



**STATE OF VERMONT
DEPARTMENT OF FINANCIAL REGULATION**

**INSURANCE DIVISION
89 MAIN STREET
MONTPELIER, VERMONT 05620-3101
802-828-3301
www.dfr.vermont.gov**

TO: Actuarial Firms Competent in Property and Casualty Insurance Analysis
FROM: Kaj Samsom, Deputy Commissioner of Insurance
DATE: January 12, 2015
SUBJECT: Request for Proposal

The Vermont Department of Financial Regulation (the "Department") is requesting proposals from actuarial analysis consulting firms to perform actuarial reviews of property and casualty insurance as needed by the Department. The scope of work to be done and the information that must be presented in your proposal are described in the enclosed Request for Proposal (or "RFP").

Two copies of each proposal must be submitted no later than Tuesday, February 17, 2015 at 3:00 PM EST to:

Paulette O'Bryan
Executive Assistant to the Deputy Commissioner of Insurance
Department of Financial Regulation
89 Main Street
Montpelier, Vermont 05620-3101

The Department reserves the right to accept or reject any or all bids. Two or more qualified staff members of the Department will evaluate the proposals. If a firm is selected, representatives will be invited to sign a contract.

If you have any questions about the proposal process, please feel free to call Paulette O'Bryan at (802) 828-4842.

Enclosure

Request for Proposal
This is a Sealed Bid Response
Actuarial Reviews of Property and Casualty Insurance

RFP Issuance Date: Monday, January 12, 2015

Questions Due by: Monday, January 26, 2015

Questions concerning this Request for Proposal must be in writing and received by Paulette O'Bryan by 3:00 PM EST Monday, January 26, 2015. Questions may be e-mailed to paulette.obryan@state.vt.us. At the close of the question period, a copy of all questions or comments and the Department's responses will be posted on <http://vermontbusinessregistry.com/>. Every effort will be made to have these available soon after the question period ends, contingent on the number and complexity of the questions. The Department reserves the right to select which questions it will answer.

Proposal Due Date: 3:00 PM EST, Tuesday, February 17, 2015

Two (2) Copies of the proposal must be received by the Department in printed form and delivered to:

Paulette O'Bryan
Vermont Department of Financial Regulation
Insurance Division
89 Main Street
Montpelier, Vermont 05620-3101

"Sealed bid instructions" after this page.

Date of Public Bid Opening: Wednesday, February 18, 2015
Time of Public Bid Opening: 10:45 AM EST
Location of Public Bid Opening: Department Conference Room
89 Main Street, 2nd Floor
Montpelier, VT 05620-3101

Please be advised that all notifications, releases and amendments associated with the RFP will be posted at <http://vermontbusinessregistry.com/>. The Department will make no attempt to contact vendors with updated information. It will be the responsibility of each vendor to periodically check this site for the latest details.

RFP Contact Person:
Paulette O'Bryan
(802) 828-4842 (Phone)
(802) 828-3306 – (Fax)
paulette.obryan@state.vt.us - (E-mail)

Sealed Bid Instructions

All bids must be sealed and addressed to the Vermont Department of Financial Regulation, Insurance Division, 89 Main Street, Montpelier, Vermont 05620-3101.

BID ENVELOPES MUST BE CLEARLY MARKED “SEALED BID” AND SHOW THE BID TITLE, OPENING DATE AND NAME OF BIDDER.

All bidders are hereby notified that sealed bids must be in the office of the Vermont Insurance Division (the “Division”) by the bid due date and time. Bidders are cautioned that it is their responsibility to ensure receipt by the Division on or before the bid due date. Hand carried bids shall be delivered to a representative of the Division on or before the bid due date. Bids not in possession of the Division by the due date and time will not be considered.

The Division may change the date and/or time of bid opening. If a change is made, the Division will make a reasonable effort to inform all bidders.

All bids will be opened publicly. Any interested party may attend bid openings. Bid results may be requested in writing and are available once an award has been made.

