OIC that a conflict of interest exists, the Bidder may be disqualified from further consideration for the award of a contract.

4.2. CERTIFICATIONS AND ASSURANCES (MANDATORY)

The Certifications and Assurances form (Exhibit A of this RFP) must be signed and dated by a person authorized to legally bind the Bidder to a contractual relationship and must be received by the RFP Coordinator by the proposal due date.

4.3. MANAGEMENT PROPOSAL (SCORED)

4.3.1. Contract Management

4.3.1.1. Provide a description of the proposed staff structure and internal controls to be used during the course of the contract, including any subcontractors. Provide an organizational chart of your firm indicating lines of authority for personnel involved in performance of this potential contract and relationships of this staff to other programs or functions of the firm. This chart must also show lines of authority to the next senior level of management. Identify who within the firm will have prime responsibility and final authority for the work under the proposed contract.

4.3.1.2. Identify staff, who will be assigned to the potential contract, indicating the responsibilities and qualifications of such personnel, and include the amount of time each will be assigned to perform services under the contract. Provide resumes for the named staff which include information on the individual's particular skills related to this project, education, experience, significant accomplishments and any other pertinent information. The Bidder must commit that staff identified in its proposal will actually perform the assigned work. Any staff substitution must have the prior approval of the OIC.

4.3.1.3. Describe the location of offices of the Bidder that will provide assistance or materials to the OIC. If a Bidder will use multiple sites, please describe how the persons responsible for services to be performed will be accessible to the OIC.

4.3.2. References

List names, addresses, telephone numbers, fax numbers and e-mail addresses of three business references for which similar work has been accomplished and briefly describe the type of service provided. The Bidder must grant permission to the OIC to contact the references. Do not include current OIC staff as references. References will be contacted for the top-scoring proposal(s) only.

4.4. EXPERIENCE OF THE CONSULTANT (SCORED)

By submitting a proposal the Bidder grants OIC permission to contact any and all contacts and references.

4.4.1. List contracts still in force that the Bidder may have entered into or performed services under during the last five years for clients for which the Bidder provided similar services to those called for under this RFP. List contract reference numbers, contract period of performance, contact persons, and telephone numbers. List both public and private sector contracts.

4.4.2. List contracts that terminated during the last five years for clients for which the Bidder provided services similar to those called for under this RFP. List contract reference numbers, contract period of performance, contact persons, and telephone numbers and why the contract terminated. List both public and private sector contracts.

4.4.3. Provide a description of the Bidder's experience in working with state regulators. State the type of issues and the Bidder's role. Summarize your services in this and other states.

4.4.5. Provide an example of the type of billing used by the Bidder. The OIC will require a detailed break down by category and line item as well as program, hours and specific activity.

4.4.6. Related Information

4.4.6.1. If the Bidder contracted with the State of Washington during the past 24 months, indicate the name of the agency, the contract number and project description and any other information available to identify the contract.

4.4.6.2. If the Bidder's staff was an employee of the State of Washington during the past 24 months, or is currently a Washington, state employee, identify the individual by name, the agency previously or currently employed by, job title or position held and separation date.

4.4.6.3. If the Bidder has had any contract terminated for default in the last five years, or any lawsuit filed by or filed against a party with which the Bidder is now contracting with or has contracted with in the last five years, describe such incident. Termination for default is defined as notice to stop performance due to the Bidder's non-performance or poor performance and the issue of performance was either (a) not litigated due to inaction on the part of the Bidder, or (b) litigated and such litigation determined that the Bidder was in default. Submit full details of the terms for default including the other parties name, address, and phone number. Present the Bidder's position on the matter. The OIC will evaluate the facts and may, at its sole discretion, reject the proposal on the grounds of the past experience. If the Bidder has experienced no such termination for default in the past five years, so indicate.

