Attachment B

REQUEST FOR PROPOSALS FOR

VOLUNTARY BENEFITS

COMMONWEALTH OF PENNSYLVANIA
GOVERNOR'S OFFICE OF ADMINISTRATION
OFFICE OF THE SECRETARY
207 FINANCE BUILDING
HARRISBURG, PA 17120

RFP NUMBER
RFP - CN: 00023197

DATE OF ISSUANCE

DECEMBER 12, 2006

REQUEST FOR PROPOSALS FOR

VOLUNTARY BENEFITS
RFP – CN: 00023197

TABLE OF CONTENTS

CALENDAR OF EVENTS	Page iii
Part I—GENERAL INFORMATION	Page 1
Part II—PROPOSAL REQUIREMENTS	Page 10
Part III—CRITERIA FOR SELECTION	Page 25
Part IV—WORK STATEMENT	Page 29

APPENDIX A, STANDARD CONTRACT TERMS AND CONDITIONS, STD-274 (NON-SAP) (REV. 5/7/04)

APPENDIX B, DOMESTIC WORKFORCE UTILIZATION CERTIFICATION

APPENDIX C, PROPOSAL COVER SHEET

APPENDIX D, SAMPLE RATE CARD

APPENDIX E, HIPAA APPENDIX

APPENDIX F, EMPLOYEE DEMOGRAPHIC DATA

CLICK HERE TO DOWNLOAD AND COMPLETE APPENDICES B, C, D & F

CALENDAR OF EVENTS

The Commonwealth will make every effort to adhere to the following schedule:

Activity	Responsibility	Date
Deadline to submit Questions via email to **mbembenick@state.pa.us** **Questions must be received no later than 3 p.m. on January 5, 2007 in order to be accepted.**	Potential Offerors	January 5, 2007 3:00 PM
Preproposal Conference—Commonwealth of Pennsylvania, Department of General Services, Bureau of Procurement, 555 Walnut Street, 6th Floor, Conference Room #9, Harrisburg, PA 17120.	Issuing Office/Potential Offerors	January 18, 2007 10:30 AM
Answers to Potential Offeror questions posted to the DGS website (**http://www.dgsweb.state.pa.us/comod/main.asp**) no later than this date.	Issuing Office	January 25, 2007
Please monitor website for all communications regarding the RFP.	Potential Offerors	On-Going
Sealed proposal must be received at Commonwealth of Pennsylvania, Forum Place, 555 Walnut Street, 6th Floor Bid Room, Harrisburg, PA 17120. Proposals must be received **no later than 1:30 p.m.** on February 13, 2007 in order to be accepted.	Offerors	February 13, 2007 1:30 PM

PART I

GENERAL INFORMATION

I-1. Purpose. This request for proposals (RFP) provides to those interested in submitting proposals for the subject procurement ("Offerors") sufficient information to enable them to prepare and submit proposals for the **Governor's Office of Administration**'s consideration on behalf of the Commonwealth of Pennsylvania ("Commonwealth") to satisfy a need for **Voluntary Benefits** ("Project"). Further described as the need to (1) communicate, (2) enroll, and (3) administer comprehensive voluntary (employee-pay-all) insurance benefits for active employees and qualified dependents subject to all relevant sections of the Internal Revenue Code (IRC). The desire of the Commonwealth is to provide a variety of high-quality benefits administered in a very cost-effective manner with excellent services to enrollees.

Suggested examples of the types of voluntary benefits that the Commonwealth likely would consider providing to enrollees include, but are not limited to:

Long Term Care (LTC)
Group Life
Short-Term Disability (STD)
Long-Term Disability (LTD)
Critical Illness (CI)
Cancer Insurance
Supplemental Prescription Drug Insurance
Pet Insurance

I-2. Issuing Office. The Governor's Office of Administration ("Issuing Office") has issued this RFP on behalf of the Commonwealth. The sole point of contact in the Commonwealth for this RFP shall be Mr. Matthew Bembenick, Deputy Director, Governor's Office of Administration, 205 Finance Building, Harrisburg, PA 17120, E-Mail: mbembenick@state.pa.us, the Issuing Officer for this RFP. Please refer all inquiries to the Issuing Officer.

I-3. Scope. This RFP contains instructions governing the requested proposals, including the requirements for the information and material to be included; a description of the service to be provided; requirements which Offerors must meet to be eligible for consideration; general evaluation criteria; and other requirements specific to this RFP.

I-4. Problem Statement. The Commonwealth wishes to establish a voluntary insurance benefits program for permanent full-time employees and permanent part-time employees who work greater than 50% of regular full-time hours. This program will be offered solely to the approximately 79,000 employees of agencies who participate in the Commonwealth's Human Resource/Payroll system, SAP. Employee payroll deductions will be collected through payroll deductions using SAP. Approximately 83% of the employees are covered under collective bargaining agreements whereby their union must agree to the proposed benefit program. The total number of eligible employees may be decreased if unions do not agree to participate in this program.

All costs for the benefits, including but not limited to claims expenses, as well as the selected Offeror expenses for communication and administration will be paid through the enrollees' premiums and without any contribution from the Commonwealth. Additional detail is provided in **Part IV** of this RFP.

I-5. Type of Contract. It is proposed that if the Issuing Office enters into a contract as a result of this RFP, it will be a **No-Fee** contract containing the Standard Contract Terms and Conditions as shown in **Appendix A** and available at http://www.dgs.state.pa.us/dgs/lib/dgs/forms/comod/procurementforms/archivedforms/std274_050704.doc. The Issuing Office, in its sole discretion, may undertake negotiations with Offerors whose proposals, in the judgment of the Issuing Office, show them to be qualified, responsible and capable of performing the Project. Insurance policies issued under the contract must be issued directly to the Commonwealth. **There will be no cost to the Commonwealth for services provided by this contract.**

I-6. Rejection of Proposals. The Issuing Office reserves the right, in its sole and complete discretion, to reject any proposal received as a result of this RFP.

I-7. Incurring Costs. The Issuing Office is not liable for any costs the Offeror incurs in preparation and submission of its proposal, in participating in the RFP process or in anticipation of award of the contract.

I-8. Preproposal Conference. The Issuing Office will hold a preproposal conference as specified in the Calendar of Events. The purpose of this conference is to provide opportunity for clarification of the RFP. Offerors should forward all questions to the Issuing Office in accordance with **Part I, Section I-9** to ensure adequate time for analysis before the Issuing Office provides an answer. Offerors may also ask questions at the conference. In view of the limited facilities available for the conference, Offerors should limit their representation to three (3) individuals per Offeror. The preproposal conference is for information only. Any answers furnished during the conference will not be official until they have been verified, in writing, by the Issuing Office. All questions and written answers will be posted on the Department of General Services' (DGS) website as an addendum to, and shall become part of, this RFP. Attendance at the Preproposal Conference is **optional, but attendance is strongly urged.**

I-9. Questions & Answers. If an Offeror has any questions regarding this RFP, the Offeror must submit the questions by email **(with the subject line "RFP CN: 00023197, Question")** to the Issuing Officer named in **Part I, Section I-2** of the RFP. If the Offeror has questions, they must be submitted via email **no later than** the date indicated on the Calendar of Events.

The Offeror shall not attempt to contact the Issuing Officer by any other means. The Issuing Officer shall post the answers to the questions on the DGS website by the date stated on the Calendar of Events.

All questions and responses as posted on the DGS website are considered as an addendum to, and part of, this RFP in accordance with RFP **Part I, Section I-10.** Each Offeror shall be responsible to monitor the DGS website for new or revised RFP information. The Issuing Office shall not be bound by any verbal information nor shall it be bound by any written information that is not either contained within the RFP or formally issued as an addendum by the Issuing

Office. The Issuing Office does not consider questions to be a protest of the specifications or of the solicitation. The required protest process for Commonwealth procurements is described on the DGS website at http://www.dgs.state.pa.us/procurement/cwp/view.asp?a=3&Q=124610&PM=1.

I-10. Addenda to the RFP. If the Issuing Office deems it necessary to revise any part of this RFP before the proposal response date, the Issuing Office will post an addendum to the DGS website at **www.dgsweb.state.pa.us/comod/main.asp**. It is the Offeror's responsibility to periodically check the website for any new information or addenda to the RFP. Answers to the questions asked during the Questions & Answers period also will be posted to the website as an addendum to the RFP.

I-11. Response Date. To be considered for selection, hard copies of proposals must arrive at the Department of General Services address listed on the Calendar of Events on or before the time and date specified in the RFP Calendar of Events. The Issuing Office will **not** accept proposals via email or facsimile transmission. Offerors who send proposals by mail or other delivery service should allow sufficient delivery time to ensure timely receipt of their proposals. If, due to inclement weather, natural disaster, or any other cause, the Commonwealth office location to which proposals are to be returned is closed on the proposal response date, the deadline for submission will be automatically extended until the next Commonwealth business day on which the office is open, unless the Issuing Office otherwise notifies Offerors. The hour for submission of proposals shall remain the same. The Issuing Office will reject, unopened, any late proposals.

I-12. Proposals. To be considered, Offerors should submit a complete response to this RFP, using the format provided in **Part II**, providing eleven (11) paper copies of the proposal to the Issuing Office. In addition to the paper copies of the proposal, Offerors shall submit two (2) **complete and exact** copies of the technical proposal on CD-ROM in Microsoft Office or Microsoft Office-compatible format. The Offeror shall make no other distribution of its proposal to any other Offeror or Commonwealth official or Commonwealth consultant. Each proposal page should be numbered for ease of reference. An official authorized to bind the Offeror to its provisions must sign the proposal. For this RFP, the proposal must remain valid for **180** days or until a contract is fully executed. If the Issuing Office selects the Offeror's proposal for award, the contents of the selected Offeror's proposal will become, except to the extent the contents are changed through Best and Final Offers or negotiations, contractual obligations. The information in the proposal will become a public record upon contract execution, except as limited by Section 106 (b)(1) of the *Commonwealth Procurement Code*, 62 Pa. C.S. § 106 (b)(1).

Each Offeror submitting a proposal specifically waives any right to withdraw or modify it, except that the Offeror may withdraw its proposal by written notice received at the Issuing Office's address for proposal delivery prior to the exact hour and date specified for proposal receipt. An Offeror or its authorized representative may withdraw its proposal in person prior to the exact hour and date set for proposal receipt, provided the withdrawing person provides appropriate identification and signs a receipt for the proposal. An Offeror may modify its submitted proposal prior to the exact hour and date set for proposal receipt only by submitting a new sealed proposal or sealed modification, which complies with the RFP requirements.

I-13. Disadvantaged Business Information. The Issuing Office encourages participation by small disadvantaged businesses as prime contractors, joint ventures and subcontractors/suppliers and by socially disadvantaged businesses as prime contractors.

Small Disadvantaged Businesses are small businesses that are owned or controlled by a majority of persons, not limited to members of minority groups, who have been deprived of the opportunity to develop and maintain a competitive position in the economy because of social disadvantages. The term includes:

a. Department of General Services Bureau of Minority and Women Business Opportunities (BMWBO)-certified minority business enterprises (MBEs) and women business enterprises (WBEs) that qualify as small businesses; and

b. United States Small Business Administration-certified small disadvantaged businesses or 8(a) small disadvantaged business concerns.

Small businesses are businesses in the United States that are independently owned, are not dominant in their field of operation, employ no more than 100 persons and earn less than $20 million in gross annual revenues ($25 million in gross annual revenues for those businesses in the information technology sales or service business).

Socially disadvantaged businesses are businesses in the United States that BMWBO determines are owned or controlled by a majority of persons, not limited to members of minority groups, who are subject to racial or ethnic prejudice or cultural bias, but which do not qualify as small businesses. In order for a business to qualify as "socially disadvantaged," the offeror must include in its proposal clear and convincing evidence to establish that the business has personally suffered racial or ethnic prejudice or cultural bias stemming from the business person's color, ethnic origin or gender.

Questions regarding this Program can be directed to:

Department of General Services
Bureau of Minority and Women Business Opportunities
Room 611, North Office Building
Harrisburg, PA 17125
Phone: (717) 787-6708
Fax: (717) 772-0021
Email: **gs-bmwbo@state.pa.us**

Program information and a database of BMWBO-certified minority- and women-owned businesses can be accessed at www.dgs.state.pa.us, DGS Keyword: BMWBO. The federal vendor database can be accessed at **http://www.ccr.gov** by clicking on *Dynamic Small Business Search* (certified companies are so indicated).

I-14. Information Concerning Small Businesses in Enterprise Zones. The Issuing Office encourages participation by small businesses, whose primary or headquarters facility is physically located in areas the Commonwealth has identified as *Designated Enterprise Zones*, as prime contractors, joint ventures and subcontractors/suppliers.

The definition of headquarters includes, but is not limited to, an office or location that is the administrative center of a business or enterprise where most of the important functions of the business are conducted or concentrated and location where employees are conducting the business of the company on a regular and routine basis so as to contribute to the economic development of the geographical area in which the office or business is geographically located.

Small businesses are businesses in the United States that are independently owned, are not dominant in their field of operation, employ no more than 100 persons and earn less than $20 million in gross annual revenues ($25 million in gross annual revenues for those businesses in the information technology sales or service business).

There is no database or directory of small businesses located in Designated Enterprise Zones. Information on the location of *Designated Enterprise Zones* can be obtained by contacting:

Aldona M. Kartorie
Center for Community Building
PA Department of Community and Economic Development
4th Floor, Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120-0225
Phone: (717) 720-7409
Fax: (717) 787-4088
Email: **akartorie@state.pa.us**

I-15. Economy of Preparation. Offerors should prepare proposals simply and economically, providing a straightforward, concise description of the Offeror's ability to meet the requirements of the RFP.

I-16. Alternate Proposals. The Issuing Office has identified the basic approach to meeting its requirements, allowing Offerors to be creative and propose their best solution to meeting these requirements. The Issuing Office will not accept alternate proposals.

I-17. Discussions for Clarification. Offerors may be required to make an oral or written clarification of their proposals to the Issuing Office to ensure thorough mutual understanding and Offeror responsiveness to the solicitation requirements. The Issuing Office will initiate requests for clarification.

I-18. Prime Contractor Responsibilities. The contract will require the selected Offeror to assume responsibility for all services offered in its proposal whether it produces them itself or by subcontract. The Issuing Office will consider the selected Offeror to be the sole point of contact with regard to contractual matters.

I-19. Proposal Contents. Offerors should not label proposal submissions as confidential or proprietary. The Issuing Office will hold all proposals in confidence and will not reveal or discuss any proposal with competitors for the contract, unless disclosure is required:

i) Under the provisions of any Commonwealth or United States statute or regulation; or

ii) By rule or order of any court of competent jurisdiction.

After a contract is executed, however, the successful proposal is considered a public record under the *Right-to Know Law*, 65 P.S. § 66.1—66.9, and therefore subject to disclosure. The financial capability information submitted under **Part II, Section II-7** shall not be disclosed in the final contract, **nor shall the cost verification information submitted under Part II, Section II-10 be disclosed in the final contract.** All material submitted with the proposal becomes the property of the Commonwealth of Pennsylvania and may be returned only at the Issuing Office's option. The Issuing Office, in its sole discretion, may include any person other than competing Offerors on its proposal evaluation committee. The Issuing Office has the right to use any or all ideas presented in any proposal regardless of whether the proposal becomes part of a contract.

I-20. Best and Final Offers. The Issuing Office reserves the right to conduct discussions with Offerors for the purpose of obtaining "best and final offers." To obtain best and final offers from Offerors, the Issuing Office may do one or more of the following:

i) Enter into pre-selection negotiations, including the use of an online auction;

ii) Schedule oral presentations; and

iii) Request revised proposals.