FAXED BIDS: FAXED bids will NOT be accepted.

ELECTRONIC BIDS: ELECTRONIC Bids will NOT be accepted.

DATE: _____

**Request for Proposal
This is a Sealed Bid Response**

Actuarial Reviews of Property and Casualty Insurance

BIDS MUST BE RECEIVED BY: Tuesday, February 17, 2015

AT: 3:00 PM EST

(VENDOR)
(ADDRESS)
(ADDRESS)
(CITY, STATE ZIP)
(COUNTRY)

THIS FORM MUST BE COMPLETED AND SUBMITTED AS PART OF THE RESPONSE FOR THE BID TO BE CONSIDERED VALID.

THE UNDERSIGNED HAS READ, UNDERSTOOD AND ACCEPTED ALL PROVISIONS, TERMS AND CONDITIONS OF THIS PROPOSAL.

Vermont Tax Certificate

To meet the requirements of Vermont Statute 32 V.S.A. § 3113, by law, no agency of the State may enter into, extend or renew any contract for the provision of goods, services or real estate space with any person unless such person first certifies, under the pains and penalties of perjury, that he or she is in good standing with the Department of Taxes. A person is in good standing if no taxes are due, if the liability for any tax that may be due is on appeal, or if the person is in compliance with a payment plan approved by the Commissioner of Taxes, 32 V.S.A. § 3113.

In signing this bid, the bidder certifies under the pains and penalties of perjury that the company/individual is in good standing with respect to, or in full compliance with, a plan to pay any and all taxes due the State of Vermont as of the date this statement is made.

Quotation Valid for _____ Days Date: _____
Name of Company: _____
Federal Identification Number: _____
By: _____
Signature (Proposal Not Valid Unless Signed)

Telephone Number: _____
Fax Number: _____
E-mail Address: _____
Name: _____
(Type or Print)

Price Quotation Form
Contract Period July 1, 2015 through June 30, 2017
(Billable Rate Only)

Date: _____

Classification	Hourly Rate
Actuarial Review:	
Principal/Partner:	
Actuary F.S.A.:	
Associate Actuary A.S.A.:	
Actuarial Student:	
Enrolled Actuary E.A.:	
Other Staff:	

This form must accompany your Bid Proposal

In accordance with State of Vermont's Bulletin 3.5, all requests for proposal bids for personal service contracts must include a price quotation form. **Instructions:** fill out all job classifications pertinent to contract bid, hourly rate (per classification) and any specifications or policies. If job classification is not listed, write the title next to the closest described classification on the list.

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Actuarial Firms Competent in Property and Casualty Insurance Analysis
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A. INTRODUCTION:

The Vermont Department of Financial Regulation (the "Department") is seeking bid proposals from firms competent **to perform actuarial reviews of property and casualty rate filings and actuarial analysis consulting work** for the Department during the course of July 1, 2015 - June 30, 2017. The Department recognizes the important contribution and vital impact that small businesses have on the state's economy. In this regard the Department subscribes to a free and open bidding process that affords all businesses equal access and opportunity to compete for state contracts for goods and services. The Department also encourages businesses owned by minorities and women to compete for state contracts.

B. BACKGROUND:

The Department is charged with ensuring that rates charged by insurance companies in Vermont are fair, adequate and not excessive. The nature of the work sought by the Department in this Request for Proposal requires a broad range of actuarial and business expertise. The performance of these duties requires sensitivity to, and familiarity with, the Vermont insurance market, familiarity with general financial standards and Vermont's insurance laws and rules.