4.5. TECHNICAL PROPOSAL (SCORED)

4.5.1. The Technical Proposal must demonstrate knowledge of and prior experience in the areas of work for which the Bidder is submitting a proposal. The proposal must contain a comprehensive description of previous experience, approaches to accomplishing the work, examples of how the Bidder has performed the services for other clients, and how the services will be handled for the OIC. Describe how the work will be routed and assigned to the appropriate person, and how timely completion of services will be ensured. Include any required involvement of OIC staff. Fully complete each section or line item for which the Bidder is submitting a proposal.

4.5.2. Bidder shall submit a sample of its work. The client names and other identifiers may be redacted, at the option of Bidder.

4.5.3. The Bidder may also present any creative approaches that might be appropriate and may provide any pertinent supporting documentation.

4.6. COST PROPOSAL (SCORED)

The Bidder is encouraged to propose a compensation methodology the objective of which is cost containment of fees and expenses, e.g. fees based upon a deliverable.

Additionally, the Bidder must indicate billing rate for each consultant personnel class and state what portion of that rate is direct and indirect cost. For example:

Contract Manager/Account Representative
Attorney – Partner
Associative
Senior Analyst
Analyst
Clerical
Others, as appropriate

The rates submitted will form the basis of the financial agreement between the OIC and the Bidder for the period of the contract. Changes to these rates will not be accepted. If extensions to the contract are granted, the OIC may consider some adjustment to rates during the negotiation process. The Bidder must include an explicit statement in the cost proposal that the rates bid in these exhibits are fixed and will not change for the duration of the initial contract period.

Bidders are expected to include travel (time and costs), and other overhead in the hourly consultant charges. In unusual circumstances, Bidder travel costs may be reimbursed, but only with appropriate written authorization by the OIC prior to date of proposed expenditure at a reimbursement rate not to exceed that published by the Washington State Office of Financial Management.

The evaluation process is designed to award this contract to the Bidder whose proposal is the most cost effective and best meets the requirements of this RFP.

5. EVALUATION AND CONTRACT AWARD

5.1. EVALUATION PROCEDURE

Responsive proposals will be evaluated in accordance with the requirements stated in this solicitation and any addenda issued. The evaluation of proposals will be performed by an evaluation team, to be designated by the OIC, which will determine the ranking of the proposals.

5.2. EVALUATION WEIGHTING AND SCORING

The following weights will be assigned to the proposal for evaluation purposes:

Evaluation of Proposal	**Proportion**	**Points**
A. Management Proposal	25%	50 points
Contract Management		
References		
B. Experience	25%	50 points
C. Technical Proposal	25%	50 points
D. Cost Proposal	25%	50 points
TOTAL	**100%**	**200 points**

5.3. NOTIFICATION TO PROPOSERS

All Bidders will be notified in writing of acceptance or rejection of their proposal. The OIC will notify all Bidders submitting proposals of any delay in the announcement of award of the contract. Any delay shall be at the sole discretion of the OIC and shall not require an amendment of the RFP.

5.4. GENERAL TERMS AND CONDITIONS

The apparent successful Bidder will be expected to enter into a contract with the OIC which is substantially equivalent to the contract attached as Exhibit C, including the OIC's General Terms and Conditions.

In no event may a Bidder submit its own standard contract terms and conditions as a response to this RFP. The Bidder may submit exceptions or modifications that their firm may have to the proposed terms and conditions, but the OIC is under no obligation to accept them.

5.5. PROTEST PROCEDURE

This procedure is available only to unsuccessful Bidders who submitted a response to this solicitation document. The unsuccessful Bidder is allowed three (3) business days to file a protest of the acquisition with the RFP Coordinator. Protests may be submitted via facsimile, but must be followed by an original document.

Protests of this procurement must follow the procedures described herein. Protests that do not follow these procedures will not be considered. This protest procedure constitutes the sole administrative remedy available to unsuccessful Bidders under this procurement.

All protests must be in writing and signed by the protesting party or an authorized agent. The protest must state the grounds for the protest with specific facts and complete statements of the action(s) being protested. A description of the relief or corrective action being requested should also be included.