The Issuing Office will limit any discussions to responsible Offerors (those that have submitted responsive proposals and possess the capability to fully perform the contract requirements in all respects and the integrity and reliability to assure good faith performance) whose proposals the Issuing Office has determined to be reasonably susceptible of being selected for award. The Criteria for Selection found in **Part III, Section III-5**, shall also be used to evaluate the best and final offers. Price reductions offered through any reverse online auction shall have no effect upon the Offeror's Technical Submittal. Dollar commitments to Disadvantaged Businesses and Enterprise Zone Small Businesses can be reduced only in the same percentage as the percent reduction in the total price offered through negotiations, including the online auction.

I-21. News Releases. Offerors shall not issue news releases, Internet postings, advertisements or any other public communications pertaining to this Project without prior written approval of the Issuing Office, and then only in coordination with the Issuing Office.

I-22. Restriction of Contact. From the issue date of this RFP until the Issuing Office selects a proposal for award, the Issuing Officer is the sole point of contact concerning this RFP. Any violation of this condition may be cause for the Issuing Office to reject the offending Offeror's proposal. If the Issuing Office later discovers that the Offeror has engaged in any violations of this condition, the Issuing Office may reject the offending Offeror's proposal or rescind its contract award. Offerors must agree not to distribute any part of their proposals beyond the Issuing Office. An Offeror who shares information contained in its proposal with other Commonwealth personnel and/or competing Offeror personnel may be disqualified.

I-23. Debriefing Conferences. Offerors whose proposals are not selected will be notified of the name of the selected Offeror and given the opportunity to be debriefed. The Issuing Office will schedule the time and location of the debriefing. The debriefing will not compare the Offeror with other Offerors, other than the position of the Offeror's proposal in relation to all other Offeror proposals. An Offeror's exercise of the opportunity to be debriefed does not constitute the filing of a protest.

I-24. Issuing Office Participation. Offerors shall provide all services, supplies, facilities, and other support necessary to complete the identified work, except as otherwise provided in this **Part I, Section I-24**. A Project Manager shall be designated by the Office of Administration to coordinate the activities of the selected Offeror and to insure satisfactory and timely performance of the contract. The Project Manager will coordinate the activities of the system in making records and files available to the selected Offeror, after the contract is executed.

I-25. Term of Contract. The term of the contract will commence on the Effective Date and will end three (3) years after the effective date. The initial term of the contract period is three (3) years with the option of two (2) one-year renewal periods, **which may be exercised in the sole discretion of the Commonwealth as one (1) two (2) year renewal or as two (2) one (1) year renewals.** The Issuing Office will fix the Effective Date after the contract has been fully executed by the selected Offeror and by the Commonwealth and all approvals required by Commonwealth contracting procedures have been obtained. The selected Offeror shall not start the performance of any work prior to the Effective Date of the contract and the Commonwealth shall not be liable to pay the selected Offeror for any service or work performed or expenses incurred before the Effective Date of the contract.

I-26. Offeror's Representations and Authorizations. By submitting its proposal, each Offeror understands, represents, and acknowledges that:

a. All of the Offeror's information and representations in the proposal are material and important, and the Issuing Office may rely upon the contents of the proposal in awarding the contract(s). The Commonwealth shall treat any misstatement, omission or misrepresentation as fraudulent concealment of the true facts relating to the Proposal submission, punishable pursuant to 18 Pa. C.S. § 4904.

b. The Offeror has arrived at the price(s) and amounts in its proposal independently and without consultation, communication, or agreement with any other Offeror or potential offeror.

c. The Offeror has not disclosed the price(s), the amount of the proposal, nor the approximate price(s) or amount(s) of its proposal to any other firm or person who is an Offeror or potential offeror for this RFP, and the Offeror shall not disclose any of these items on or before the proposal submission deadline specified in the Calendar of Events of this RFP.

d. The Offeror has not attempted, nor will it attempt, to induce any firm or person to refrain from submitting a proposal on this contract, or to submit a proposal higher than this proposal, or to submit any intentionally high or noncompetitive proposal or other form of complementary proposal.

e. The Offeror makes its proposal in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive proposal.

f. To the best knowledge of the person signing the proposal for the Offeror, the Offeror, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last **four** years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding or proposing on any public contract, except as the Offeror has disclosed in its proposal.

g. To the best of the knowledge of the person signing the proposal for the Offeror and except as the Offeror has otherwise disclosed in its proposal, the Offeror has no outstanding, delinquent obligations to the Commonwealth including, but not limited to, any state tax liability not being contested on appeal or other obligation of the Offeror that is owed to the Commonwealth.

h. The Offeror is not currently under suspension or debarment by the Commonwealth, any other state or the federal government, and if the Offeror cannot so certify, then it shall submit along with its proposal a written explanation of why it cannot make such certification.

i. The Offeror has not made, under separate contract with the Issuing Office, any recommendations to the Issuing Office concerning the need for the services described in its proposal or the specifications for the services described in the proposal.

j. Each Offeror, by submitting its proposal, authorizes Commonwealth agencies to release to the Commonwealth information concerning the Offeror's Pennsylvania taxes, unemployment compensation and workers' compensation liabilities.

k. Until the selected Offeror receives a fully executed and approved written contract from the Issuing Office, there is no legal and valid contract, in law or in equity, and the Offeror shall not begin to perform.

I-27. Notification of Selection. The Issuing Office will notify the selected Offeror in writing of its selection for negotiation after the Issuing Office has determined, taking into consideration all of the evaluation factors, the proposal that is the most advantageous to the Issuing Office.

I-28. RFP Protest Procedure. The RFP Protest Procedure is on the DGS website at http://www.dgs.state.pa.us/procurement/cwp/view.asp?a=3&Q=124610&PM=1.
A protest by a party not submitting a proposal must be filed within **seven** days after the protesting party knew or should have known of the facts giving rise to the protest, but no later than the proposal submission deadline specified in the Calendar of Events of the RFP. Offerors may file a protest within **seven** days after the protesting Offeror knew or should have known of the facts giving rise to the protest, but in no event may an Offeror file a protest later than **seven** days after the date the notice of award of the contract is posted on the DGS website. The date of filing is the date of receipt of the protest. A protest must be filed in writing with the Issuing Office.

I-29. Use of Electronic Versions of this RFP. This RFP is being made available by electronic means. If an Offeror electronically accepts the RFP, the Offeror acknowledges and accepts full responsibility to insure that no changes are made to the RFP. In the event of a conflict between a version of the RFP in the Offeror's possession and the Issuing Office's version of the RFP, the Issuing Office's version shall govern.

PART II

PROPOSAL REQUIREMENTS

Offerors must submit their proposals in the format, including heading descriptions, outlined below. To be considered, the proposal must respond to all requirements in this part of the RFP. Offerors should provide any other information thought to be relevant, but not applicable to the enumerated categories, as an appendix to the Proposal. All cost data relating to this proposal and all Disadvantaged Business cost data should be kept separate from and not included in the Technical Submittal. Each Proposal shall consist of the following three separately sealed submittals:

a. Technical Submittal, which shall be a response to RFP **Part II, Sections II-1 through II-8**; provide eleven (11) paper copies and two (2) CD-ROM copies).

b. Disadvantaged Business Submittal, in response to RFP **Part II, Section II-9**; provide one (1) paper copy and

c. Cost Submittal, in response to RFP **Part II, Section II-10**, provide two (2) paper copies and two (2) CD-ROM copies.

The Issuing Office reserves the right to request additional information which, in the Issuing Office's opinion, is necessary to assure that the Offeror's competence, number of qualified employees, business organization, and financial resources are adequate to perform according to the RFP.

The Issuing Office may make investigations as deemed necessary to determine the ability of the Offeror to perform the Project, and the Offeror shall furnish to the Issuing Office all requested information and data. The Issuing Office reserves the right to reject any proposal if the evidence submitted by, or investigation of, such Offeror fails to satisfy the Issuing Office that such Offeror is properly qualified to carry out the obligations of the RFP and to complete the Project as specified.

II-1. Statement of the Problem. State in succinct terms your understanding of the problem presented or the service required by this RFP.

II-2. Management Summary. Include a narrative description of the proposed effort and a list of the items to be delivered or services to be provided.

a) **The following information must be provided by the Offeror in its proposal.**

(1) **Organization.**

(a) Briefly describe the history of the Offeror's organization and identify any parent business ties. Identify the office(s) or division that would be used to service this program and its address.

(b) Provide a copy of the Offeror's and/or Insurance Carrier(s) most recent

independently audited financial statements and/or tax returns– include ratings by the following organizations. **For minimum requirements, refer to Part III.**

	Rating	Most Recent Date Rating Confirmed
Fitch	_____	_____
Moody's	_____	_____
Best	_____	_____
Standard & Poor's	_____	_____

(c) As of July 1, 2006, state the number of employers and number of employees for whom the Offeror provides the services that the Commonwealth will require of the Offeror. Indicate how many years the Offeror has been providing these services. Indicate how many of these employers have operations in the Commonwealth. Indicate how many employees of these customers work in the Commonwealth.

(d) Indicate the number of years the Offeror organization has been providing services in the Commonwealth of Pennsylvania. **Please Note: All Offerors proposing to broker insurance services must be licensed to provide applicable insurance services in the Commonwealth of Pennsylvania.**

(e) Indicate any recent or anticipated changes in the Offeror's corporate structure, such as mergers, acquisition, new venture capital, stock issue, etc.

(f) Submit evidence of required liability insurance protection as indicated in Part IV-3.

(g) Describe the nature of each complaint concerning the Offeror's products or services that has been filed with a state regulatory agency in the past twelve (12) months that has resulted in an adverse decision. Describe the outcome of the decision and the actions taken to prevent future occurrences.

(h) We require that **all** plan participant inquiries go directly to the Offeror for their resolution. Describe the Offeror's processes and controls in providing member services (by phone, letter, in person, and/or online). Include the functions of:

1. Marketing;
2. Counseling of participants;
3. Enrollment;
4. Maintaining beneficiary forms;
5. Inquiries on benefits;
6. Handling administrative service issues;
7. Claim processing, including appeals;
8. Resolution of payroll discrepancies; and

9. All other functions that will be provided by the Offeror.

(i) Describe the Offeror's disaster recovery plans for the location that will serve the Commonwealth's employees.

(2) **Implementation.**

(a) Provide an implementation time-line identifying each task and target date for an assumed May 1, 2007 effective date. The actual date of implementation will occur after execution of the contract and dates will be adjusted accordingly. Assume open enrollment **may** occur beginning **July 1, 2007.**

(b) Provide a marketing strategy for the initial notification to participants of the new program and recruitment of participants.

(c) Provide samples of typical communication materials that the Offeror may provide under this program.

(d) Provide details regarding media to communicate the plan to employees.

(e) Explain how the Offeror will transmit electronic interface files to begin, change, and stop payroll deductions. Indicate that the Offeror agrees to provide the data elements in the order and format required by the Commonwealth to update the HR/Payroll system. Include software, data elements for the file. See Part IV for the minimum required data elements and transmission format.

(3) **Administration.**

(a) The benefits provided under this contract are voluntary and enrollment is contingent upon the Offeror providing benefits at a competitive rate and communicating the value of such benefits to employees. As such, the Commonwealth will not agree to minimum participation requirements for any benefits provided under this RFP.

(b) Provide the implementation date of the most recent substantive changes to the Offeror's administrative processes/procedures for managing benefits/claims. If a change is contemplated between the date of the submittal and the end of the contract period, provide a brief description of the changes and the anticipated implementation dates.

(c) Provide a marketing strategy for new hires in the ongoing administration of this contract.

(d) Provide a marketing strategy for annual open enrollments.

(e) Provide details regarding the various types of media that will be used to

communicate with employees in the ongoing administration of this contract.

(f) Describe how the Offeror will communicate all plan and premium changes to the insured. Describe how this will be communicated to the Office of Administration and how much notice will be provided.

(g) Part IV requires the Offeror provide a single website specific to the Commonwealth plan of benefits. Indicate whether the Offeror provides on-line enrollment. If not, explain why on-line enrollment is not provided. The Offeror's response should address any legal or administrative concerns with online enrollment. If the online enrollment functionality impacts the proposed premiums, the Offeror must include this in the separate Cost Submittal, Part II-10. . **No information regarding cost proposals should be included in the Offeror's response. If there is an impact on the proposed premiums, the Offeror must include this in the separate Cost Submittal, Part II-10.**

(h) Part IV requires the Offeror provide a single toll-free customer service number. Describe how many customer service representatives will be handling phone calls solely for Commonwealth employees. Describe the hours of the Offeror's customer service department. Describe how the Offeror handles evening and weekend calls. Describe any special facilities available for the hearing impaired or for those where English is a second language.

(i) Describe quality assurance parameters the Offeror has in place.

(j) Indicate if the Offeror uses silent call monitoring for its customer service representatives, and at what frequency. Describe the steps that are taken if representatives provide erroneous information or act in an inappropriate manner.

(k) Describe how member questions and issues will be addressed through the Offeror and the procedures and guidelines that will be used to escalate the problem to the next level of supervision/management; describe the level at which the Commonwealth will be notified.

(l) Describe the manner in which subscriber eligibility, enrollment, and premium payment records are maintained. If this information varies by insurance plan, the Offeror should include any and all variances in their proposal.

(m) State the Offeror's understanding of how the self-bill process will work for employees who are on Leave Without Pay or who terminate employment. The response also should address who should be contacted regarding billing issues.

(n) Explain the procedures for processing a claim through the Offeror. If the claim process varies by insurance plan, the Offeror should include the procedures for each insurance plan. Indicate who approves the request for benefit eligibility.

(o) Describe the Offeror's internal and external audits and controls. Explain how these systems ensure accurate billing and coverage based on eligibility data provided by the Commonwealth.

(p) Provide samples of reports to be generated, without charge, clearly indicating any variances from the specifications in Part IV of the RFP. Indicate the proposed frequency of the reports.

(q) Indicate the Offeror's willingness to provide flexibility for future changes to procedures, report formats, etc. as requested by the Commonwealth. Describe how this flexibility (or lack thereof) is consistent with the Offeror's administrative systems.

(r) Describe how all contacts with employees (e.g., phone call, letter, e-mail) and the related action by the Offeror and Insurance Carrier are tracked by the Offeror. In addition to the reports required in Part IV, describe reports the Offeror will produce for the Commonwealth detailing these contacts and related action. Indicate the frequency of these additional reports.

(s) Describe how records are maintained, backed-up, stored, and retrieved. Include any provisions for recovery from disaster. Explain how records are secured and how confidentiality of information is protected.

II-3. Work Plan. Describe in narrative form your technical plan for accomplishing the work. Use the task descriptions in Part IV of this RFP as your reference point. Modifications of the task descriptions are permitted; however, reasons for changes should be fully explained. Indicate the number of person hours and corresponding Full-Time Equivalents (FTEs) allocated to each task.

a) **For each individual voluntary benefit product proposed, the following information must be provided.**

(1) **General**

(a) Provide the name of the recommended insurance carrier, if the recommended carrier is not the Offeror.

(b) Describe the insurance product being proposed.

(c) Describe why the insurance product is a significant benefit for employees and their eligible dependents.

(d) Provide a detailed explanation of the benefit program and the level of benefits that will be provided to members.

(e) Provide the typical participation percentage of the insurance product being proposed. Gender, Annual Salary, and Age of Employees eligible under the RFP are available at http://www.dgsweb.state.pa.us/comod/main.asp. Please include your participation estimates based on the following age ranges:

i. <30
ii. 30-34
iii. 35-39
iv. 40-44
v. 45-49
vi. 50-54
vii. 55-59
viii. 60-64
ix. 65-69
x. 70+

(f) Describe the portability feature of the insurance product being proposed.