C. KEY ASPECTS:

- i. It is expected that several companies will meet the criteria and be offered contracts. **In accordance with the State of Vermont Bulletin 3.5, all successful bidders will be required to sign a contract substantially in the form of the standard state contract, a copy of which is attached hereto as Exhibit A.**
- ii. The location of the work will be determined by the Department depending on prevailing circumstances. Although unpredictable, the Department currently expects some of the work to be performed both inside and outside the State of Vermont.
- iii. Firms that sign contracts will be assigned work as needed by the Department. The amount of time and staff level needed for each job will be agreed upon in advance when the job is assigned.
- iv. Cost is a significant factor in selecting successful bidders, but it is not necessarily the determining factor. A bidder's comparative superior experience and knowledge may result in a bid selection other than the lowest bid submitted.
- v. **The Department will require successful bidders to procure and maintain professional liability insurance for any and all services performed under the contract, with minimum coverage of \$1,000,000 per occurrence.** Please see the form of contract attached as Exhibit A for further detail on additional insurance requirements.

D. NATURE OF THE WORK:

The nature of the work includes the following:

- i. Actuarial review of insurance company rate filings, including professional liability, workers' compensation and auto assigned risk rates.
 - a. The preparation of written reports commenting upon the actuarial methods and rate changes requested by the insurer's filing
 - b. Explanations of reasons behind any crucial comments.
 - c. Summaries of issues raised by the filing and possible resolutions

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- ii. Attendance and testimony at public rate hearings.
- iii. Attendance at Department management and staff meetings in Montpelier as requested.
- iv. Assisting the Department in drafting legislation and writing rules and bulletins, and attendance and testimony at related public or legislative hearings.
- v. Responding to questions raised by the Department concerning actuarial matters and insurer filings.
- vi. Examining the cost effect of legislation, proposed legislation, and potential legislation on Vermont insurance rates.
- vii. Creating analytical reports on a variety of property and casualty related topics.
- viii. Other work as requested by the Department.

E. NATURE OF THE CONTRACT

- i. Assignment of projects will be at the complete discretion of the Department. The Department's selection of a firm and execution of a contract does not create any commitment by the Department to use a Contractor's services during the course of the contract term.
- ii. Payment of services for each contract shall be written for a maximum dollar value determined by the Department. The Department reserves the right to establish the dollar value for each contract individually. It is possible, for example, that two contracts resulting from the Request for Proposal will have different maximum dollar values. Furthermore, a contract's maximum dollar value shall in no way represent a commitment to the Contractor for services or compensation. Payment to a Contractor will only be for services rendered on projects assigned to a Contractor by the Department. If a Contractor receives no assignments, there shall be no payment to that Contractor.
- iii. All bills requesting payment for services by the Contractor for work rendered must be submitted to the Department **within 30 days** of the close of the month in which services were rendered. The Department may require a detailed description of the work performed, costs and expenses.
- iv. The working papers of the Contractor for assigned work performed for the Department are the property of the Department and shall be turned over to the Department upon request.

F. BASE CONTRACT TERM: July 1, 2015 – June 30, 2017

The Department expects to enter into a contract to cover the period commencing July 1, 2015 and ending June 30, 2017. The contract shall further include an option to extend the contract for one year, covering the period between July 1, 2017 and June 30, 2018. Any such extension shall require an amendment to the contract and the approval of both the Department and the Contractor.

G. CHARACTERISTICS REQUIRED OF SUCCESSFUL BIDDERS:

- i. Strong actuarial expertise and ability to convey actuarial principles, information and significant outcomes to non-actuaries.
- ii. Detailed experience with similar engagements.
- iii. Excellent understanding of regulatory and legislative issues.
- iv. Extensive insurance industry financial examination experience.
- v. Strong Professional standards and reputation for quality.