All protests must be addressed to the RFP Coordinator.

Only protests raising an issue of fact concerning the following subjects shall be considered:

1. A matter of bias, discrimination, or conflict of interest on the part of the evaluator;
2. Errors in computing the score; or
3. Non-compliance with procedures described in the procurement document or OIC policy.

Protests not based on procedural matters will not be considered. Protests will be rejected as without merit if they address issues such as:

1. An evaluator's professional judgement on the quality of a proposal, or
2. The OIC's assessment of its own or other agencies needs or requirements.

Upon receipt of a protest, a protest review will be held by the OIC. All available facts will be considered and the Insurance Commissioner or his delegate will

issue a decision within five (5) business days of receipt of the protest. If additional time is required the protesting party will be notified of the delay.

In the event a protest may affect the interest of another Bidder that submitted a proposal such Bidder will be given an opportunity to submit its views and any relevant information on the protest to the RFP Coordinator.

The final determination of the protest will:

1. Find the protest lacking in merit and uphold the OIC's action; or
2. Find only technical or harmless errors in the OIC's acquisition process and determine the OIC to be in substantial compliance and reject the protest; or
3. Find merit in the protest and provide the OIC options which may include:
   - Correct the errors and reevaluate all proposals, and/or
   - Reissue the solicitation document and begin a new process, or
   - Make other findings and determine other courses of action as appropriate.

If the OIC determines that the protest is without merit, the OIC will enter into a contract with the apparently successful Bidder. If the protest is determined to have merit, one of the alternatives noted in the preceding paragraph will be taken.

6. RFP APPENDICES

Exhibit A	Certifications and Assurances
Exhibit B	Checklist for Responsiveness
Exhibit C	Personal Service Contract Format including General Terms and Conditions (GT&C's)

EXHIBIT A
CERTIFICATIONS AND ASSURANCES

I/we make the following statement of assurances as a required element of the proposal to which it is attached, understanding that the truthfulness of the facts affirmed here and the continuing compliance with these requirements are conditions precedent to the award or continuation of the related contract(s):

1. I/we warrant that, in connection with this procurement:

    a. All information presented in this proposal is true, correct, and complete to the best of my/our knowledge.

    b. The prices and/or data have been determined independently, without consultation, communication, or agreement with other firms for the purpose of restricting competition.

    c. Unless otherwise required by law, the prices and/or cost data which have been submitted have not been knowingly disclosed by the Bidder to any other Bidder or any competitor, and will not knowingly be disclosed prior to opening.

    d. No attempt has been made or will be made by the Bidder to induce any other person or firm to submit or not to submit a proposal for the purpose of restricting competition.

2. The attached proposal is a firm offer, and may be accepted by the Insurance Commissioner (OIC) without further negotiation except where obviously required by lack of certainty in key terms.

3. In preparing this proposal or bid, I/we have not been assisted by any current or former employee of the State of Washington whose duties relate, or did relate to this proposal or prospective contract(s), and who was assisting in other than his or her official, public capacity. Neither does such a person nor any member of his or her immediate family have any financial interest in the outcome of proposal bid.

4. I/we understand that the OIC will not reimburse me/us for any costs incurred in the preparation of this proposal. All proposals become the property of OIC, and I/we claim no proprietary right to the ideas, writings, items, or samples.

5. I/we warrant that no conflict of interest knowingly exists for any member of the project team that contributed to this proposal contract.

Any exceptions to these assurances are described in full detail on a separate page and attached to this document.

_____ _____
Signature Date

_____
Name

_____
Title

EXHIBIT B

CHECKLIST FOR RESPONSIVENESS

____ Proposal was received by OIC on or before 3:00 p.m. on June 17, 2005.

____ Proposal was formatted into four major sections: letter of submittal, technical proposal, management proposal, and cost proposal.