(g) Provide a sample policy and insurance certificates for the Insurance product being proposed.

(h) Provide samples of standard enrollment and claim forms for the Insurance product being proposed.

(i) Indicate what percentage of applications submitted to the Offeror were approved and denied in the most recent twelve-month period.

(j) Indicate that the Offeror guarantees coverage for the employee, spouse, or dependent upon initial enrollment. Describe all requirements and limitations other than during open enrollment. If there are any cost differences, provide cost information in the Cost Submittal, Part II-10. **No cost information should be included in the technical submittal.**

(k) Describe any age limitations on enrollment.

(l) If applicable, explain the Offeror's medical underwriting process used to determine insurability.

(m) Provide the Offeror's HIPAA Compliance Policy for all applicable insurance solutions, as proposed. Please refer to **Appendix E, HIPAA Appendix**, for additional information regarding Commonwealth HIPAA standards as may be applicable to this procurement.

(n) Indicate whether the Offeror's plan includes any pre-existing conditions limitation; if so, describe.

(o) Provide the Offeror's standard list of exclusions for the product being proposed.

(p) Indicate if there is an appeal process for underwriting denials; if so, describe.

(q) Describe the Offeror's waiting period in detail. Indicate how days are counted. Indicate if the days must be consecutive.

(r) Describe the Offeror's premium waiver provision.

(s) Describe the Offeror's Coordination of Benefits (COB) feature, if one is available.

(t) Supply an Explanation of Benefits (EOB) and sample EOB message.

(u) Provide a recommendation on which family members will be eligible to participate in the proposed benefit program.

(v) Describe requirements for participants who, during open enrollment, want to increase their coverage levels.

(w) Explain the procedures for processing a claim. Describe the Offeror's average turnaround time from receipt of a claim. List the physical location of each office involved in the claims process.

II-4. Prior Experience. In order to be considered, the Offeror must provide documentation that it has experience with clients whose structure, size, and geographical nature is comparable to the Commonwealth of Pennsylvania. In particular, the Offeror must discuss experience in administering employee-pay-all accounts that are similar in size to this group, including the experience of any insurance carrier, if the Offeror is not an insurance carrier. Such experience should be demonstrated both at the firm level and at the team level, i.e., as it relates to the firms as a whole and collectively to those individuals to be assigned to the Commonwealth program.

Experience should demonstrate each firm's capability to provide the requested services. Where subcontractors, joint ventures, etc., are being proposed, provide the related work experience for the other firms and for all individuals of the other firms assigned to this project. Related work experience must be adequately described and should note the name of the client for which the services were provided, the period during which such services were rendered, and a brief description of those services as they relate to the services requested in this RFP.

Offerors must provide the Office of Administration with a list of clients that are similar in size, geographic distribution, and number of benefits offered, with references. **At a minimum, references for three (3) clients must be provided for each insurance program.** References should be those client personnel who can provide an opinion as to the quality, timeliness and acceptability of service performed. The reference information must include the name of the client and the name, title, address and telephone number of the responsible official of the client who may be contacted for reference purposes. If possible, references should include governmental and private employers.

II-5 Personnel. Include the number, and names where practicable, of the Account Manager, executive and professional staff who will be engaged in the work. Provide the following information for each of these employees assigned to this engagement:

- Related experience in the administration of group insurance benefits and the nature of the work performed in such administration.
- Education, including continuing education, and experience in the administration of group insurance benefits.
- Specific duties to be performed by the employee.
- Physical location of the principal office that the employee works from in the administration of group insurance benefits.
- Professional licenses and memberships.

The Offeror must agree that key personnel, once designated as assigned by the Offeror to the services covered by this RFP and the contract, must perform as designated in the absence of termination from the firm or other unavoidable circumstance. In the event assigned key personnel must be replaced, replacements are subject to approval by the Project Manager, and

should have comparable levels of responsibility and substantially equivalent experience and skills. **By submitting its proposal, the Offeror indicates its acceptance of this condition.**

II-6 Training. If appropriate, indicate recommended training of Commonwealth of Pennsylvania personnel. Include the personnel to be trained, the number to be trained, duration of the program, place of training, curricula, training materials to be used, number and frequency of sessions, and number and level of instructors.

Commonwealth personnel interaction with employees will be limited to attending certain open Enrollment meetings. Commonwealth personnel will not be involved in the promotion, enrollment, administration, or payment collection of the program.

II-7 Financial Capability. Describe your company's financial stability and economic capability to perform the contract requirements. Financial documents such as audited financial statements or recent tax returns will be acceptable to the Commonwealth.

II-8. Objections and Additions to Standard Contract Terms and Conditions. The Offeror will identify which, if any, of the terms and conditions (contained in **Appendix A** and/or the terms of Part IV, Section IV-4 of the RFP) it would like to negotiate and what additional terms and conditions the Offeror would like to add to the standard contract terms and conditions. The Offeror's failure to make a submission under this paragraph will result in its waiving its right to do so later, but the Issuing Office may consider late objections and requests for additions if to do so, in the Issuing Office's sole discretion, would be in the best interest of the Commonwealth. The Issuing Office may, in its sole discretion, accept or reject any requested changes to the standard contract terms and conditions. The Offeror shall not request changes to the other provisions of the RFP, nor shall the Offeror request to completely substitute its own terms and conditions for **Appendix A**. All terms and conditions must appear in one integrated contract. The Issuing Office will not accept references to the Offeror's, or any other, online guides or online terms and conditions contained in any proposal.

Regardless of any objections set out in its proposal, the Offeror must submit its proposal, including the cost proposal, on the basis of the terms and conditions set out in **Appendix A** and the terms of section IV-4 of the RFP. The Issuing Office will reject any proposal that is conditioned on the negotiation of terms and conditions other than those set out in **Appendix A** and the terms of section IV-4 of the RFP.

II-9. Disadvantaged Business Submittal.

a. **Disadvantaged Business Information.**

i) To receive credit for being a Small Disadvantaged Business or a Socially Disadvantaged Business or for entering into a joint venture agreement with a Small Disadvantaged Business or for subcontracting with a Small Disadvantaged Business (including purchasing supplies and/or services through a purchase agreement), an Offeror must include proof of Disadvantaged Business qualification in the Disadvantaged Business Submittal of the proposal, as indicated below:

1) A Small Disadvantaged Businesses certified by BMWBO as an MBE/WBE must provide a photocopy of their BMWBO certificate.

2) Small Disadvantaged Businesses certified by the U.S. Small Business Administration pursuant to Section 8(a) of the *Small Business Act* (15 U.S.C. § 636(a)) as an 8(a) or small disadvantaged business must submit proof of U.S. Small Business Administration certification. The owners of such businesses must also submit proof of United States citizenship.

3) All businesses claiming Small Disadvantaged Business status, whether as a result of BMWBO certification or U.S. Small Business Administration certification as an 8(a) or small disadvantaged business, must attest to the fact that the business has 100 or fewer employees.

4) All businesses claiming Small Disadvantaged Business status, whether as a result of BMWBO certification or U.S. Small Business Administration certification as an 8(a) or small disadvantaged business, must submit proof that their gross annual revenues are less than $20,000,000 ($25,000,000 for those businesses in the information technology sales or service business). This can be accomplished by including a recent tax return or audited financial statement.

ii) All businesses claiming status as a Socially Disadvantaged Business must include in the Disadvantaged Business Submittal of the proposal clear and convincing evidence to establish that the business has personally suffered racial or ethnic prejudice or cultural bias stemming from the business person's color, ethnic origin or gender. The submitted evidence of prejudice or bias must:

1) Be rooted in treatment that the business person has experienced in American society, not in other countries.

2) Show prejudice or bias that is chronic and substantial, not fleeting or insignificant.

3) Indicate that the business person's experience with the racial or ethnic prejudice or cultural bias has negatively impacted his or her entry into and/or advancement in the business world.

BMWBO shall determine whether the Offeror has established that a business is socially disadvantaged by clear and convincing evidence.

iii) In addition to the above verifications, the Offeror must include in the Disadvantaged Business Submittal of the proposal the following information:

1) The name and telephone number of the Offeror's project (contact) person for the Small Disadvantaged Business.

2) The business name, address, name and telephone number of the primary contact person for each Small Disadvantaged Business included in the proposal. The Offeror must specify each Small Disadvantaged Business to which it is making commitments. The Offeror will not receive credit for stating that it will find a Small Disadvantaged Business after the contract is awarded or for listing several businesses and stating that one will be selected later.

3) The specific work, goods or services each Small Disadvantaged Business will perform or provide.

4) The estimated dollar value of the contract to each Small Disadvantaged Business.

5) Of the estimated dollar value of the contract to each Small Disadvantaged Business, the percent of the total value of services or products purchased or subcontracted that will be provided by the Small Disadvantaged Business directly.

6) The location where each Small Disadvantaged Business will perform these services.

7) The timeframe for each Small Disadvantaged Business to provide or deliver the goods or services.

8) The amount of capital, if any, each Small Disadvantaged Business will be expected to provide.

9) The form and amount of compensation each Small Disadvantaged Business will receive.

10) For a joint venture agreement, a copy of the agreement, signed by all parties.

11) For a subcontract, a signed subcontract or letter of intent.

iv) The Offeror is required to submit only **one** copy of its Disadvantaged Business Submittal. The submittal shall be clearly identified as Disadvantaged Business information and sealed in its own envelope, separate from the remainder of the proposal.

v) The Offeror must include the dollar value of the commitment to each Small Disadvantaged Business in the same sealed envelope with its Disadvantaged Business Submittal. The following will become a contractual obligation once the contract is fully executed:

1) The amount of the selected Offeror's Disadvantaged Business commitment;

2) The name of each Small Disadvantaged Business; and

3) The services each Small Disadvantaged Business will provide, including the timeframe for performing the services.

vi) A Small Disadvantaged Business can be included as a subcontractor with as many prime contractors as it chooses in separate proposals.

vii) An Offeror that qualifies as a Small Disadvantaged Business and submits a proposal as a prime contractor is not prohibited from being included as a subcontractor in separate proposals submitted by other Offerors.

b. **Enterprise Zone Small Business Participation.**

i) To receive credit for being an enterprise zone small business or entering into a joint venture agreement with an enterprise zone small business or subcontracting with an enterprise zone small business, an Offeror must include the following information in the Disadvantaged Business Submittal of the proposal:

1) Proof of the location of the business' headquarters (such as a lease or deed or Department of State corporate registration), including a description of those activities that occur at the site to support the other businesses in the enterprise zone.

2) Confirmation of the enterprise zone in which it is located (obtained from the local enterprise zone office).

3) Proof of United States citizenship of the owners of the business.

4) Certification that the business employs 100 or fewer employees.

5) Proof that the business' gross annual revenues are less than $20,000,000 ($25,000,000 for those businesses in the information technology sales or service business). This can be accomplished by including a recent tax return or audited financial statement.

6) Documentation of business organization, if applicable, such as articles of incorporation, partnership agreement or other documents of organization.

ii) In addition to the above verifications, the Offeror must include in the Disadvantaged Business Submittal of the proposal the following information:

1) The name and telephone number of the Offeror's project (contact) person for the Enterprise Zone Small Business.

2) The business name, address, name and telephone number of the primary contact person for each Enterprise Zone Small Business included in the proposal. The Offeror must specify each Enterprise Zone Small Business to which it is making commitments. The Offeror will not receive credit for stating that it will find an Enterprise Zone Small Business after the contract is awarded or for listing several businesses and stating that one will be selected later.

3) The specific work, goods or services each Enterprise Zone Small Business will perform or provide.

4) The estimated dollar value of the contract to each Enterprise Zone Small Business.

5) Of the estimated dollar value of the contract to each Enterprise Zone Small Business, the percent of the total value of services or products purchased or subcontracted that each Enterprise Zone Small Business will provide.

6) The location where each Enterprise Zone Small Business will perform these services.

7) The timeframe for each Enterprise Zone Small Business to provide or deliver the goods or services.

8) The amount of capital, if any, each Enterprise Zone Small Business will be expected to provide.

9) The form and amount of compensation each Enterprise Zone Small Business will receive.

10) For a joint venture agreement, a copy of the agreement, signed by all parties.

11) For a subcontract, a signed subcontract or letter of intent.

iii) The dollar value of the commitment to each Enterprise Zone Small Business must be included in the same sealed envelope with the Disadvantaged Business Submittal of the proposal. The following will become a contractual obligation once the contract is fully executed:

1) The amount of the selected Offeror's Enterprise Zone Small Business commitment;

2) The name of each Enterprise Zone Small Business; and

3) The services each Enterprise Zone Small Business will provide, including the timeframe for performing the services.

II-10. Cost Submittal. The information requested in this **Part II, Section II-10** shall constitute the Cost Submittal. The Cost Submittal shall be placed in a separate sealed envelope within the sealed proposal, separated from the technical submittal. The total proposed cost shall be broken down into the following components for each insurance product proposed.

Provide a rate card(s) detailing biweekly rates for each product offered, as described in Part I and Part IV. Age means Insured's age as of January 1 for the year insurance is elected. Rates proposed must represent the amount paid by employees who authorize payroll deductions and employees or spouses/dependents who utilize direct bill. For Gender, Annual Salary, and Age of employees eligible under the RFP, please refer to Appendix F. Additional information is available at http://www.workforcereport.state.pa.us.
Tables 18 and 19 of the Workforce Report provide information regarding occupational groupings.

If proposing any of the following benefits, please base your biweekly rates on the following cost units:

- Life Insurance
  - Employee per $1,000 of insurance
  - Spouse per $1,000 of insurance
  - Child per $1,000 of insurance

- Long Term Disability (LTD)
  - per $100 of covered payroll

- Long Term Care (LTC)
  - per $10 of daily benefit allowance (DBA)

a) Please see Appendix D – Sample Rate Card for format information. Please adhere to this format as closely as possible. Rate card(s) should also be provided in spreadsheet format (Microsoft Excel or similar).

b) What has been your average Loss Ratio (paid and incurred) for voluntary insurance services over the past three years? Provide individual Loss Ratio (paid and incurred) information for each insurance product proposed.

c) What has been your average expense ratio for voluntary insurance services over the past three years? Provide individual expense ratio information for each insurance product proposed.

d) If proposing a Group Term Life Insurance product, indicate whether a Living Benefits rider will be provided at no additional cost.

e) How will renewals be calculated and how will they be handled?

f) Indicate if the firm will provide a rate guarantee for three years. If the firm is willing to guarantee the rate for longer, please specify.

g) Termination Charges. The Commonwealth will not agree to the inclusion of termination charges as may be assigned to policy holders as part of this contract

h) Broker Costs. Please indicate the overall percentage of premium costs allocated to broker costs (fees). In addition, please break out the percentages of broker cost allocated to the following categories, where applicable (and as needed):

i. Wages (Direct Labor)
ii. Labor Overhead
iii. Travel/Subcontractor Travel
iv. Subcontractor Costs
v. Supplies/Materials
vi. Other Direct
vii. General Overhead
viii. Subcontractor Overhead
ix. Equipment
x. Audit
xi. Facilities
xii. Fee (Profit)

If broker costs vary by product offering, please provide separate cost break-outs for each product proposed.

II-11. Domestic Workforce Utilization Certification. Complete and sign the Domestic Workforce Utilization Certification contained in **Appendix B** of this RFP. Offerors who seek consideration for this criterion must submit in hardcopy the signed Domestic Workforce Utilization Certification Form in the same sealed envelope with the Cost Submittal.