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H. ISSUES THAT MUST BE ADDRESSED IN THE PROPOSAL:

The bid is the Department's primary vehicle for obtaining essential information on which contract award decisions are based. Instructions contained in this Request For Proposal must be met in order to qualify for consideration. Bids that do not meet or comply with all instructions may be considered non-responsive. Mere reiterations of Request For Proposal stated services are discouraged as they do not provide insight into the bidder's understanding of the required tasks and responsibilities, nor the uniqueness of the bidder's performance capabilities. At a minimum, the bid proposal must address the following issues:

- i. The bidder's approach to providing services.
- ii. Firm qualifications and similar experiences (at least two references – including contact person's name and telephone number) must be provided.
- iii. Primary areas of focus, if any, within the property and casualty insurance area.
- iv. Staff biographies/credentials.
- v. Staff supervision and work product approval procedures.
- vi. Description of final work products and/or reports.
- vii. Records retention policies.
- viii. Report issue procedures, timing, and approval.
- ix. State government references and/or insurance industry projects
 - x. Conflict of interest resolution.
 - xi. Sample of similar work.
 - xii. Hourly rates by staff level. (Use attached price quotation form.)

I. PAYMENT PROVISIONS:

The Department requires that a proposal must provide one hourly rate for each staff class identified in the proposal. A blended rate, whereby a proposal identifies one hourly rate for all categories of services, is not acceptable. The Department will also not accept a range of hourly compensation for the same staff level or function. Additional payment terms can be found in the standard state contract, attached as Exhibit A.

J. CONFIDENTIALITY

Successful bidders that sign a contract will be required to abide by confidentiality and security requirements substantially similar to those in the attached standard state contract, attached as Exhibit A.

K. EVALUATION CRITERIA:

The Department will review the proposal and evaluate based on the following criteria:

- i. Prior experience:
 - a. Completed work of similar type.
 - b. Experience working for state regulatory systems.
- ii. Organization size and structure of bidder's firm.
- iii. Quality of staff and supervision:
 - a. Qualifications of staff to be assigned.

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- b. Supervision to be exercised over staff by management.
- iv. Bidder's understanding of the work to be performed.
 - a. Quality of understanding of work.
 - b. Adequate staff to meet deadlines.
- v. Quality of references.
- vi. Billable Rate (See Price Quote Form).
- vii. Information provided in accordance with Sections G and H of this Request for Proposal.

Two or more qualified Department staff members will independently evaluate each proposal on the applicable criteria. Each criteria is scored from 0-3, with zero for "does not meet requirement", and three for "exceeds expectations or requirements". Each bidder's criteria score is totaled and evaluated for Contractor selection. A recommendation for one or more Contractors from this Request for Proposal to the Deputy Commissioner of Insurance is based on this evaluation.

L. ADDITIONAL PROVISIONS:

- i. Statement of Rights: The State of Vermont reserves the right to seek clarification or additional information necessary to properly evaluate a bid.
- ii. Non-Collusion: The State of Vermont is conscious of and concerned about collusion. It must therefore be understood by all, that in signing bid and contract documents, they agree that the prices quoted have been arrived at without collusion, and that no prior information concerning these prices has been received from, or given to, a competitive company. If there is sufficient evidence to warrant investigation of the bid/contract process by the Office of the Attorney General, all bidders must understand that this paragraph might be used as a basis for litigation.
- iii. Public Record: All bids will become public records. If a bid includes material that is considered by the bidder to be proprietary and confidential under 1 VSA, Chapter 5, the bidder shall clearly designate the material as such, explaining why such material must be considered confidential. The bidder must identify each exemption from release, including the prospective harm to the competitive position of the bidder if the identified material were to be released. The Division will determine if such designated information meets statutory requirements pertaining to materials exempted from Vermont's public records law. Under no circumstances can entire bid or price information be marked confidential. Bids so marked will not be considered.