____ Proposer meets minimum qualification, which are:

- ___ Provided information indicating a demonstrated knowledge of, and prior experience in, the areas of work for which the Bidder is submitting a proposal.
- ___ Provided information indicating experience in providing evaluations or opinions for a state regulator on an insurer acquisition within the last 10 years.

____ Letter of Submittal and Certifications and Assurances were signed by an individual authorized to bind the Proposer to a contractual relationship, e.g., the President or Executive Director of a corporation, the managing partner if a partnership, or the sole proprietor if a sole proprietorship.

____ Three business references were provided.

____ A sample of the Bidders work for each of the categories bid (accounting and legal services).

NOTE: "Yes" answers must be given to each element above for the proposal to be considered responsive.

EXHIBIT C

CONTRACT NO. _____

CONTRACT FOR PERSONAL SERVICES
BETWEEN
WASHINGTON STATE
OFFICE OF THE INSURANCE COMMISSIONER
AND

_____

This Contract is made and entered into by and between the Washington State Office of the Insurance Commissioner, hereinafter referred to as the "OIC," and the below named firm, hereinafter referred to as "Contractor,"

Contractor Name_____
Address _____
City, State & Zip Code _____
Phone _____
E-mail _____
Fax _____
Washington State UBI No. _____
Federal ID No. _____

PURPOSE

The purpose of this contract is to provide services for the OIC.

SCOPE OF WORK

A. The Contractor will provide services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth in the scope of work, Section 3 of the RFP, the Contractors proposal dated May 26, 2005.

As more fully set forth in Section 3 of the RFP, the scope of work for this contract includes professional services necessary to develop and implement a program of market analysis within the Company Supervision Division of OIC.

B. Exhibit A contains the General Terms and Conditions governing work to be performed under this contract, the nature of the working relationship between the OIC and the Contractor, and specific obligations of both parties.

PERIOD OF PERFORMANCE

Subject to other provisions, the period of performance under this contract will be from July 1, 2005 through June 30, 2006.

COMPENSATION AND PAYMENT

Contractor's compensation for performance of all things necessary or incidental to the performance of work as set forth in the Scope of Work in the RFP dated May 26, 2005, shall be based on the

hourly rates set forth in Exhibit B, Schedule of Rates. The maximum compensation for the initial contract period shall not exceed $_____.

BILLING PROCEDURES

OIC will pay Contractor upon receipt of properly completed invoices. Invoices shall be submitted to the Project Manager within the first week of each calendar month for the previous month's services. The invoices shall describe and document to the OIC's satisfaction a description of the work performed, the category and sub-category of the work, the hours and hourly rate charged for each portion of the work.

Payment shall be considered timely if made by the OIC within thirty (30) days after receipt of properly completed invoices either electronically or in hard copy. Payment shall be sent to the address designated by the Contractor or may be paid by electronic transfer, if the Contractor prefers.

The OIC may, in its sole discretion, terminate the contract or withhold payments claimed by the Contractor for services rendered if the Contractor fails to satisfactorily comply with any term or condition of this contract.

No payments in advance or in anticipation of services or supplies to be provided under this contract shall be made by the OIC.

CONTRACT MANAGEMENT

The Contract Manager for each of the parties shall be the contact person for all communications and billings regarding the performance of this Contract.

Contract Manager for Contractor is:	Contract Manager for OIC is:
Contractor Name Address City, State Zip Code Phone: ( ) Fax: ( ) E-mail address:	James T. Odiorne Post Office Box 40259 Olympia, Washington 98504-0259 Phone: (360) 725-7214 Fax: (360) 586-2022 E-mail address: JimO@oic.wa.gov

ASSURANCES

OIC and the Contractor agree that all activity pursuant to this Contract will be in accordance with all the applicable current federal, state and local laws, rules, and regulations.