PART III

CRITERIA FOR SELECTION

III-1. Mandatory Responsiveness Requirements. To be eligible for selection, a proposal must be:

a. Timely received from an Offeror;

b. Properly signed by the Offeror.

III-2. Technical Nonconforming Proposals. The Issuing Office reserves the right, in its sole discretion, to waive technical or immaterial nonconformities in an Offeror's proposal.

III-3. Evaluation. The Issuing Office has selected a committee of qualified personnel to review and evaluate timely submitted proposals. Independent of the committee, BMWBO will evaluate the Disadvantaged Business Submittal and provide the Issuing Office with a rating for this component of each proposal. The Issuing Office will notify in writing of its selection for negotiation the responsible Offeror whose proposal is determined to be the most advantageous to the Commonwealth as determined by the Issuing Office after taking into consideration all of the evaluation factors. The Issuing Office will award a contract only to an Offeror determined to be responsible in accordance with the most current version of Commonwealth Management Directive 215.9, *Contractor Responsibility Program.* **Please Note: The Commonwealth reserves the right to disregard and to not evaluate individual product offerings that do not meet the Commonwealth's needs and/or interests, as determined by a committee of qualified personnel selected by the Commonwealth.**

III-4. Mandatory Criteria. This area specifies certain mandatory requirements that must be met in order for a proposal to be considered. Failure to meet these criteria will result in a disqualification of the proposal. The mandatory criteria are:

a) **Minimum financial ratings.** All Insurance Carriers included in this proposal must have a current financial rating on the organization's ability to pay claims which is equal to or exceeds the standard listed below for at least two of the four rating services listed.

A.M. Best	A-
Fitch	AA
Moody's	Aa
Standard & Poor's	AA

b) **Licensing.** Any insurance carrier used by the Contractor must be licensed to provide applicable insurance services in the Commonwealth of Pennsylvania

III-5. Criteria for Selection. The following criteria will be used, in order of relative importance from the highest to the lowest weighted factors, in evaluating each proposal.

1. Technical: Evaluation will be based upon the following in order of importance:

a. **Understanding the Problem.** This refers to the Contractor's understanding of the Commonwealth's needs that necessitated the RFP, realizing the Commonwealth's objectives in seeking the services – particularly in regard to the variety of benefits proposed and their usefulness to Commonwealth employees (actual or perceived), perceiving the nature and scope of the work involved, and being able to produce a viable solution. Emphasis here also is placed on the techniques for collecting and analyzing data, the sequence and relationships of major steps, and the methods for managing the project. Of equal importance is whether the technical approach is completely responsive to all written specifications and requirements contained in the RFP and if it appears to meet the objectives.

b. **Contractor Qualifications.** This refers to the capability of the Contractor to deliver a solution to the Commonwealth's problems as stated in the RFP. Consideration will be given to the past experience of the Contractor, especially in the nature, relevancy, scope, time critical linkages, quality, and recentness of the Contractor's projects. This also includes the Contractor's financial ability to undertake a project of this size.

c. **Personnel Qualifications.** This refers to the competence of professional personnel who would be assigned to the job by the Contractor. Qualifications of professional personnel will be measured by experience and education, with particular reference to the experience on projects similar to that described in the RFP. Particular emphasis is placed on the qualifications of the account manager.

2. Cost. To evaluate cost submittals, the Commonwealth will utilize the following process: 1) The Commonwealth will determine a relative value for each proposed plan based upon its specific plan provisions. 2) The Commonwealth will calculate the cost for each proposed plan using a common set of enrollment assumptions at each age bracket. 3) The Commonwealth will determine which proposal has the lowest overall cost by weighing the value of proposed plan provisions in conjunction with respective premiums.

3. Disadvantaged Business Participation: Evaluation will be based upon the following in order of priority:

Priority Rank 1	Proposals submitted by Small Disadvantaged Businesses.
Priority Rank 2	Proposals submitted from a joint venture with a Small Disadvantaged Business as a joint venture partner.
Priority Rank 3	Proposals submitted with subcontracting commitments to Small Disadvantaged Businesses.

Priority Rank 4	Proposals submitted by Socially Disadvantaged Businesses.

Each proposal will be rated for its approach to enhancing the utilization of Small Disadvantaged Businesses and/or Socially Disadvantaged Businesses. Each approach will be evaluated, with Priority Rank 1 receiving the highest score and the succeeding options receiving scores in accordance with the above-listed priority ranking

To the extent that an Offeror qualifies as a Small Disadvantaged Business or a Socially Disadvantaged Business, the Small Disadvantaged Business or Socially Disadvantaged Business cannot enter into subcontract arrangements for more than **40%** of the total estimated dollar amount of the contract. If a Small Disadvantaged Business or a Socially Disadvantaged Business subcontracts more than **40%** of the total estimated dollar amount of the contract to other contractors, the Disadvantaged Business Participation scoring shall be proportionally lower for that proposal.

Enterprise Zone Small Business Participation. The following options will be considered as part of the final criteria for selection:

Priority Rank 1	Proposals submitted by an Enterprise Zone Small Business will receive the highest score.
Priority Rank 2	Proposals submitted by a joint venture with an Enterprise Zone Small Business as a joint venture partner will receive the next highest score for this criterion.
Priority Rank 3	Proposals submitted with a subcontracting commitment to an Enterprise Zone Small Business will receive the lowest score for this criterion.
Priority Rank 4	Proposals with no Enterprise Zone Small Business Utilization shall receive no points under this criterion.

To the extent that an Offeror is an Enterprise Zone Small Business, the Offeror cannot enter into contract or subcontract arrangements for more than **40%** of the total estimated dollar amount of the contract in order to qualify as an Enterprise Zone Small Business for purposes of this RFP.

Domestic Workforce Utilization. Each proposal will be scored for its commitment to use domestic workforce in the fulfillment of the contract. Maximum consideration will be given to those Offerors who will perform the contracted direct labor exclusively within the geographical boundaries of the United States. Those who propose to perform a portion of the direct labor outside of the United States will receive a correspondingly smaller score for this criterion. Offerors who seek consideration for this criterion must submit in hardcopy the signed Domestic Workforce Utilization Certification Form in the same sealed envelope with the Cost Submittal. The certification will be included as a contractual obligation when the contract is executed.

III-6. **Please Note: For all supplemental insurance products proposed, the Commonwealth may choose to award contracts for such products to one or more vendors, at its discretion.**

PART IV

WORK STATEMENT

IV-1. Objectives.

a. **General.** The Commonwealth seeks to select a firm to (1) secure, (2) administer, and (3) communicate the insurance benefits contained in this RFP.

b. **Specific.** The Commonwealth's objective is to provide approximately 79,000 active employees and their eligible dependents, where applicable, with the opportunity to purchase a variety of voluntary self-paid insurance benefits through one or more Offerors. **Please note that for any supplemental insurance products proposed, the Commonwealth reserves the right to enter into contract for such products at its discretion. Also, for each product offering proposed by the Offeror(s), the Commonwealth will endeavor to evaluate similar products on a comparative basis, but only for those product offerings the Commonwealth chooses to pursue.**

Only employees of agencies who participate in the Commonwealth's HR/Payroll system, SAP, will be eligible for the group insurance products. The biweekly premiums for these voluntary insurance programs will be such that employees can afford benefits otherwise not available to them and at rates lower than those obtainable through individual policies.

Proposers are encouraged to utilize their professional knowledge, expertise, and ingenuity in formulating proposals to satisfy the Commonwealth's needs, objectives, and goals.

IV-2. Nature and Scope of the Project. As stated above, the selected Offeror will be required to handle all aspects of the administration of self-paid group benefits with minimal involvement from the Office of Administration. The selected Offeror will be required to handle all aspects of written and oral communication with employees and the eligible dependents, including written documentation and distribution of all plan terms and conditions, process enrollment forms, maintain beneficiary designation cards, process claim forms through the Insurance Carrier(s), process electronic interface files to initiate, change, and terminate payroll deductions, conduct group open enrollment meetings on an annual basis, and other items listed in Parts II and IV of this RFP. The majority of Commonwealth employees reside and work in the Commonwealth of Pennsylvania and are located, in all 67 counties. The eligible employees have the following demographics (Refer to Appendix F):

- Average age is 46 years old
- Average years of service is 12.7
- Average Annual Salary is $42,000
- Male employees constitute 58% of the eligible employees.

IV-3. Requirements. Eligibility and Enrollment

1) Eligible employees are defined as active permanent full-time employees and permanent part-time employees who are working greater than 50% of regular full-time hours and who are actively at work on the effective date of coverage. Actively at work is performing one's occupation for salary or wages at one's regular place of work.

2) Employees who are not actively at work on the effective date of coverage will not be eligible to participate until they return to work.

3) The selected Offeror will guarantee enrollment for employees and their dependents during the initial offering and for new hires that enroll within 60 days. In subsequent open enrollments, the Insurance Carrier(s) may require proof of insurability as determined by the Insurance Carrier(s) and as agreed to by the Commonwealth.

4) Employees who are on Leave Without Pay during the initial offering shall be treated as first eligible upon their return to work. Employees returning from a Leave Without Pay will be allowed 60 days to enroll.

5) Coverage must be continued for employees on Leave Without Pay. Premiums will be paid on a self-billed basis. The Commonwealth will notify the selected offeror of employees who begin taking leave through a weekly electronic eligibility file. The selected Offeror will be responsible for establishing procedures for the billing, and for transferring to the Commonwealth information pertaining to participants who are terminated from the program, either voluntarily or for non-payment. This termination of benefits will be transferred to the Commonwealth through the weekly electronic interface file.

6) An employee who wishes to participate must enroll at the time the plan becomes effective or at the time of initial eligibility, if a new hire or newly eligible employee. In the case of new hire or new eligibility, the effective date of coverage will be the first day of the pay period that commences 30 days from the date the enrollment form was signed by the member and approved by the selected Offeror.

7) Spouses and children will be eligible only for plans in which the employee also is enrolled for the same coverage.

8) Annually, during the fall of the year, an open enrollment period will be conducted to allow employees to make changes to coverage. Prior to the open enrollment, the Commonwealth will forward an electronic file containing the annual salary and age as of January 1 of the current year. The selected Offeror then will calculate any changes in premium deductions and forward an electronic file back to the Commonwealth. The electronic file will be used to update the payroll records effective the first pay date in January.

9) If coverage is initially waived, an employee may enroll in the program during the next open enrollment, subject to any underwriting criteria established by the selected Offeror as part of its proposal.

10) The selected Offeror agrees to accept eligibility data from the Commonwealth using the Commonwealth's standard eligibility file format on a weekly basis. The Commonwealth will not agree to provide any data elements that are not already available on the Commonwealth's payroll system. In addition, there will not be any modifications made to the Commonwealth's payroll system at the request of the selected Offeror. The selected Offeror must be able to accommodate data files and apply transactions in accordance with established Commonwealth procedures through the interface file provided. Any changes to the selected Offeror's system that require a programming change cannot be charged to the Commonwealth or employees as an

expense of the selected Offeror.

The following are general interface standards: 1) All fields should be right justified for the numeric and left justified for the char fields. 2) In general, if alphabetic data is not available, use spaces (not null characters) for place holding; if numeric data is specified and is not available, then fill it with zeros. 3) All control characters except standard carriage returns or line feeds should be removed. 4) Numeric data should have leading zeros to fill or pad the field to the length defined. 5) For the numeric fields with decimal place, include last two places for the decimal value, if there is no decimal value put 00 in the last two places. (Ex: if the value is 56.34, the file should have 5634, and if it is 56.00 then file should have the 5600). 6) Date fields must include the leading zeroes as part of the date; e.g., 7/1/00 should be coded as 07/01/2000. Non-date values cannot be used to fill dates. If no date is available the entire field should be spaces.

Also, the Commonwealth's Integrated Enterprise System (IES) has a standard header that is placed on all output files.

11) The selected Offeror will maintain electronic eligibility, enrollment, and premium payment records. These records will be made available electronically to the Commonwealth on a quarterly basis for verification of data with the Commonwealth's payroll system.

12) The Commonwealth will deduct premiums for employees and their participating dependents on a biweekly basis. The Commonwealth will remit the premiums to the selected Offeror on a monthly basis. Payments will be made by the 10th business day of the month following the month in which they were collected.

13) The selected Offeror will maintain all eligibility, enrollment, and premium payment records for a minimum of five (5) years following the termination of the contract.

a) **Communications and Customer Service**

1) All communication materials must be approved by the Office of Administration.

2) The selected Offeror will provide a single toll-free customer service number which shall provide general information on the plan, claims status, and counseling to participants. The selected Offeror will be the sole point of contact for employees.

3) The selected Offeror will provide sufficient personnel to handle all aspects of the administration of this program. This includes but is not limited to maintaining beneficiary forms, marketing, enrollment; ensuring claims are processed correctly by the Insurance Carrier(s), resolution of payroll discrepancies, answering questions, and resolving issues involving the Insured and Insurance Carrier.

4) The selected Offeror will provide a customized website specific to the Commonwealth's plan of benefits for employees and spouses to access information regarding the various plans, premiums, and frequently asked questions. If allowable under applicable law, the website should also provide for online enrollments.

5) Communications will not include telephonic contact with employees without their written consent.

b) **Additional Requirements**

1) The Commonwealth will not be responsible for collection of premiums on a retroactive basis, unless it is determined that the Commonwealth did not correctly apply an eligibility file from the selected Offeror. If the Commonwealth did not correctly apply an eligibility file, it will make a good faith effort to collect the premium. The Commonwealth will not have any liability to pay the premium if it is unable to collect it.

2) For all benefits, except for Group Term Life Insurance, the program must be portable. Employees retiring from or leaving Commonwealth employment or transferring to an agency not participating in SAP must be able to continue in the Commonwealth's program at the preferred group rates for a period of at least two years.

3) For Group Term Life Insurance, if proposed, the Insurance Carrier must offer a conversion privilege at the preferred group rate for one year.

4) All policies must be governed by Pennsylvania law.

5) The selected Offeror shall carry general liability insurance (bodily injury and property damage) in an amount of not less than $1,000,000.00 per occurrence with a $2,000,000.00 aggregate, combined single limits prior to commencement of contract services. Such policy shall require thirty (30) days notice to the Commonwealth of PA in writing prior to cancellation, termination or expiration of any kind.

6) The selected Offeror shall carry professional liability insurance in an amount of not less than $3,000,000.

7) Following the agreed upon rate guarantee period, the selected Offeror must notify the Commonwealth no later than July 1 of rate changes to go into effect for the next calendar year.

8) The selected Offeror shall provide all underwriting/actuarial services involved with supporting this program.

d) **Plan Design Requirements**

As stated in **Part I, Section I-1**, the desire of the Commonwealth is to provide a variety of high-quality benefits administered in a very cost-effective manner with excellent services to enrollees. As such, the Commonwealth has decided not to issue minimum plan design or frequency of service requirements. Instead, the Commonwealth will consider those substantial plan designs or service offerings as part of this RFP that meet the criteria of the RFP, as well as the Commonwealth's needs or interests.

Please Note: Where applicable, the insurance product(s) being proposed **must be tax qualified,** and may not result in a plan participant incurring any tax liability by virtue of enrolling in any of the insurance products.

IV-4. Agreement Standards. The intent of the agreement standards is to ensure that the successful contractor provides efficient and effective services. The chart below has a set of proposed criteria and standards that the Commonwealth expects a successful contractor to meet. It is expected that each of the criteria listed below will be measured on a Commonwealth-specific basis.