EXHIBIT A
STATE OF VERMONT
STANDARD CONTRACT FOR PERSONAL SERVICES

1. Parties. This is a contract for personal services between the State of Vermont, Department of Financial Regulation, (hereafter called "State"), and _____, with its principal place of business at _____, (hereafter called "Contractor"). Contractor's form of business organization is a _____. It is the Contractor's responsibility to determine if by law, the Contractor is required to have a Vermont Department of Taxes Business Account Number.
2. Subject Matter. The subject matter of this contract is personal services, generally on the subject of property and casualty insurance actuarial services. Detailed services to be provided by the Contractor are described in Attachment A.
3. Maximum Amount. In consideration of the services to be performed by Contractor, the State agrees to pay Contractor in accordance with the payment provisions specified in Attachment B, a sum not to exceed \$_____.
4. Contract Term. The period of Contractor's performance shall begin on July 1, 2015 and end on June 30, 2017. The period may be extended to June 30, 2018 upon agreement of both parties.
5. Prior Approvals. If approval by the Attorney General's Office or the Secretary of Administration is required, (under current law, bulletins, and interpretations), neither this contract nor any amendment to it is binding until it has been approved by either or both such persons.
 - Approval by the Attorney General's Office is/is not required.
 - Approval by the Secretary of Administration is/is not required.
 - Approval by the CIO/Commissioner of DII is/is not required.
6. Amendment. No changes, modifications, or amendments in the terms and conditions of this contract shall be effective unless reduced to writing, numbered and signed by the duly authorized representative of the State and Contractor.
7. Cancellation. Either party may cancel this contract by giving written notice at least 30 days in advance.
8. Attachments. This contract consists of nine pages including the following attachments which are incorporated herein:
 - Attachment A - Specifications of Work to be Performed
 - Attachment B - Payment Provisions
 - Attachment C - Standard State Provisions for Contracts and Grants
 - Attachment D - Other Contract Provisions

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WE THE UNDERSIGNED PARTIES AGREE TO BE BOUND BY THIS CONTRACT.

By the STATE OF VERMONT

Date: _____

Signature: _____

Susan L. Donegan, Commissioner
Vermont Department of Financial Regulation

By the CONTRACTOR

Date: _____

Signature: _____

Print Name: _____

Title of Endorser: _____

Business Name: _____

EXHIBIT A
ATTACHMENT A
DEPARTMENT OF FINANCIAL REGULATION
SPECIFICATIONS OF WORK TO BE PERFORMED

Contractor agrees to perform property and casualty actuarial work for assigned companies. The nature of the work required includes satisfactory performance of the following under the direction of the Department:

1. Actuarial review of property and casualty rate filings, including professional liability and workers' compensation and automobile assigned risk filings;
 - a. The preparation of written reports commenting upon the actuarial methods and rate changes requested by the insurer's filing;
 - b. Explanations of reasons behind any critical comments;
 - c. Summaries of issues raised by the filing and possible resolutions;
2. Attendance and testimony at public rate hearings;
3. Attendance at Department management and staff meetings in Montpelier as requested;
4. Assisting the Department in drafting legislation, and in writing rules and bulletins;
 - a. Attendance and testimony at public or legislative hearings;
5. Responding to questions raised by the Department concerning actuarial matters and insurer filings;
6. Examining the cost effect of legislation, proposed legislation, and potential legislation on Vermont insurance rates;
7. Creating analytical reports on a variety of property and casualty related topics; and
8. Other work as requested by the Department.

**EXHIBIT A
 ATTACHMENT B
 STATE OF VERMONT CONTRACT FOR PERSONAL SERVICES
 PAYMENT PROVISIONS**

Contractor may assess and collect fees as follows:

1. Maximum payable amount on the contract, including all fees, charges and expenses shall not exceed: \$_____. The State does not guarantee the assignment of any minimum number of hours or any other work under this contract.
2. The State agrees to pay Contractor an hourly rate as detailed on the form below.

Classification	Hourly Rate
Actuarial Review	
Principal/ Partner:	
Actuary:	
Associate Actuary:	
Actuarial Student:	
Enrolled Actuary E.A.:	
Other Staff:	

3. Expenses: State will reimburse Contractor for reasonable and necessary expenses incurred in the performance of assignments under this contract in accordance with the most current General Services Administration Per Diem Study for lodging, meals and incidentals. The Department will reimburse for airfare (receipt required). Only actual charges will be paid.
4. Invoices shall include itemized breakdown per assigned job by staff class with their hourly rate, date of work performed, total hours worked, description of work performed and necessary receipts for expenses. Each invoice shall include a unique invoice number. Invoices for services by the Contractor for work rendered must be submitted to the State within 30 days of the closing of the month in which services were rendered.
5. Invoices shall be submitted on a monthly basis to Paulette O’Bryan, Department of Financial Regulation, Insurance Division, 89 Main Street, Montpelier, VT 05620-3101.