ORDER OF PRECEDENCE

Each of the Exhibits listed below is by this reference hereby incorporated into this contract. In the event of an inconsistency in this contract, the inconsistency shall be resolved by giving precedence in the following order:

- Applicable federal and Washington State statutes and regulations
- Special Terms and Conditions as contained in this basic contract instrument
- Exhibit A – General Terms and Conditions
- Exhibit B – Schedule of Rates
- Exhibit C – Contractor's Proposal Dated _____, 2005
- Exhibit D – Request for Proposals Dated May 26, 2005
- Any other provision, term or material incorporated herein by reference or otherwise incorporated.

ENTIRE AGREEMENT

This Contract including referenced exhibits represents all the terms and conditions agreed upon by the parties. No other understandings or representations, oral or otherwise, regarding the subject matter of this Contract shall be deemed to exist or to bind any of the parties hereto.

CONFORMANCE

If any provision of this Contract violates any statute or rule of law of Washington State, it is considered modified to conform to that statute or rule of law.

APPROVAL

This Contract shall be subject to the written approval of the OIC's authorized representative and shall not be binding until so approved. The Contract may be altered, amended, or waived only by a written amendment executed by both parties.

THIS CONTRACT, consisting of __ pages and __ attachments, is executed by the persons signing below who warrant that they have the authority to execute the contract.

[CONTRACTOR'S NAME]	OFFICE OF THE INSURANCE COMMISSIONER
_____	_____
Signature	Signature
_____	_____
Title Date	Title Date

APPROVED AS TO FORM

_____

Assistant Attorney General

GENERAL TERMS AND CONDITIONS

DEFINITIONS

As used throughout this Contract, the following terms shall have the meaning set forth below:

A. "OIC" shall mean the Washington State Office of the Insurance Commissioner, any division, section, office, unit, or other entity of the OIC, or any of the officers or other officials lawfully representing the OIC.

B. "Agent" shall mean the Washington State Insurance Commissioner and/or the Insurance Commissioner's delegate authorized in writing to act on behalf of the Administrator.

C. "Contractor" shall mean that firm, provider, organization, individual or other entity performing services under this Contract, and shall include all employees of the Contractor.

ACCESS TO DATA

In compliance with Chapter 39.29 RCW, the Contractor shall provide access to data generated under this contract to OIC, the Joint Legislative Audit and Review Committee, and the State Auditor at no additional cost. This includes access to all information that supports the findings, conclusions, and recommendations of the Contractor's reports, including computer models and methodology for those models.

ADVANCE PAYMENT PROHIBITED

No advance payment shall be made for services furnished by the Contractor pursuant to this contract.

AMENDMENTS

This Contract may be amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.

AMERICANS WITH DISABILITIES ACT (ADA) OF 1990, PUBLIC LAW 101-336, also referred to as the "ADA" 28 CFR Part 35

The Contractor must comply with the ADA, which provides comprehensive civil rights protection to individuals with disabilities in the areas of employment, public accommodations, state and local government services, and telecommunications.

ASSIGNMENT

The work to be provided under this Contract, and any claim arising thereunder, is not assignable or delegable by either party in whole or in part, without the express prior written consent of the other party, which consent shall not be unreasonably withheld.

ATTORNEYS' FEES

In the event of litigation or other action brought to enforce contract terms, each party agrees to bear its own attorney's fees and costs.

CONFIDENTIALITY / SAFEGUARDING OF INFORMATION

The Contractor shall not use or disclose any information concerning the OIC or the acquiring party or the SAFECO entities, or information which may be classified as confidential, for any purpose not directly connected with the administration of this contract, except with prior written consent of the OIC or the acquiring party or SAFECO entities, or as may be required by law.

CONFLICT OF INTEREST

Notwithstanding any determination by the Executive Ethics Board or other tribunal, the OIC may, in its sole discretion, by written notice to the Contractor terminate this contract if it is found after due notice and examination by the Agent that there is a violation of the Ethics in Public Service Act, Chapter 42.52 RCW; or any similar statute involving the Contractor in the procurement of, or services under this contract.