CATEGORY	CRITERIA	PROPOSED AGREEMENT STANDARD	METHODOLOGY TO DEMONSTRATE COMPLIANCE	LIQUIDATED DAMAGE TO BE ASSESSED FOR NON-COMPLIANCE
Task Plan	Develop and present to the Commonwealth a detailed implementation project plan identifying all tasks, completion dates, and responsible party(ies).	No later than 10 business days after the effective date of the Agreement.	Completed task plan, identifying all tasks, completion dates, and responsible party(ies) is presented to the Commonwealth. This may also include a GANTT chart.	$1000 for each additional business day that the project plan is not complete. This provision may be waived with Commonwealth approval.
Help Desk	Help Desk calls answered within 5 rings during normal business hours. An automated attendant will answer calls after 5 rings and will include a message informing the caller of the average wait time expected on the call.	97% or greater of Calls answered within 5 rings – reviewed monthly.	Vendor to provide call center data indicating call answer rate.	$2000 for each % of calls unanswered within 5 rings below 97% - assessed quarterly.
	Average Call Wait/Hold Time during normal business hours	97% of calls on hold <4 minutes – reviewed monthly	Vendor to provide monthly call center data indicating call hold time rate.	$2000 for each % of calls on hold >4 minutes below 97% - assessed quarterly.
	Call Abandonment	<2% of calls dropped – reviewed monthly	Vendor to provide monthly call center data indicating call abandonment rate.	$2000 for each % of dropped calls in excess of 2% - assessed quarterly.
Issue Resolution	Plan participant requests/inquiries answered within 10 calendar days	90% of requests answered within 10 calendar days – reviewed monthly	Vendor to provide monthly report indicating plan participant request/inquiry answer rate.	$2000 for each % of requests below 90% that remain unanswered within 10 calendar days – assessed quarterly.

Customer /Commonwealth Satisfaction	Contractor will conduct an independent annual statistically-significant random survey of policy holders. Contractor must achieve a survey grade of "A" from random sample. Please Note: The Commonwealth must approve the proposed survey format and methodology before it is administered.	Overall Survey Grade of "A"	Vendor survey achieves an overall survey grade of "A".	An amount not to exceed $10,000 to be assessed at the discretion of the Commonwealth for failure to achieve an overall survey grade of "A". Assessed annually. Vendor must also present a corrective action plan to the Commonwealth within 20 business days of survey completion if survey results indicate failure to achieve an "A" grade. $1000 for each business day beyond 20 days that the corrective action plan is not presented to the Commonwealth.
	The contractor will respond within 24 hours to calls or written inquiries made by the Commonwealth's Office of Administration. The response will include a resolution to the inquiry or a timeframe in which the Commonwealth can expect resolution to the inquiry.	90% or greater response rate within 24 hours – reviewed monthly	Vendor to provide monthly report indicating response rates to calls or written inquiries made by the Commonwealth's Office of Administration.	$2000 for each % of requests below 90% that remain unanswered within 24 hours – assessed quarterly.

Claim Resolution	The Contractor agrees that 95% of clean death claims will be paid within 5 business days of receipt by the claim area and that 99% will be processed within 10 business days of receipt by the claim area. All other claims will be processed and paid within 10 business days of receipt by the claim area.	95% of clean death claims paid within "5 business days"; 99% of clean death claims paid "within 10 business days"; 95% of other claims processed and paid "within 10 business days" – reviewed monthly	Vendor to provide monthly report/data indicating date claim submitted, date claim is paid, and total turnaround time.	$2000 for each % of clean death claims below 99% that remain unpaid within 10 business days of receipt by the claim area. Assessed quarterly. $2000 for each % of non-death claims below 95% that remain unpaid within 10 business days of receipt by the claim area. Assessed quarterly.
Timeliness & Accuracy	Completed underwriting applications will be processed within 5 business days of receipt.	90% of applications processed within 2 business days – reviewed monthly	Vendor to provide monthly report/data indicating date application submitted, date application is processed, and total turnaround time.	$2000 for each % of applications below 90% that are not processed within 2 business days of receipt. Assessed quarterly.
Timeliness & Accuracy	Insurance certificates will be issued to plan participants within 10 business days of an application being processed and accepted by the Contractor/Insurance Company.	98% of insurance certificates issued within 10 business days of an application being processed and accepted. Reviewed monthly.	Vendor to provide monthly report/data indicating date application submitted, date application is processed, date insurance certificate issued, and total turnaround time.	$2000 for each % of insurance certificates below 98% that are not issued within 10 business days of an application being processed and accepted. Assessed quarterly.

Stewardship	The Contractor's Account Manager will meet with the Commonwealth to present/discuss the results of the Contractor's performance for the prior quarter.	Meeting must occur no later than one month following the end of the quarter.	Contractor's Account Manager to set up and attend meeting with Commonwealth no later than one month following the end of the quarter.	$1000 per day for each day beyond "30 days following the end of the quarter" that the Contractor's Account Manager fails to set up and attend a quarterly performance review meeting with the Commonwealth. This provision may be waived at the discretion of the Commonwealth.

IV-4. Tasks

a) The selected Offeror will maintain and update the implementation time-line identifying each task and completion dates for a May 1, 2007 effective date. The selected Offeror will be responsible for conducting weekly meetings with the Office of Administration and other Commonwealth entities to ensure that all tasks are completed on schedule.

b) The selected Offeror will be responsible for developing a communication plan to market the insurance plans to employees and their eligible dependents.

(1) The selected Offeror will design and produce (subject to Office of Administration approval) enrollment materials, employee booklets, summary plan descriptions and any necessary forms. The employee booklets and enrollment materials will be used for open enrollment and an average of 3,500 new and/or newly eligible employees per year. The booklets and materials will include, at a minimum, the benefits available, explanation of benefits, cost, and enrollment procedures.

(2) Distribution of marketing material will not occur without the prior review and written approval of the materials by the Office of Administration.

(3) The selected Offeror will be required to conduct statewide meetings with participants as approved by the Office of Administration. The meetings will be held in conjunction with the annual open enrollments. Dates, times and locations will be set by the Commonwealth. For 2007, the selected Offeror and Insurance Carriers will be required to conduct the following Open Enrollment Meetings (exact times will be confirmed during implementation of the RFP):

(a) Harrisburg, PA – Five dates to be determined by the Commonwealth..

(b) Philadelphia, PA – One date to be determined by the Commonwealth.

(c) Scranton, PA – One date to be determined by the Commonwealth.

(d) Pittsburgh, PA – One date to be determined by the Commonwealth.

(e) Other locations/dates to be determined by the Commonwealth.

(4) Contact with employees and their eligible dependents will be limited to benefits proposed under the RFP and agreed upon by the Commonwealth. The selected Offeror will not solicit enrollment in programs other than those included in the final contract between the selected Offeror and the Commonwealth, excepting preexisting agreements that the employee may have with the selected Offeror.

(5) Approximately 30,000 employees do not have access to computers or e-mails during work hours; the selected Offeror must account for this in planning administrative approaches.

(6) Communication will not include payroll statement messages.

(7) The selected Offeror will provide up to three articles per year, as requested, for use by Office of Administration in employee communications about various aspects of the plan.

(8) For the initial enrollment period and subsequent enrollments, changes, and terminations, the selected Offeror will collect the enrollment/change forms. If online enrollment is permissible and available, the selected Offeror will be responsible for maintaining the website. The selected Offeror will calculate the biweekly premium deductions for each enrolled employee and his/her dependent(s) and forward a weekly electronic file to the Commonwealth containing the necessary data elements to begin, change and stop payroll deductions. The interface file will be sent through the Commonwealth's Integration Hub using XML or MQSI format. At a minimum, the interface files will include the employees' Social Security Number, deduction type (identifies the insurance product), deduction amount, effective date to start deductions, and end date to terminate deductions. The selected Offeror agrees to provide the data elements required by the Commonwealth to ensure that employee payroll deductions are initiated, changed and stopped within two weeks of the effective date.

c) The selected Offeror will communicate all plan and premium changes to the insureds.

IV-5. Reports and Project Control. The selected Offeror will provide the following reports during implementation:

a) **Task Plan.** A work plan for each task that identifies the work elements of each task, the resources assigned to the task, and the time allotted to each element and the deliverable items to be produced. Where appropriate, a PERT or GANTT chart display should be used to show project, task, and time relationship.

b) **Implementation Status Report.** A weekly progress report covering activities, problems, and recommendations; the report should be keyed to the work plan developed by the contractor in its proposal, as amended or approved by the contracting agency.

c) **Problem Identification Report.** An "as required" report, identifying problem areas. The

report should describe the problem and its impact on the overall project and on each affected task. It should list possible courses of action with advantages and disadvantages of each, and include contractor recommendations with supporting rationale.

The selected Offeror will provide the following reports for each year the insurance programs are being offered:

a) **Quarterly Claims Report, by Carrier** – Report basic information regarding claims processed, including name (employee/dependent), employee number with whom the coverage is affiliated, department/agency, Carrier(s) and Option(s), and Claim Processing Time (# of days – claim turnaround).

b) **Quarterly Participation Report, by Carrier** – Report basic information regarding participation, including name (employee/dependent), employee number with whom the coverage is affiliated, department/agency, Carrier(s), Option(s), and Amount deducted each pay.

c) Additional reports as mutually agreed upon between the Commonwealth and the selected Offeror.

IV-6. Contract Requirements—Disadvantaged Business Participation and Enterprise Zone Small Business Participation. All contracts containing Disadvantaged Business participation and/or Enterprise Zone Small Business participation must also include a provision requiring the selected contractor to meet and maintain those commitments made to Disadvantaged Businesses and/or Enterprise Zone Small Businesses at the time of proposal submittal or contract negotiation, unless a change in the commitment is approved by the BMWBO. All contracts containing Disadvantaged Business participation and/or Enterprise Zone Small Business participation must include a provision requiring Small Disadvantaged Business subcontractors, Enterprise Zone Small Business subcontractors and Small Disadvantaged Businesses or Enterprise Zone Small Businesses in a joint venture to perform at least **50%** of the subcontract or Small Disadvantaged Business/Enterprise Zone Small Business participation portion of the joint venture.

The selected contractor's commitments to Disadvantaged Businesses and/or Enterprise Zone Small Businesses made at the time of proposal submittal or contract negotiation shall be maintained throughout the term of the contract. Any proposed change must be submitted to BMWBO, which will make a recommendation to the Contracting Officer regarding a course of action.

If a contract is assigned to another contractor, the new contractor must maintain the Disadvantaged Business participation and/or Enterprise Zone Small Business participation of the original contract.

The selected contractor shall complete the Prime Contractor's Quarterly Utilization Report (or similar type document containing the same information) and submit it to the contracting officer of the Issuing Office and BMWBO within **10** workdays at the end of each quarter the contract is in force. This information will be used to determine the actual dollar amount paid to Small Disadvantaged Business and/or Enterprise Zone Small Business subcontractors and suppliers,

and Small Disadvantaged Business and/or Enterprise Zone Small Business participants involved in joint ventures. Also, this information will serve as a record of fulfillment of the commitment the selected contractor made and for which it received Disadvantaged Business and Enterprise Zone Small Business points. If there was no activity during the quarter then the form must be completed by stating "No activity in this quarter."

NOTE: EQUAL EMPLOYMENT OPPORTUNITY AND CONTRACT COMPLIANCE STATEMENTS REFERRING TO COMPANY EQUAL EMPLOYMENT OPPORTUNITY POLICIES OR PAST CONTRACT COMPLIANCE PRACTICES DO NOT CONSTITUTE PROOF OF DISADVANTAGED BUSINESSES STATUS OR ENTITLE AN OFFEROR TO RECEIVE CREDIT FOR DISADVANTAGED BUSINESSES UTILIZATION.

STANDARD CONTRACT
TERMS AND CONDITIONS FOR SERVICES

1. TERM OF CONTRACT

The term of the Contract shall commence on the Effective Date (as defined below) and shall end on the Expiration Date identified in the Contract, subject to the other provisions of the Contract. The Effective Date shall be fixed by the Contracting Officer after the Contract has been fully executed by the Contractor and by the Commonwealth and all approvals required by Commonwealth contracting procedures have been obtained. The Contract shall not be a legally binding contract until after the Effective Date is affixed and the fully-executed Contract has been sent to the Contractor. The Contracting Officer shall issue a written Notice to Proceed to the Contractor directing the Contractor to start performance on a date which is on or after the Effective Date. The Contractor shall not start the performance of any work prior to the date set forth in the Notice to Proceed and the Commonwealth shall not be liable to pay the Contractor for any service or work performed or expenses incurred before the date set forth in the Notice to Proceed. No agency employee has the authority to verbally direct the commencement of any work under this Contract. The Commonwealth reserves the right, upon notice to the Contractor, to extend the term of the Contract for up to three (3) months upon the same terms and conditions. This will be utilized to prevent a lapse in Contract coverage and only for the time necessary, up to three (3) months, to enter into a new contract.

2. INDEPENDENT CONTRACTOR

In performing the services required by the Contract, the Contractor will act as an independent contractor and not as an employee or agent of the Commonwealth.

3. COMPLIANCE WITH LAW

The Contractor shall comply with all applicable federal and state laws and regulations and local ordinances in the performance of the Contract.

4. ENVIRONMENTAL PROVISIONS

In the performance of the Contract, the Contractor shall minimize pollution and shall strictly comply with all applicable environmental laws and regulations.

5. POST-CONSUMER RECYCLED CONTENT

Except as specifically waived by the Department of General Services in writing, any products which are provided to the Commonwealth as a part of the performance of the Contract must meet the minimum percentage levels for total recycled content as specified in Exhibits A-1 through A-8 to these Standard Contract Terms and Conditions.

6. COMPENSATION/EXPENSES

The Contractor shall be required to perform the specified services at the price(s) quoted in the Contract. All services shall be performed within the time period(s) specified in the Contract. The Contractor shall be compensated only for work performed to the satisfaction of the Commonwealth. The Contractor shall not be allowed or paid travel or per diem expenses except as specifically set forth in the Contract.

7. INVOICES

Unless the Contractor has been authorized by the Commonwealth for Evaluated Receipt Settlement or Vendor Self-Invoicing, the Contractor shall send an ***invoice itemized by line item*** to the address referenced on the purchase order promptly after services are satisfactorily completed. The invoice should include only amounts due under the Contract/purchase order. The purchase order number must be included on all invoices. In addition, the Commonwealth shall have the right to require the Contractor to prepare and

submit a "Work In Progress" sheet that contains, at a minimum, the tasks performed, number of hours, hourly rate, and the purchase order or task order to which it refers.

8. PAYMENT

a. The Commonwealth shall put forth reasonable efforts to make payment by the required payment date. The required payment date is: (a) the date on which payment is due under the terms of the Contract; (b) thirty (30) days after a proper invoice actually is received at the "Provide Service and Bill To" address if a date on which payment is due is not specified in the Contract (a "proper" invoice is not received until the Commonwealth accepts the service as satisfactorily performed); or (c) the payment date specified on the invoice if later than the dates established by (a) and (b) above. Payment may be delayed if the payment amount on an invoice is not based upon the price(s) as stated in the Contract. If any payment is not made within fifteen (15) days after the required payment date, the Commonwealth may pay interest as determined by the Secretary of Budget in accordance with Act No. 266 of 1982 and regulations promulgated pursuant thereto. Payment should not be construed by the Contractor as acceptance of the service performed by the Contractor. The Commonwealth reserves the right to conduct further testing and inspection after payment, but within a reasonable time after performance, and to reject the service if such post payment testing or inspection discloses a defect or a failure to meet specifications. The Contractor agrees that the Commonwealth may set off the amount of any state tax liability or other obligation of the Contractor or its subsidiaries to the Commonwealth against any payments due the Contractor under any contract with the Commonwealth.

b. The Commonwealth shall have the option of using the Commonwealth purchasing card to make purchases under the Contract or purchase order. The Commonwealth's purchasing card is similar to a credit card in that there will be a small fee which the Contractor will be required to pay and the Contractor will receive payment directly from the card issuer rather than the Commonwealth. Any and all fees related to this type of payment are the responsibility of the Contractor. In no case will the Commonwealth allow increases in prices to offset credit card fees paid by the Contractor or any other charges incurred by the Contractor, unless specifically stated in the terms of the Contract or purchase order.