EXHIBIT A
ATTACHMENT C: STANDARD STATE PROVISIONS
FOR CONTRACTS AND GRANTS

- 1. Entire Agreement:** This Agreement, whether in the form of a Contract, State Funded Grant, or Federally Funded Grant, represents the entire agreement between the parties on the subject matter. All prior agreements, representations, statements, negotiations, and understandings shall have no effect.
- 2. Applicable Law:** This Agreement will be governed by the laws of the State of Vermont.
- 3. Definitions:** For purposes of this Attachment, “Party” shall mean the Contractor, Grantee or Subrecipient, with whom the State of Vermont is executing this Agreement and consistent with the form of the Agreement.
- 4. Appropriations:** If this Agreement extends into more than one fiscal year of the State (July 1 to June 30), and if appropriations are insufficient to support this Agreement, the State may cancel at the end of the fiscal year, or otherwise upon the expiration of existing appropriation authority. In the case that this Agreement is a Grant that is funded in whole or in part by federal funds, and in the event federal funds become unavailable or reduced, the State may suspend or cancel this Grant immediately, and the State shall have no obligation to pay Subrecipient from State revenues.
- 5. No Employee Benefits For Party:** The Party understands that the State will not provide any individual retirement benefits, group life insurance, group health and dental insurance, vacation or sick leave, workers’ compensation or other benefits or services available to State employees, nor will the state withhold any state or federal taxes except as required under applicable tax laws, which shall be determined in advance of execution of the Agreement. The Party understands that all tax returns required by the Internal Revenue Code and the State of Vermont, including but not limited to income, withholding, sales and use, and rooms and meals, must be filed by the Party, and information as to Agreement income will be provided by the State of Vermont to the Internal Revenue Service and the Vermont Department of Taxes.
- 6. Independence, Liability:** The Party will act in an independent capacity and not as officers or employees of the State.
The Party shall defend the State and its officers and employees against all claims or suits arising in whole or in part from any act or omission of the Party or of any agent of the Party. The State shall notify the Party in the event of any such claim or suit, and the Party shall immediately retain counsel and otherwise provide a complete defense against the entire claim or suit.
After a final judgment or settlement the Party may request recoupment of specific defense costs and may file suit in Washington Superior Court requesting recoupment. The Party shall be entitled to recoup costs only upon a showing that such costs were entirely unrelated to the defense of any claim arising from an act or omission of the Party.
The Party shall indemnify the State and its officers and employees in the event that the State, its officers or employees become legally obligated to pay any damages or losses arising from any act or omission of the Party.
- 7. Insurance:** Before commencing work on this Agreement the Party must provide certificates of insurance to show that the following minimum coverages are in effect. It is the responsibility of the Party to maintain current certificates of insurance on file with the state through the term of the Agreement. No

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warranty is made that the coverages and limits listed herein are adequate to cover and protect the interests of the Party for the Party's operations. These are solely minimums that have been established to protect the interests of the State.

Workers' Compensation: With respect to all operations performed, the Party shall carry workers' compensation insurance in accordance with the laws of the State of Vermont.

General Liability and Property Damage: With respect to all operations performed under the contract, the Party shall carry general liability insurance having all major divisions of coverage including, but not limited to:

- Premises - Operations
- Products and Completed Operations
- Personal Injury Liability
- Contractual Liability

The policy shall be on an occurrence form and limits shall not be less than:

- \$1,000,000 Per Occurrence
- \$1,000,000 General Aggregate
- \$1,000,000 Products/Completed Operations Aggregate
- \$ 50,000 Fire/ Legal/Liability

Party shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this Agreement.