In the event this Contract is terminated as provided above, the OIC shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of a breach of the contract by the Contractor. The rights and remedies of the OIC provided for in this clause shall not be exclusive and are in addition to any other rights and remedies provided by the law. The existence of facts upon which the Agent makes any determination under this clause shall be an issue and may be reviewed as provided in the "Disputes" clause of this contract.

COPYRIGHT PROVISIONS

Unless otherwise provided, all materials produced under this Contract shall be considered "works for hire" as defined by the U.S. Copyright Act and shall be owned by the OIC. The OIC shall be considered the author of such materials. In the event the materials are not considered "works for hire" under the U.S. Copyright laws, Contractor hereby irrevocably assigns all rights, title, and interest in materials, including all intellectual property rights, to the OIC effective from the moment of creation of such materials.

Materials means all items in any format and includes, but is not limited to, data, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. Ownership includes the right to copyright, patent, register and the ability to transfer these rights.

For materials that are delivered under the Contract, but that incorporate pre-existing materials not produced under the Contract, Contractor hereby grants to the OIC a nonexclusive, royalty-free, irrevocable license (with rights to sublicense others) in such Materials to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly display. The Contractor warrants and represents that Contractor has all rights and permissions, including intellectual property rights, moral rights and rights of publicity, necessary to grant such a license to the OIC.

The Contractor shall exert all reasonable effort to advise the OIC, at the time of delivery of Materials furnished under this Contract, of all known or potential invasions of privacy contained therein and of any portion of such document which was not produced in the performance of this

contract. The OIC shall receive prompt written notice of each notice or claim of copyright infringement received by the Contractor with respect to any data delivered under this Contract. The OIC shall have the right to modify or remove any restrictive markings placed upon the data by the Contractor.

COVENANT AGAINST CONTINGENT FEES

The Contractor warrants that no person or selling agent has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established agents maintained by the Contractor for the purpose of securing business. The OIC shall have the right, in the event of breach of this clause by the Contractor, to annul this Contract without liability or, in its discretion, to deduct from the contract price or consideration or recover by other means the full amount of such commission, percentage, brokerage or contingent fee.

DISPUTES

Except as otherwise provided in this Contract, when a bona fide dispute arises between the OIC and the Contractor and it cannot be resolved, either party may request a dispute hearing with the Agent. Disputes shall be resolved as quickly as possible.

A. The request for a dispute hearing must:

- be in writing;
- state the disputed issue(s);
- state the relative positions of the parties;
- state the Contractor's name, address, and contract number; and
- be mailed to the Agent and the other party's (respondent's) Contract Manager within three (3) working days after the parties agree that they cannot resolve the dispute.

The respondent shall send a written answer to the requester's statement to both the agent and the requester within five (5) working days.

B. The Agent shall review the written statements and reply in writing to both parties within ten (10) working days. The Agent may extend this period if necessary by notifying the parties.

C. The parties agree that this dispute process shall precede any action in a judicial or quasi-judicial tribunal.

Agency and Contractor agree that, the existence of a dispute notwithstanding, they will continue without delay to carry out all their respective responsibilities under this Contract which are not affected by the dispute. Both parties agree to exercise good faith in the dispute resolution and to settle disputes prior to using the dispute resolution panel whenever possible.

GOVERNING LAW

This Contract shall be construed and interpreted in accordance with the laws of the state of Washington, and the venue of any action brought hereunder shall be in the Superior Court for Thurston County.

INDEMNIFICATION

To the fullest extent permitted by law, the Contractor shall indemnify, defend, and hold harmless the state of Washington, the OIC, and all officials, agents and employees of the State, from and against all claims for injuries or death arising out of or resulting from the performance of the Contract. Contractor's obligation to indemnify, defend and hold harmless includes any claim by Contractor's agents, employees, representatives, or any subcontractor or its employees.

Contractor expressly agrees to indemnify, defend, and hold harmless the State for any claim arising out of or incident to Contractor's or any subcontractor's performance or failure to perform the Contract. Contractor shall be required to indemnify, defend and hold harmless the State only to the extent claim is caused in whole or in part by negligent acts or omissions of Contractor.