9. TAXES

The Commonwealth is exempt from all excise taxes imposed by the Internal Revenue Service and has accordingly registered with the Internal Revenue Service to make tax free purchases under Registration No. 23740001-K. With the exception of purchases of the following items, no exemption certificates are required and none will be issued: undyed diesel fuel, tires, trucks, gas guzzler emergency vehicles, and sports fishing equipment. The Commonwealth is also exempt from Pennsylvania state sales tax, local sales tax, public transportation assistance taxes and fees and vehicle rental tax. The Department of Revenue regulations provide that exemption certificates are not required for sales made to governmental entities and none will be issued. Nothing in this paragraph is meant to exempt a construction contractor from the payment of any of these taxes or fees which are required to be paid with respect to the purchase, use, rental, or lease of tangible personal property or taxable services used or transferred in connection with the performance of a construction contract.

10. WARRANTY

The Contractor warrants that all services performed by the Contractor, its agents and subcontractors shall be free and clear of any defects in workmanship or materials. Unless otherwise stated in the contract, all services and parts are warranted for a period of one year following completion of performance by the Contractor and acceptance by the Commonwealth. The Contractor shall correct any problem with the service and/or replace any defective part with a part of equivalent or superior quality without any additional cost to the Commonwealth.

11. PATENT, COPYRIGHT, AND TRADEMARK INDEMNITY

The Contractor warrants that it is the sole owner or author of, or has entered into a suitable legal agreement concerning either: a) the design of any product or process provided or used in the performance of the Contract which is covered by a patent, copyright, or trademark registration or other right duly authorized by state or federal law or b) any copyrighted matter in any report document or other material provided to the commonwealth under the contract. The Contractor shall defend any suit or proceeding brought against the Commonwealth on account of any alleged patent, copyright or trademark infringement in the United States of any of the products provided or used in the performance of the Contract. This is upon condition that the Commonwealth shall provide prompt notification in writing of such suit or proceeding; full right, authorization and opportunity to conduct the defense thereof; and full information and all reasonable cooperation for the defense of same. As principles of governmental or public law are involved, the Commonwealth may participate in or choose to conduct, in its sole discretion, the defense of any such action. If information and assistance are furnished by the Commonwealth at the Contractor's written request, it shall be at the Contractor's expense, but the responsibility for such expense shall be only that within the Contractor's written authorization. The Contractor shall indemnify and hold the Commonwealth harmless from all damages, costs, and expenses, including attorney's fees that the Contractor or the Commonwealth may pay or incur by reason of any infringement or violation of the rights occurring to any holder of copyright, trademark, or patent interests and rights in any products provided or used in the performance of the Contract. If any of the products provided by the Contractor in such suit or proceeding are held to constitute infringement and the use is enjoined, the Contractor shall, at its own expense and at its option, either procure the right to continue use of such infringement products, replace them with non-infringement equal performance products or modify them so that they are no longer infringing. If the Contractor is unable to do any of the preceding, the Contractor agrees to remove all the equipment or software which are obtained contemporaneously with the infringing product, or, at the option of the Commonwealth, only those items of equipment or software which are held to be infringing, and to pay the Commonwealth: 1) any amounts paid by the Commonwealth towards the purchase of the product, less straight line depreciation; 2) any license fee paid by the Commonwealth for the use of any software, less an amount for the period of usage; and 3) the pro rata portion of any maintenance fee representing the time remaining in any period of maintenance paid for. The obligations of the Contractor under this paragraph continue without time limit. No costs or expenses shall be incurred for the account of the Contractor without its written consent.

12. OWNERSHIP RIGHTS

The Commonwealth shall have unrestricted authority to reproduce, distribute, and use any submitted report, data, or material, and any software or modifications and any associated documentation that is designed or developed and delivered to the Commonwealth as part of the performance of the Contract.

13. ASSIGNMENT OF ANTITRUST CLAIMS

The Contractor and the Commonwealth recognize that in actual economic practice, overcharges by the Contractor's suppliers resulting from violations of state or federal antitrust laws are in fact borne by the Commonwealth. As part of the consideration for the award of the Contract, and intending to be legally bound, the Contractor assigns to the Commonwealth all right, title and interest in and to any claims the Contractor now has, or may acquire, under state or federal antitrust laws relating to the products and services which are the subject of this Contract.

14. HOLD HARMLESS PROVISION

The Contractor shall hold the Commonwealth harmless from and indemnify the Commonwealth against any and all claims, demands and actions based upon or arising out of any activities performed by the Contractor and its employees and agents under this Contract and shall, at the request of the Commonwealth, defend any and all actions brought against the Commonwealth based upon any such claims or demands.

15. AUDIT PROVISIONS

The Commonwealth shall have the right, at reasonable times and at a site designated by the Commonwealth, to audit the books, documents and records of the Contractor to the extent that the books, documents and records relate to costs or pricing data for the Contract. The Contractor agrees to maintain records which will support the prices charged and costs incurred for the Contract. The Contractor shall preserve books, documents, and records that relate to costs or pricing data for the Contract for a period of three (3) years from date of final payment. The Contractor shall give full and free access to all records to the Commonwealth and/or their authorized representatives.

16. DEFAULT

a. The Commonwealth may, subject to the provisions of Paragraph 17, Force Majeure, and in addition to its other rights under the Contract, declare the Contractor in default by written notice thereof to the Contractor, and terminate (as provided in Paragraph 18, Termination Provisions) the whole or any part of this Contract for any of the following reasons:

1) Failure to begin work within the time specified in the Contract or as otherwise specified;
2) Failure to perform the work with sufficient labor, equipment, or material to insure the completion of the specified work in accordance with the Contract terms;
3) Unsatisfactory performance of the work;
4) Failure or refusal to remove material, or remove and replace any work rejected as defective or unsatisfactory;
5) Discontinuance of work without approval;
6) Failure to resume work, which has been discontinued, within a reasonable time after notice to do so;
7) Insolvency or bankruptcy;
8) Assignment made for the benefit of creditors;
9) Failure or refusal within 10 days after written notice by the Contracting Officer, to make payment or show cause why payment should not be made, of any amounts due for materials furnished, labor supplied or performed, for equipment rentals, or for utility services rendered;
10) Failure to protect, to repair, or to make good any damage or injury to property; or
11) Breach of any provision of this Contract.

b. In the event that the Commonwealth terminates this Contract in whole or in part as provided in Subparagraph a. above, the Commonwealth may procure, upon such terms and in such manner as it determines, services similar or identical to those so terminated, and the Contractor shall be liable to the Commonwealth for any reasonable excess costs for such similar or identical services included within the terminated part of the Contract.

c. If the Contract is terminated as provided in Subparagraph a. above, the Commonwealth, in addition to any other rights provided in this paragraph, may require the Contractor to transfer title and deliver immediately to the Commonwealth in the manner and to the extent directed by the Issuing Office, such partially completed work, including, where applicable, reports, working papers and other documentation, as the Contractor has specifically produced or specifically acquired for the performance of such part of the Contract as has been terminated. Except as provided below, payment for completed work accepted by the Commonwealth shall be at the Contract price. Except as provided below, payment for partially completed work including, where applicable, reports and working papers, delivered to and accepted by the Commonwealth shall be in an amount agreed upon by the Contractor and Contracting Officer. The Commonwealth may withhold from amounts otherwise due the Contractor for such completed or partially completed works, such sum as the Contracting Officer determines to be necessary to protect the Commonwealth against loss.

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

e. The Commonwealth's failure to exercise any rights or remedies provided in this paragraph shall not be construed to be a waiver by the Commonwealth of its rights and remedies in regard to the event of default or any succeeding event of default.

f. Following exhaustion of the Contractor's administrative remedies as set forth in Paragraph 19, the Contractor's exclusive remedy shall be to seek damages in the Board of Claims.

17. FORCE MAJEURE

Neither party will incur any liability to the other if its performance of any obligation under this Contract is prevented or delayed by causes beyond its control and without the fault or negligence of either party. Causes beyond a party's control may include, but aren't limited to, acts of God or war, changes in controlling law, regulations, orders or the requirements of any governmental entity, severe weather conditions, civil disorders, natural disasters, fire, epidemics and quarantines, general strikes throughout the trade, and freight embargoes.

The Contractor shall notify the Commonwealth orally within five (5) days and in writing within ten (10) days of the date on which the Contractor becomes aware, or should have reasonably become aware, that such cause would prevent or delay its performance. Such notification shall (i) describe fully such cause(s) and its effect on performance, (ii) state whether performance under the contract is prevented or delayed and (iii) if performance is delayed, state a reasonable estimate of the duration of the delay. The Contractor shall have the burden of proving that such cause(s) delayed or prevented its performance despite its diligent efforts to perform and shall produce such supporting documentation as the Commonwealth may reasonably request. After receipt of such notification, the Commonwealth may elect either to cancel the Contract or to extend the time for performance as reasonably necessary to compensate for the Contractor's delay. .

In the event of a declared emergency by competent governmental authorities, the Commonwealth by notice to the Contractor, may suspend all or a portion of the Contract.

18. TERMINATION PROVISIONS

The Commonwealth has the right to terminate this Contract for any of the following reasons. Termination shall be effective upon written notice to the Contractor.

a. **TERMINATION FOR CONVENIENCE:** The Commonwealth shall have the right to terminate the Contract for its convenience if the Commonwealth determines termination to be in its best interest. The Contractor shall be paid for work satisfactorily completed prior to the effective date of the termination, but in no event shall the Contractor be entitled to recover loss of profits.

b. **NON-APPROPRIATION:** The Commonwealth's obligation to make payments during any Commonwealth fiscal year succeeding the current fiscal year shall be subject to availability and appropriation of funds. When funds (state and/or federal) are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal year period, the Commonwealth shall have the right to terminate the contract. The contractor shall be reimbursed for the reasonable value of any nonrecurring costs incurred but not amortized in the price of the supplies or services delivered under this contract. Such reimbursement shall not include loss of profit, loss of use of money, or administrative or overhead costs. The reimbursement amount may be paid for any appropriations available for that purpose

c. **TERMINATION FOR CAUSE:** The Commonwealth shall have the right to terminate the Contract for Contractor default under Paragraph 16, Default, upon written notice to the

Contractor. The Commonwealth shall also have the right, upon written notice to the Contractor, to terminate the Contract for other cause as specified in this Contract or by law. If it is later determined that the Commonwealth erred in terminating the Contract for cause, then, at the Commonwealth's discretion, the Contract shall be deemed to have been terminated for convenience under the Subparagraph 18.a.

19. CONTRACT CONTROVERSIES

a. In the event of a controversy or claim arising from the Contract, the Contractor must, within six months after the cause of action accrues, file a written claim with the contracting officer for a determination. The claim shall state all grounds upon which the Contractor asserts a controversy exists. If the Contractor fails to file a claim or files an untimely claim, the Contractor is deemed to have waived its right to assert a claim in any forum.

b. The contracting officer shall review timely-filed claims and issue a final determination, in writing, regarding the claim. The final determination shall be issued within 120 days of the receipt of the claim, unless extended by consent of the contracting officer and the Contractor. The contracting officer shall send his/her written determination to the Contractor. If the contracting officer fails to issue a final determination within the 120 days (unless extended by consent of the parties), the claim shall be deemed denied. The contracting officer's determination shall be the final order of the purchasing agency.

c. Within fifteen (15) days of the mailing date of the determination denying a claim or within 135 days of filing a claim if, no extension is agreed to by the parties, whichever occurs first, the Contractor may file a statement of claim with the Commonwealth Board of Claims. Pending a final judicial resolution of a controversy or claim, the Contractor shall proceed diligently with the performance of the Contract in a manner consistent with the determination of the contracting officer and the Commonwealth shall compensate the Contractor pursuant to the terms of the Contract.

20. ASSIGNABILITY AND SUBCONTRACTING

a. Subject to the terms and conditions of this Paragraph 20, this Contract shall be binding upon the parties and their respective successors and assigns.

b. The Contractor shall not subcontract with any person or entity to perform all or any part of the work to be performed under this Contract without the prior written consent of the Contracting Officer, which consent maybe withheld at the sole and absolute discretion of the Contracting Officer.

c. The Contractor may not assign, in whole or in part, this Contract or its rights, duties, obligations, or responsibilities hereunder without the prior written consent of the Contracting Officer, which consent may b withheld at the sole and absolute discretion of the Contracting Officer.

d. Notwithstanding the foregoing, the Contractor may, without the consent of the Contracting Officer, assign its rights to payment to be received under the Contract, provided that the Contractor provides written notice of such assignment to the Contracting Officer together with a written acknowledgement from the assignee that any such payments are subject to all of the terms and conditions of this Contract.

e. For the purposes of this Contract, the term "assign" shall include, but shall not be limited to, the sale, gift, assignment, pledge, or other transfer of any ownership interest in the Contractor provided, however, that the term shall not apply to the sale or other transfer of stock of a publicly traded company.

f. Any assignment consented to by the Contracting Officer shall be evidenced by a written assignment agreement executed by the Contractor and its assignee in which the assignee

agrees to be legally bound by all of the terms and conditions of the Contract and to assume the duties, obligations, and responsibilities being assigned.

g. A change of name by the Contractor, following which the Contractor's federal identification number remains unchanged, shall not be considered to be an assignment hereunder. The Contractor shall give the Contracting Officer written notice of any such change of name.

21. NONDISCRIMINATION/SEXUAL HARASSMENT CLAUSE

During the term of the Contract, the Contractor agrees as follows:

a. In the hiring of any employees for the manufacture of supplies, performance of work, or any other activity required under the Contract or any subcontract, the Contractor, subcontractor or any person acting on behalf of the Contractor or subcontractor shall not by reason of gender, race, creed, or color discriminate against any citizen of this Commonwealth who is qualified and available to perform the work to which the employment relates.

b. Neither the Contractor nor any subcontractor nor any person on their behalf shall in any manner discriminate against or intimidate any employee involved in the manufacture of supplies, the performance of work or any other activity required under the Contract on account of gender, race, creed, or color.

c. The Contractor and any subcontractors shall establish and maintain a written sexual harassment policy and shall inform their employees of the policy. The policy must contain a notice that sexual harassment will not be tolerated and employees who practice it will be disciplined

d. The Contractor shall not discriminate by reason of gender, race, creed, or color against any subcontractor or supplier who is qualified to perform the work to which the contract relates.

e. The Contractor and each subcontractor shall furnish all necessary employment documents and records to and permit access to its books, records, and accounts by the contracting officer and the Department of General Services' Bureau of Contract Administration and Business Development for purposes of investigation to ascertain compliance with the provisions of this Nondiscrimination/Sexual Harassment Clause. If the Contractor or any subcontractor does not possess documents or records reflecting the necessary information requested, it shall furnish such information on reporting forms supplied by the contracting officer or the Bureau of Contract Administration and Business Development

f. The Contractor shall include the provisions of this Nondiscrimination/Sexual Harassment Clause in every subcontract so that such provisions will be binding upon each subcontractor.

g. The Commonwealth may cancel or terminate the Contract, and all money due or to become due under the Contract may be forfeited for a violation of the terms and conditions of this Nondiscrimination/Sexual Harassment Clause. In addition, the agency may proceed with debarment or suspension and may place the Contractor in the Contractor Responsibility File.