Automotive Liability: The Party shall carry automotive liability insurance covering all motor vehicles, including hired and non-owned coverage, used in connection with the Agreement. Limits of coverage shall not be less than: \$1,000,000 combined single limit.

Party shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this Agreement.

Professional Liability Insurance: Before commencing work on this contract and throughout the term of this contract, Contractor shall procure and maintain professional liability insurance for any and all services performed under this contract, with minimum coverage of \$1,000,000 per occurrence.

8. Reliance by the State on Representations: All payments by the State under this Agreement will be made in reliance upon the accuracy of all prior representations by the Party, including but not limited to bills, invoices, progress reports and other proofs of work.

9. Requirement to Have a Single Audit: In the case that this Agreement is a Grant that is funded in whole or in part by federal funds, the Subrecipient will complete the Subrecipient Annual Report annually within 45 days after its fiscal year end, informing the State of Vermont whether or not a single audit is required for the prior fiscal year. If a Single Audit is required, the Subrecipient will submit a copy of the audit report to the granting Party within 9 months. If a single audit is not required, only the Subrecipient Annual Report is required.

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For fiscal years ending before December 25, 2015, a Single Audit is required if the subrecipient expends \$500,000 or more in federal assistance during its fiscal year and must be conducted in accordance with OMB Circular A-133. For fiscal years ending on or after December 25, 2015, a Single Audit is required if the subrecipient expends \$750,000 or more in federal assistance during its fiscal year and must be conducted in accordance with 2 CFR Chapter I, Chapter II, Part 200, Subpart F. The Subrecipient Annual Report is required to be submitted within 45 days, whether or not a Single Audit is required.

10. Records Available for Audit: The Party will maintain all books, documents, payroll papers, accounting records and other evidence pertaining to costs incurred under this agreement and make them available at reasonable times during the period of the Agreement and for three years thereafter for inspection by any authorized representatives of the State or Federal Government. If any litigation, claim, or audit is started before the expiration of the three year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved. The State, by any authorized representative, shall have the right at all reasonable times to inspect or otherwise evaluate the work performed or being performed under this Agreement.

11. Fair Employment Practices and Americans with Disabilities Act: Party agrees to comply with the requirement of Title 21 V.S.A. Chapter 5, Subchapter 6, relating to fair employment practices, to the full extent applicable. Party shall also ensure, to the full extent required by the Americans with Disabilities Act of 1990 that qualified individuals with disabilities receive equitable access to the services, programs, and activities provided by the Party under this Agreement. Party further agrees to include this provision in all subcontracts.

12. Set Off: The State may set off any sums which the Party owes the State against any sums due the Party under this Agreement; provided, however, that any set off of amounts due the State of Vermont as taxes shall be in accordance with the procedures more specifically provided hereinafter.

13. Taxes Due to the State:

a. Party understands and acknowledges responsibility, if applicable, for compliance with State tax laws, including income tax withholding for employees performing services within the State, payment of use tax on property used within the State, corporate and/or personal income tax on income earned within the State.

b. Party certifies under the pains and penalties of perjury that, as of the date the Agreement is signed, the Party is in good standing with respect to, or in full compliance with, a plan to pay any and all taxes due the State of Vermont.

c. Party understands that final payment under this Agreement may be withheld if the Commissioner of Taxes determines that the Party is not in good standing with respect to or in full compliance with a plan to pay any and all taxes due to the State of Vermont.

d. Party also understands the State may set off taxes (and related penalties, interest and fees) due to the State of Vermont, but only if the Party has failed to make an appeal within the time allowed by law, or an appeal has been taken and finally determined and the Party has no further legal recourse to contest the amounts due.