Contractor waives its immunity under Title 51 RCW, any other Washington statutes or any other immunity provision to the extent it is required to indemnify, defend and hold harmless State and its agencies, officials, agents or employees.

INDEPENDENT CAPACITY OF THE CONTRACTOR

The parties intend that an independent contractor relationship will be created by this contract. The Contractor and his or her employees or agents performing under this contract are not employees or agents of the OIC. The Contractor will not hold himself/herself out as or claim to be an officer or employee of the OIC or of the State of Washington by reason hereof, nor will the Contractor make any claim of right, privilege or benefit which would accrue to such employee under law. Conduct and control of the work will be solely with the Contractor.

INDUSTRIAL INSURANCE COVERAGE

Prior to performing work under this contract, the Contractor shall provide or purchase industrial insurance coverage for the Contractor's employees, as may be required of an "employer" as defined in Title 51 RCW, and shall maintain full compliance with Title 51RCW during the course of this contract. Should the Contractor fail to secure industrial insurance coverage or fail to pay premiums, as may be required under Title 51 RCW, the OIC may deduct the amount of premiums and any penalties owing from the amount payable to the Contractor under the Contract and transmit the same to the Department of Labor and Industries, Division of Insurance Services. This provision does not waive any right under RCW 51.12.050 to collect from the Contractor amounts paid by the OIC.

LICENSING, ACCREDITATION, AND REGISTRATION

The Contractor shall comply with all applicable local, state, and federal licensing, accreditation and registration requirements/standards, necessary for the performance of this Contract.

LIMITATION OF AUTHORITY

Only the Agent or Agent's delegate by writing (delegation to be made prior to action) shall have the express, implied, or apparent authority to alter, amend, modify, or waive any clause or condition of this Contract. Furthermore, any alteration, amendment, modification, or waiver or any clause or condition of this contract is not effective or binding unless made in writing and signed by the Agent.

NONDISCRIMINATION

During the performance of this contract, the Contractor shall comply with all federal and state nondiscrimination laws, regulations and policies.

In the event of the Contractor's noncompliance or refusal to comply with any nondiscrimination law, regulation, or policy this Contract may be rescinded, canceled or terminated in whole or in part, and the Contractor may be declared ineligible for further contracts with the OIC. The Contractor shall, however, be given a reasonable time in which to cure this noncompliance. Any dispute may be resolved in accordance with the "Disputes" procedure set forth herein.

PRIVACY

Personal information collected, used or acquired in connection with this contract shall be used solely for the purposes of this Contract. Contractor agrees not to release, divulge, publish, transfer, sell or otherwise make known to unauthorized persons personal information without the express written consent of the OIC or the acquiring party or SAFECO entities or as provided by law. Contractor agrees to implement physical, electronic and managerial safeguards to prevent unauthorized access to personal information.

The OIC reserves the right to monitor, audit, or investigate the use of personal information collected, used or acquired by the contractor through this Contract.

Any breach of this provision may result in termination of the Contract and the demand for return of all personal information. The Contractor agrees to indemnify and hold harmless the OIC and the acquiring party and SAFECO entities for any damages related to the Contractor's unauthorized use of personal information.

For purposes of this provision, personal information includes, but is not limited to, information identifiable to an individual that relates to a natural person's health, finances, education, business, use or receipt of governmental services, or other activities, names, addresses, telephone numbers, social security numbers, driver license numbers, financial profiles, credit card numbers, financial identifiers and other identifying numbers.

RECORDS, DOCUMENTS, AND REPORTS

The Contractor shall maintain complete financial records relating to this Contract and the services rendered including all books, records, documents, magnetic media, receipts, invoices and other evidence relating to this Contract and performance of the services described herein, including but not limited to, accounting procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this Contract. At no additional cost, these records including materials generated under the Contract shall be subject at all reasonable times to inspection, review, or audit by the Authority, the Office of the State Auditor, and state and federal officials so authorized by law, rule, regulation, or agreement. The Contractor shall retain such records for a period of six (6) years after the date of final payment.