22. CONTRACTOR INTEGRITY PROVISIONS

a. For purposes of this clause only, the words "confidential information," "consent," "contractor," "financial interest," and "gratuity" shall have the following definitions.

1) **Confidential information** means information that is not public knowledge, or available to the public on request, disclosure of which would give an unfair, unethical, or illegal advantage to another desiring to contract with the Commonwealth.

2) **Consent** means written permission signed by a duly authorized officer or employee of the Commonwealth, provided that where the material facts have been disclosed, in writing, by prequalification, bid, proposal, or contractual terms, the Commonwealth shall be deemed to have consented by virtue of execution of this agreement.

3) **Contractor** means the individual or entity that has entered into the Contract with the Commonwealth, including directors, officers, partners, managers, key employees and owners of more than a five percent interest.

4) **Financial interest** means:

a) Ownership of more than a five percent interest in any business; or

b) Holding a position as an officer, director, trustee, partner, employee, or the like, or holding any position of management.

5) **Gratuity** means any payment of more than nominal monetary value in the form of cash, travel, entertainment, gifts, meals, lodging, loans, subscriptions, advances, deposits of money, services, employment, or contracts of any kind.

b. The Contractor shall maintain the highest standards of integrity in the performance of the Contract and shall take no action in violation of state or federal laws, regulations, or other requirements that govern contracting with the Commonwealth.

c. The Contractor shall not disclose to others any confidential information gained by virtue of the Contract.

d. The Contractor shall not, in connection with this or any other agreement with the Commonwealth, directly, or indirectly, offer, confer, or agree to confer any pecuniary benefit on anyone as consideration for the decision, opinion, recommendation, vote, other exercise of discretion, or violation of a known legal duty by any officer or employee of the Commonwealth.

e. The Contractor shall not, in connection with this or any other agreement with the Commonwealth, directly or indirectly, offer, give, or agree or promise to give to anyone any gratuity for the benefit of or at the direction or request of any officer or employee of the Commonwealth.

f. Except with the consent of the Commonwealth, neither the Contractor nor anyone in privity with him or her shall accept or agree to accept from, or give or agree to give to, any person, any gratuity from any person in connection with the performance of work under the Contract except as provided therein.

g. Except with the consent of the Commonwealth, the Contractor shall not have a financial interest in any other contractor, subcontractor, or supplier providing services, labor, or material on this project.

h. The Contractor, upon being informed that any violation of these provisions has occurred or may occur, shall immediately notify the Commonwealth in writing.

i. The Contractor, by execution of the Contract and by the submission of any bills or invoices for payment pursuant thereto, certifies, and represents that he or she has not violated any of these provisions.

j. The Contractor, upon the inquiry or request of the Inspector General of the Commonwealth or any of that official's agents or representatives, shall provide, or if appropriate, make promptly available for inspection or copying, any information of any type or form deemed relevant by the Inspector General to the Contractor's integrity or responsibility, as those terms are defined by the Commonwealth's statutes, regulations, or management directives. Such information may include, but shall not be limited to, the Contractor's business or financial records, documents or files of any type or form which refers to or concern the Contract. Such information shall be retained by the Contractor for a period of three years beyond the termination of the Contract unless otherwise provided by law.

k. For violation of any of the above provisions, the Commonwealth may terminate this and any other agreement with the Contractor, claim liquidated damages in an amount equal to the value of anything received in breach of these provisions, claim damages for all expenses incurred in obtaining another Contractor to complete performance hereunder, and debar and suspend the Contractor from doing business with the Commonwealth. These rights and remedies are cumulative, and the use or nonuse of any one shall not preclude the use of all or any other. These rights and remedies are in addition to those the Commonwealth may have under law, statute, regulation, or otherwise.

23. CONTRACTOR RESPONSIBILITY PROVISIONS

a. The Contractor certifies, for itself and all its subcontractors, that as of the date of its execution of this Bid/Contract, that neither the Contractor, nor any subcontractors, nor any suppliers are under suspension or debarment by the Commonwealth or any governmental entity, instrumentality, or authority and, if the Contractor cannot so certify, then it agrees to submit, along with its Bid, a written explanation of why such certification cannot be made.

b. The Contractor also certifies, that as of the date of its execution of this Bid/Contract, it has no tax liabilities or other Commonwealth obligations.

c. The Contractor's obligations pursuant to these provisions are ongoing from and after the effective date of the contract through the termination date thereof. Accordingly, the Contractor shall have an obligation to inform the Commonwealth if, at any time during the term of the Contract, it becomes delinquent in the payment of taxes, or other Commonwealth obligations, or if it or any of its subcontractors are suspended or debarred by the Commonwealth, the federal government, or any other state or governmental entity. Such notification shall be made within 15 days of the date of suspension or debarment.

d. The failure of the Contractor to notify the Commonwealth of its suspension or debarment by the Commonwealth, any other state, or the federal government shall constitute an event of default of the Contract with the Commonwealth.

e. The Contractor agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of State Inspector General for investigations of the Contractor's compliance with the terms of this or any other agreement between the Contractor and the Commonwealth, which results in the suspension or debarment of the Contractor. Such costs shall include, but shall not be limited to, salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees. The Contractor shall not be responsible for investigative costs for investigations that do not result in the Contractor's suspension or debarment.

f. The Contractor may obtain a current list of suspended and debarred Commonwealth contractors by either searching the internet at ***http://www.dgs.state.pa.us*** or contacting the:

Department of General Services
Office of Chief Counsel
603 North Office Building
Harrisburg, PA 17125

Telephone No. (717) 783-6472
FAX No. (717) 787-9138

24. AMERICANS WITH DISABILITIES ACT

a. Pursuant to federal regulations promulgated under the authority of The Americans With Disabilities Act, 28 C.F.R. § 35.101 et seq., the Contractor understands and agrees that it shall not cause any individual with a disability to be excluded from participation in this Contract or from activities provided for under this Contract on the basis of the disability. As a condition of accepting this contract, the Contractor agrees to comply with the "General Prohibitions Against Discrimination," 28 C.F.R. § 35.130, and all other regulations promulgated under Title II of The Americans With Disabilities Act which are applicable to all benefits, services, programs, and activities provided by the Commonwealth of Pennsylvania through contracts with outside contractors.

b. The Contractor shall be responsible for and agrees to indemnify and hold harmless the Commonwealth of Pennsylvania from all losses, damages, expenses, claims, demands, suits, and actions brought by any party against the Commonwealth of Pennsylvania as a result of the Contractor's failure to comply with the provisions of subparagraph a above.

25. HAZARDOUS SUBSTANCES

The Contractor shall provide information to the Commonwealth about the identity and hazards of hazardous substances supplied or used by the Contractor in the performance of the Contract. The Contractor must comply with Act 159 of October 5, 1984, known as the "Worker and Community Right to Know Act" (the "Act") and the regulations promulgated pursuant thereto at 4 Pa. Code Section 301.1 et seq.

a. Labeling. The Contractor shall insure that each individual product (as well as the carton, container or package in which the product is shipped) of any of the following substances (as defined by the Act and the regulations) supplied by the Contractor is clearly labeled, tagged or marked with the information listed in Paragraph (1) through (4):

1) Hazardous substances:

a) The chemical name or common name,

b) A hazard warning, and

c) The name, address, and telephone number of the manufacturer.

2) Hazardous mixtures:

a) The common name, but if none exists, then the trade name,

b) The chemical or common name of special hazardous substances comprising .01% or more of the mixture,

c) The chemical or common name of hazardous substances consisting 1.0% or more of the mixture,

d) A hazard warning, and

e) The name, address, and telephone number of the manufacturer.

3) Single chemicals:

a) The chemical name or the common name,

b) A hazard warning, if appropriate, and

c) The name, address, and telephone number of the manufacturer.

4) Chemical Mixtures:

a) The common name, but if none exists, then the trade name,

b) A hazard warning, if appropriate,

c) The name, address, and telephone number of the manufacturer, and

d) The chemical name or common name of either the top five substances by volume or those substances consisting of 5.0% or more of the mixture.

A common name or trade name may be used only if the use of the name more easily or readily identifies the true nature of the hazardous substance, hazardous mixture, single chemical, or mixture involved.

Container labels shall provide a warning as to the specific nature of the hazard arising from the substance in the container.

The hazard warning shall be given in conformity with one of the nationally recognized and accepted systems of providing warnings, and hazard warnings shall be consistent with one or more of the recognized systems throughout the workplace. Examples are:

· NFPA 704, Identification of the Fire Hazards of Materials.

· National Paint and Coatings Association: Hazardous Materials Identification System.

· American Society for Testing and Materials, Safety Alert Pictorial Chart.

· American National Standard Institute, Inc., for the Precautionary Labeling of Hazardous Industrial Chemicals.

Labels must be legible and prominently affixed to and displayed on the product and the carton, container, or package so that employees can easily identify the substance or mixture present therein.

b. Material Safety Data Sheet. The contractor shall provide Material Safety Data Sheets (MSDS) with the information required by the Act and the regulations for each hazardous substance or hazardous mixture. The Commonwealth must be provided an appropriate MSDS with the initial shipment and with the first shipment after an MSDS is updated or product changed. For any other chemical, the contractor shall provide an appropriate MSDS, if the manufacturer, importer, or supplier produces or possesses the MSDS. The contractor shall also notify the Commonwealth when a substance or mixture is subject to the provisions of the Act. Material Safety Data Sheets may be attached to the carton, container, or package mailed to the Commonwealth at the time of shipment.

26. COVENANT AGAINST CONTINGENT FEES

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the Contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the Commonwealth shall have the right to terminate the Contract without liability or in its discretion to

deduct from the Contract price or consideration, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

27. APPLICABLE LAW

This Contract shall be governed by and interpreted and enforced in accordance with the laws of the Commonwealth of Pennsylvania (without regard to any conflict of laws provisions) and the decisions of the Pennsylvania courts. The Contractor consents to the jurisdiction of any court of the Commonwealth of Pennsylvania and any federal courts in Pennsylvania, waiving any claim or defense that such forum is not convenient or proper. The Contractor agrees that any such court shall have in personam jurisdiction over it, and consents to service of process in any manner authorized by Pennsylvania law.

28. INTEGRATION

The Contract, including all referenced documents, constitutes the entire agreement between the parties. No agent, representative, employee or officer of either the Commonwealth or the Contractor has authority to make, or has made, any statement, agreement or representation, oral or written, in connection with the Contract, which in any way can be deemed to modify, add to or detract from, or otherwise change or alter its terms and conditions. No negotiations between the parties, nor any custom or usage, shall be permitted to modify or contradict any of the terms and conditions of the Contract. No modifications, alterations, changes, or waiver to the Contract or any of its terms shall be valid or binding unless accomplished by a written amendment signed by both parties. All such amendments will be made using the appropriate Commonwealth form.

29. CHANGE ORDERS

The Commonwealth reserves the right to issue change orders at any time during the term of the Contract or any renewals or extensions thereof: 1) to increase or decrease the quantities resulting from variations between any estimated quantities in the Contract and actual quantities; 2) to make changes to the services within the scope of the Contract; 3) to notify the Contractor that the Commonwealth is exercising any Contract renewal or extension option; or 4) to modify the time of performance that does not alter the scope of the Contract to extend the completion date beyond the Expiration Date of the Contract or any renewals or extensions thereof. Any such change order shall be in writing signed by the Contracting Officer. The change order shall be effective as of the date appearing on the change order, unless the change order specifies a later effective date. Such increases, decreases, changes, or modifications will not invalidate the Contract, nor, if performance security is being furnished in conjunction with the Contract, release the security obligation. The Contractor agrees to provide the service in accordance with the change order. Any dispute by the Contractor in regard to the performance required under any change order shall be handled through Paragraph 19, "Contract Controversies".

For purposes of this Contract, "change order" is defined as a written order signed by the Contracting Officer directing the Contractor to make changes authorized under this clause.

EXHIBIT A-1
CONSTRUCTION PRODUCTS
RECYCLED CONTENT

(A) **REQUIREMENT**

All construction products offered by the bidder, or included in the final product offered by the bidder, and sold to the Commonwealth **must** contain the minimum percentage of post-consumer and recovered material content as shown below for the applicable products:

Construction Products	Material	% of Post-Consumer Materials	% of Total Recovered Materials
Structural Fiberboard	Recovered Materials	-	80
Laminated Paperboard	Post-consumer Paper	100	-
Rock Wool Insulation	Slag	-	75
Fiberglass Insulation	Glass Cullet	-	20
Cellulose Insulation (loose-fill and spray-on)	Post-consumer Paper	75	-
Perlite Composite Board Insulation	Post-consumer Paper	23	-
Plastic Rigid Foam, Polyisocyanurate/ Polyurethane: Rigid Foam Insulation	Recovered Material	-	9
Foam-in-Place Insulation	Recovered Material	-	5
Glass Fiber Reinforced Insulation	Recovered Material	-	6
Phenolic Rigid Foam Insulation	Recovered Material	-	5
Floor Tiles (heavy duty/commercial use)	Rubber Plastic	90 -	- 90
Patio Blocks	Rubber or Rubber Blends Plastic or Plastic Blends	90 -	- 90
Polyester Carpet Fiber Face	Polyethylene terephthalate (PET) resin	25	-
Latex Paint: --Consolidated[1] --Reprocessed[2] ----White, Off-White, Pastel Colors ----Grey, Brown, Earthtones, and Other Dark Colors	 Recovered Material Recovered Material Recovered Material	 100 20 50	 - - -
Shower and Restroom Dividers/Partitions:	Plastic Steel[4]	20 16 67	- 9 33
Carpet Cushion: --Bonded Polyurethane --Jute --Synthetic Fibers --Rubber	 Old Carpet Cushion Burlap Carpet Fabrication Scrap Tire Rubber	 15 40 - 60	 - - 100 -
Railroad Grade Crossing Surfaces --Concrete --Rubber[3] --Steel[4]	 Coal Fly Ash Tire Rubber Steel	 - - 16 67	 15 85 9 33

"Post-consumer" material is "material or finished product that has served its intended use and has been diverted or recovered from waste destined for disposal, having completed it life as a consumer item. Post-consumer material is part of the broader category of recovered material."

"Recovered Materials" refers to waste materials and by-products which have been recovered or diverted from solid waste, but does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process

[1] Consolidated latex paint used for covering graffiti, where color and consistency of performance are not primary concerns.
[2] Reprocessed latex paint used for interior and exterior architectural applications such as wallboard, ceiling, and trim; gutterboards; and concrete, stucco, masonry, wood, and metal surfaces.

[3] The recommended recovered materials content for rubber railroad grade crossing surfaces are based on the weight of the raw materials, exclusive of any additives such as binders or additives
[4] The recommended recovered materials content levels for steel in this table reflect the fact that the designated items can be made from steel manufactured from either a Basic Oxygen Furnace (BOF) or an Electric Arc Furnace (EAF). Steel from the BOF process contains 25-30% total recovered materials, of which 16% is post-consumer steel. Steel from the EAF process contains a total of 100% recovered steel, of which 67% is post-consumer.

(B) **BIDDER'S CERTIFICATION**

Bidder certifies that the construction product(s) which the bidder is offering contains the required minimum percentage of post-consumer and recovered material content as shown above for the product.