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14. Child Support: (Applicable if the Party is a natural person, not a corporation or partnership.) Party states that, as of the date the Agreement is signed, he/she:

- a. is not under any obligation to pay child support; or
- b. is under such an obligation and is in good standing with respect to that obligation; or
- c. has agreed to a payment plan with the Vermont Office of Child Support Services and is in full compliance with that plan.

Party makes this statement with regard to support owed to any and all children residing in Vermont. In addition, if the Party is a resident of Vermont, Party makes this statement with regard to support owed to any and all children residing in any other state or territory of the United States.

15. Sub-Agreements: Party shall not assign, subcontract or subgrant the performance of this Agreement or any portion thereof to any other Party without the prior written approval of the State. Party also agrees to include in all subcontract or subgrant agreements a tax certification in accordance with paragraph 13 above.

16. No Gifts or Gratuities: Party shall not give title or possession of anything of substantial value (including property, currency, travel and/or education programs) to any officer or employee of the State during the term of this Agreement.

17. Copies: All written reports prepared under this Agreement will be printed using both sides of the paper.

18. Certification Regarding Debarment: Party certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, neither Party nor Party's principals (officers, directors, owners, or partners) are presently debarred, suspended, proposed for debarment, declared ineligible or excluded from participation in federal programs, or programs supported in whole or in part by federal funds. Party further certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, Party is not presently debarred, suspended, nor named on the State's debarment list at: <http://bgs.vermont.gov/purchasing/debarment>.

19. Certification Regarding Use of State Funds: In the case that Party is an employer and this agreement is a State Funded Grant in excess of \$1,001, Party certifies that none of these State funds will be used to interfere with or restrain the exercise of Party's employee's rights with respect to unionization.

**ATTACHMENT D
OTHER CONTRACT PROVISIONS**

1. Confidentiality. Contractor agrees to keep information related to the State and regulated entities, and Personal Information obtained as a result of this contract secure and confidential. The term “Personal Information” means any and all information about individuals, including but not limited to names, signatures, addresses, driver’s license numbers, any State-issued identification number, telephone numbers, account numbers, social security numbers, credit reports, demographic information, financial and other personal data, and individually identifiable health information, as defined in 45 C.F.R. § 160.103. Other than the reports submitted to the State, the Contractor agrees not to publish, reproduce, or otherwise divulge such information in whole or in part, in any manner or form or authorize or permit others to do so. Contractor will take reasonable measures as are necessary to restrict access to information in the Contractor’s possession to those employees on his/her staff who must have the information on a “need to know” basis. Contractor will immediately notify, in writing, the State’s authorized representative in the event Contractor determines or has reason to suspect a breach of this requirement. Contractor will maintain security and confidentiality policies and procedures consistent with industry standards with regard to the information described in this section. Contractor will have recovery procedures in place to handle replacement of information and data in the event information of a breach of this requirement. Upon request Contractor will provide the State with a copy of its policies and procedures for maintaining confidentiality.
2. Prior Approval of Workers. The state shall have the right to approve any personnel the Contractor proposes to assign to work requested by the State prior to the commencement of such work. If the proposed personnel of the Contractor are not acceptable to the State in the State’s sole discretion, the Contractor will assign personnel acceptable to the State. The State reserves the right to withdraw the assignment of such work from the Contractor if acceptable personnel cannot be assigned.
3. Conflicts of Interest. If the State determines that a conflict of interest, as defined by the State, exists between a proposed project or regulated entity and a member or members of the Contractor’s staff, the Contractor shall substitute similarly qualified individuals for the conflicted staff member. If the State determines that a conflict of interest, as defined by the State, exists between Contractor and the proposed project or regulated entity, the State may immediately remove that assignment from the Contractor, or may invoke its right to terminate this contract pursuant to paragraph 7 on page 1 of this contract. The State reserves the right to make the ultimate determination as to whether a conflict of interest exists.
4. Working Papers. All working papers of the Contractor and all other documents and information produced related to assigned work being performed for the State are the property of the State and shall be turned over to the State upon request.