If any litigation, claim, or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

RIGHT OF INSPECTION

The Contractor shall provide right of access to its facilities to the OIC, or any of its officers, or to any other authorized agent, or official of Washington State, all reasonable times, in order to monitor and evaluate performance, compliance, and/or quality assurance under this contract.

SAFEGUARDING OF INFORMATION

The use or disclosure by any party of any information concerning the OIC for any purpose not directly connected with the administration of the OIC's or the Contractor's responsibilities with respect to services provided under this contract is prohibited except by written consent of the OIC.

SEVERABILITY

If any provision of this Contract or any provision of any documents incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Contract which can be given effect without the invalid provision, and to this end the provisions of this contract are declared to be severable.

TERMINATION FOR CONVENIENCE

Except as otherwise provided in this contract, the Agent may, by giving thirty (30) days written notice, beginning on the second day after the mailing, terminate this Contract in whole or in part when it is in the best interest of the OIC. If this contract is so terminated, the OIC shall be liable only for payment in accordance with the terms of this Contract for services rendered prior to the effective date of termination.

TERMINATION FOR DEFAULT

By written notice the Agent may terminate the Contract, in whole or in part, for failure of the Contractor to perform any of the provisions of this contract. In such an event, the Contractor shall be liable for damages as authorized by law including, but not limited to, any cost difference between the original Contract and the replacement Contract or cover Contract and all administrative costs directly related to the replacement Contract, e.g., cost of the competitive bidding, mailing, advertising, and staff time; provided, that if (i) it is determined for any reason the contractor was not in default, or (ii) the Contractor's failure to perform is without Contractor's and/or Subcontractor's control, fault or negligence, the termination shall be deemed to be a "Termination for Convenience."

TERMINATION PROCEDURE

Upon termination of this Contract the OIC, in addition to any other rights provided in this Contract, may require the Contractor to deliver to the OIC any property specifically produced or acquired for the performance of such part of this contract as has been terminated.

The OIC shall pay to the Contractor the agreed upon price, if separately stated, for completed work and service accepted by the OIC and the amount agreed upon by the Contractor and the OIC for (i) completed work and services for which no separate price is stated; (ii) partially completed work and services; (iii) other property or services which are accepted by the OIC; and (iv) the protection and preservation of property, unless the termination is for default, in which case the Agent shall determine the extent of the liability. Failure to agree with such determination shall be a dispute within the meaning of the "Disputes" clause of this Contract. The OIC may withhold from any amounts due the Contractor such sum as the Agent determines to be necessary to protect the OIC against potential loss or liability.

The rights and remedies of the OIC provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

After receipt of notice of termination, and except as otherwise directed by the Agent, the Contractor shall:

A. Stop work under the Contract on the date, and to the extent specified in the notice;

B. Place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the work under the Contract that is not terminated;

C. Assign to the OIC, in the manner, at the times, and to the extent directed by the Agent, all the rights, title, and interest of the Contractor under the orders and subcontracts so terminated; in which case the OIC has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;

D. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the Agent to the extent the Agent may require, which approval or ratification shall be final for all the purposes of this clause;

E. Transfer title to the OIC and deliver in the manner, at the times, and to the extent directed by the Agent any property which, if the contract has been completed, would have been required to be furnished to the OIC;

F. Complete performance of such part of the work as shall not have been terminated by the Agent; and

G. Take such action as may be necessary, or as the Agent may direct, for the protection and preservation of the property related to this Contract which is in the possession of the Contractor and in which the OIC has or may acquire an interest.

WAIVER OF DEFAULT

Waiver of any default shall not be deemed to be a waiver of any subsequent default. Waiver of breach of any provision of this Contract shall not be deemed to be a waiver of any other or subsequent breach and shall not be construed to be a modification of the terms of this contract unless stated to be such in writing signed by the Agent and attached to the original Contract.