(C) **MANUFACTURER/MILL CERTIFICATION**

In addition to the Bidders Certification in Subsection (B), a manufacturer certification must be completed and signed by the manufacturer before payment will be made to the successful bidder for the delivered items. The enclosed Manufacturer/Mill Certification form must be used. Bidders are not required to submit the completed and signed Manufacturer/Mill Certification form with their bids. **THE COMMONWEALTH SHALL HAVE NO OBLIGATION TO PAY FOR THE ITEM(S) UNTIL A PROPERLY COMPLETED AND SIGNED MANUFACTURER/MILL CERTIFICATION IS SUBMITTED FOR THE DELIVERED ITEM.**

(D) **ENFORCEMENT**

Awarded bidders may be required, after delivery of the construction product(s), to provide the Commonwealth with documentary evidence that the construction product(s) were in fact produced with the required minimum percentage of post-consumer and recovered material content.

EXHIBIT A-2
VEHICULAR PRODUCTS
RECYCLED CONTENT

(A) **REQUIREMENT**

All vehicular products offered by the bidder, or included in the final product offered by the bidder, and sold to the Commonwealth **must** contain the minimum percentage of post-consumer and recovered material content as shown below for the applicable products:

Vehicular Product	Requirements
Re-Refined Oil	25% re-refined oil base stock for engine lubricating oils, hydraulic fluids, and gear oils.

"Post-consumer" material is "material or finished product that has served its intended use and has been diverted or recovered from waste destined for disposal, having completed its life as a consumer item. Post-consumer material is part of the broader category of recovered material."

"Recovered Materials" refers to waste materials and by-products which have been recovered or diverted from solid waste, but does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process.

"Re-refined oil" is oil that is manufactured with a minimum of twenty-five percent basestock made from used oil that has been recovered and processed to make it reusable as oil. Once the oil has been refined, no difference can be detected between re-refined and virgin oil.

(B) **BIDDER'S CERTIFICATION**

Bidder certifies that the vehicular product(s) which the bidder is offering contains the required minimum percentage of post-consumer and recovered material content as shown above for the product.

(C) **MANUFACTURER/MILL CERTIFICATION**

In addition to the Bidders Certification in Subsection (B), a manufacturer certification must be completed and signed by the manufacturer before payment will be made to the successful bidder for the delivered items. The enclosed Manufacturer/Mill Certification form must be used. Bidders are not required to submit the completed and signed Manufacturer/Mill Certification form with their bids. **THE COMMONWEALTH SHALL HAVE NO OBLIGATION TO PAY FOR THE ITEM(S) UNTIL A PROPERLY COMPLETED AND SIGNED MANUFACTURER/MILL CERTIFICATION IS SUBMITTED FOR THE REFERENCED ITEM.**

(D) **ENFORCEMENT**

Awarded bidders may be required, after delivery of the vehicular product(s), to provide the Commonwealth with documentary evidence that the vehicular product(s) were in fact produced with the required minimum percentage of post-consumer and recovered material content.

EXHIBIT A-3
PAPER PRODUCTS
RECYCLED CONTENT

(A) **REQUIREMENT**

All paper offered by the bidder, or included in the final product offered by the bidder, and sold to the Commonwealth **must** contain the minimum percentage of post-consumer content as shown below for the applicable products:

Item	Notes	Post-Consumer Content (%)
Printing and Writing Papers		
Reprographic	Business papers such as bond, electrostatic, copy, mimeo, duplicator and reproduction	30
Offset	Used for book publishing, commercial printing, direct mail, technical documents, and manuals	30
Tablet	Office paper such as note pads and notebooks	30
Forms bond	Bond type papers used for business forms such as continuous, cash register, sales book, unit sets, and computer printout, excluding carbonless	30
Envelope	Wove Kraft, white and colored (including manila) Kraft, unbleached Excludes custom envelopes	30 10 10
Cotton fiber	High-quality papers used for stationery, invitations, currency, ledgers, maps, and other specialty items	30
Text and cover	Premium papers used for cover stock, books, and stationery and matching envelopes	30
Supercalendered	Groundwood paper used for advertising and mail order inserts, catalogs, and some magazines	10
Machine finished groundwood	Groundwood paper used in magazines and catalogs	10
Papeteries	Used for invitations and greeting cards	30
Check safety	Used in the manufacture of commercial and government checks	10
Coated	Used for annual reports, posters, brochures, and magazines. Have gloss, dull, or matte finishes	10
Carbonless	Used for multiple-impact copy forms	30
File folders	Manila or colored	30
Dyed filing products	Used for multicolored hanging folders and wallet files	20
Index and card stock	Used for index cards and postcards	20
Pressboard	High-strength paperboard used in binders and report covers	20

Tags and tickets	Used for toll and lottery tickets, licenses, and identification and tabulating cards	20
Newsprint		
Newsprint	Groundwood paper used in newspapers	20
Commercial Sanitary Tissue Products		
Bathroom tissue	Used in rolls or sheets	20
Paper towels	Used in rolls or sheets	40
Paper napkins	Used in food service applications	30
Facial tissue	Used for personal care	10
General-purpose industrial wipers	Used in cleaning and wiping applications	40
Paperboard and Packaging Products		
Corrugated containers (<300 psi) (300 psi)	Used for packaging and shipping a variety of goods	 25 25
Solid fiber boxes	Used for specialized packaging needs such as dynamite packaging and army ration boxes	40
Folding cartons	Used to package a wide variety of foods, household products, cosmetics, pharmaceuticals, detergent, and hardware	40
Industrial paperboard	Used to create tubes, cores, cans and drums	45
Miscellaneous	Includes "chipboard" pad backings, book covers, covered binders, mailing tubes, game boards, and puzzles	75
Padded mailers	Made from kraft paper that is usually brown but can be bleached white	5
Carrierboard	A type of folding carton designed for multipack beverage cartons	10
Brown papers	Used for bags and wrapping paper	5
Miscellaneous Paper Products		
Tray liners	Used to line food service trays. Often contain printed information.	50

"Post-consumer" content is "material or finished product that has served its intended use and has been diverted or recovered from waste destined for disposal, having completed it life as a consumer item. Post-consumer content is part of the broader category of recovered material."

The Commonwealth of Pennsylvania recognizes that paper products are universally made with scrap material recovered from the manufacturing process; use of such materials is a standard practice, both efficient and economical for the paper maker; therefore, bidders of paper products need not certify that their products are made with "pre-consumer," "recovered," or "secondary" paper fiber.

(B) **BIDDER'S CERTIFICATION**

Bidder certifies that the paper product(s) which the bidder is offering contains the required minimum percentage of post-consumer content as shown above for the product.

(C) **MANUFACTURER/MILL CERTIFICATION**

In addition to the Bidders Certification in Subsection (B), a mill certification must be completed and signed by the mill before payment will be made to the successful bidder for the delivered items. The enclosed Manufacturer/Mill Certification form must be used. Bidders are not required to submit the completed and signed Manufacturer/Mill Certification form with their bids. **THE COMMONWEALTH SHALL HAVE NO OBLIGATION TO PAY FOR THE ITEM(S) UNTIL A PROPERLY COMPLETED AND SIGNED MANUFACTURER/MILL CERTIFICATION IS SUBMITTED FOR THE DELIVERED ITEM.**

(D) **ENFORCEMENT**

Awarded bidders may be required, after delivery of the paper product(s), to provide the Commonwealth with documentary evidence that the paper product(s) were in fact produced with the required minimum percentage of post-consumer content.

EXHIBIT A-4
LANDSCAPING PRODUCTS
RECYCLED CONTENT

(A) **REQUIREMENT**

All landscaping products offered by the bidder, or included in the final product offered by the bidder, and sold to the Commonwealth **must** contain the minimum percentage of post-consumer and recovered material content as shown below for the applicable products:

Landscaping Products	Recovered Material Content
Hydraulic Mulch: -----Paper -----Wood/Paper	 100% (post-consumer) 100% (total)
Compost Made From Yard Trimmings and/or Food Waste	Purchase or use compost made from yard trimmings, leaves, grass clippings and/or food wastes for applications such as landscaping, seeding of grass or other plants, as nutritious mulch under trees and shrubs, and in erosion control and soil reclamation. DGS further recommends implementing a composting system for these materials when agencies have an adequate volume and sufficient space.
Garden Hose: -----Rubber and/or Plastic Soaker Hose: -----Rubber and/or Plastic	 60% (post-consumer) 60% (post-consumer)
Lawn and Garden Edging: -----Rubber and/or Plastic	 30% (post-consumer)/30-100% (total)
Landscaping Timber and Posts: -----HDPE -----Mixed Plastics/Sawdust -----HDPE/Fiberglass -----Other mixed Resins	 25% (post-consumer) + 50% (recovered) 50% (post-consumer) + 50% (recovered) 75% (post-consumer) + 20% (recovered) 50% (post-consumer) + 45% (recovered)

"Post-consumer" material is "material or finished product that has served its intended use and has been diverted or recovered from waste destined for disposal, having completed it life as a consumer item. Post-consumer material is part of the broader category of recovered material."

"Recovered Materials" refers to waste materials and by-products which have been recovered or diverted from solid waste, but does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process

(B) **BIDDER'S CERTIFICATION**

Bidder certifies that the landscaping product(s) which the bidder is offering contains the required minimum percentage of post-consumer and recovered material content as shown above for the product.

(C) **MANUFACTURER/MILL CERTIFICATION**

In addition to the Bidders Certification in Subsection (B), a manufacturer certification must be completed and signed by the manufacturer before payment will be made to the successful bidder for the delivered items. The enclosed Manufacturer/Mill Certification form must be used. Bidders are not required to submit the completed and signed Manufacturer/Mill Certification form with their bids. **THE COMMONWEALTH SHALL HAVE NO OBLIGATION TO PAY FOR THE ITEM(S) UNTIL A PROPERLY COMPLETED AND SIGNED MANUFACTURER/MILL CERTIFICATION IS SUBMITTED FOR THE DELIVERED ITEM.**

(D) **ENFORCEMENT**

Awarded bidders may be required, after delivery of the landscaping product(s), to provide the Commonwealth with documentary evidence that the landscaping product(s) were in fact produced with the required minimum percentage of post-consumer and recovered material content.

EXHIBIT A-5
MISCELLANEOUS PRODUCTS
RECYCLED CONTENT

(A) **REQUIREMENT**

All miscellaneous products offered by the bidder, or included in the final product offered by the bidder, and sold to the Commonwealth **must** contain the minimum percentage of post-consumer and recovered material content as shown below for the applicable products:

Miscellaneous Products	Recovered Material Content
Awards and Plaques	
———Glass	75% (post-consumer) + 25% (recovered)
———Wood	100% (total)
———Paper	40% (post-consumer)
———Plastic and Plastic/Wood Composites	50% (post-consumer) + 45% (recovered)
Industrial Drums	
———Steel[1]	16% (post-consumer) + 9% (recovered)
———Plastic (HDPE)	30% (post-consumer)
———Fiber (paper)	100% (post-consumer)
Mats	
———Rubber	75% (post-consumer) +10% (recovered)
———Plastic	10% (post-consumer) + 90% (recovered)
———Rubber/Plastic Composite	100% (post-consumer)
Pallets	
———Wood	95% (post-consumer)
———Plastic	100% (post-consumer)
———Thermoformed	25% (post-consumer)
———Paperboard	50% (post-consumer)
Signage	
———Plastic	80% (post-consumer)
———Aluminum	25% (post-consumer)
———Plastic Sign Posts/Supports	80% (post-consumer)
———Steel Sign Posts/Supports[2]	16% (post-consumer) + 9% (recovered)
	67% (post-consumer) + 33% (recovered)
Sorbents	
———Paper	90% (post-consumer) +10% (recovered)
———Textiles	95% (post-consumer)
———Plastics	25% (total)
———Wood[3]	100% (total)
———Other Organics/Multimaterials[4]	100% (total)
Manual-Grade Strapping	
———Polyester	50% (post-consumer)
———Polypropylene	10% (total)
———Steel[2]	16% (post-consumer) +9% (recovered)
	67% (post-consumer) +33% (recovered)

"Post-consumer" material is "material or finished product that has served its intended use and has been diverted or recovered from waste destined for disposal, having completed it life as a consumer item. Post-consumer material is part of the broader category of recovered material."

"Recovered Materials" refers to waste materials and by-products which have been recovered or diverted from solid waste, but does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process

[1]Steel used in steel drums is manufactured using the Basic Oxygen Furnace (BOF) process, which contains 25-30% total recovered material, of which 16% is post-consumer steel. Steel used in manual-grade strapping is manufactured using either the BOF process or the Electric Arc Furnace (EAF) process, which contains 100% total recovered materials, of which 67% is post-consumer steel.
[2] The recommended recovered materials content levels for steel in this table reflect the fact that the designated items can be made from steel manufactured in either a Basic Oxygen Furnace (BOF) or an Electric Arc Furnace (EAF). Steel from the BOF process contains 25-30% total recovered materials, of which 16% is post-consumer steel. Steel from the EAF process contains a total of 100% recovered steel, of which 67% is post-consumer.
[3] "Wood" includes materials such as sawdust and lumber mill trimmings.
[4] Examples of other organics include, but are not limited to, peanut hulls and corn stover. An example of multimaterial sorbents would include, but not be limited to, a polymer and cellulose fiber combination.
[2] The recommended recovered materials content levels for steel in this table reflect the fact that the designated items can be made from steel manufactured in either a Basic Oxygen Furnace (BOF) or an Electric Arc Furnace (EAF). Steel from the BOF process contains 25-30% total recovered materials, of which 16% is post-consumer steel. Steel from the EAF process contains a total of 100% recovered steel, of which 67% is post-consumer.

(B) **BIDDER'S CERTIFICATION**

Bidder certifies that the miscellaneous product(s) which the bidder is offering contains the required minimum percentage of post-consumer and recovered material content as shown above for the product.

(C) **MANUFACTURER/MILL CERTIFICATION**

In addition to the Bidders Certification in Subsection (B), a manufacturer certification must be completed and signed by the manufacturer before payment will be made to the successful bidder for the delivered items. The enclosed Manufacturer/Mill Certification form must be used. Bidders are not required to submit the completed and signed Manufacturer/Mill Certification form with their bids. **THE COMMONWEALTH SHALL HAVE NO OBLIGATION TO PAY FOR THE ITEM(S) UNTIL A PROPERLY COMPLETED AND SIGNED MANUFACTURER/MILL CERTIFICATION IS SUBMITTED FOR THE DELIVERED ITEM.**

(D) **ENFORCEMENT**

Awarded bidders may be required, after delivery of the miscellaneous product(s), to provide the Commonwealth with documentary evidence that the miscellaneous product(s) were in fact produced with the required minimum percentage of post-consumer and recovered material content.

EXHIBIT A-6
NONPAPER OFFICE PRODUCTS
RECYCLED CONTENT

(A) **REQUIREMENT**

All nonpaper office products offered by the bidder, or included in the final product offered by the bidder, and sold to the Commonwealth **must** contain the minimum percentage of post-consumer and recovered material content as shown below for the applicable products:

Nonpaper Office Product	Recovered Material Content
Recycling Containers and Waste Receptacles: ———Plastic ———Steel[1] ———Paper ———Corrugated ———Solid Fiber Boxes ———Industrial Paperboard	 20% (post-consumer) 16% (post-consumer) +9% (recovered) 25% (post-consumer) 40% (post-consumer) 40% (post-consumer) + 60% (recovered)
Plastic Desktop Accessories (polystyrene) including desk organizers, sorters, and trays, and memo, note, and pencil holders.	25% (post-consumer)
Binders: ———Plastic-Covered ———Paper-Covered ———Pressboard ———Solid Plastic ———HDPE ———PE ———PET ———Misc. Plastics	 25% 75% (post-consumer) +15% (recovered) 20% (post-consumer) + 30% (recovered) 90% (post-consumer) 30% (post-consumer) 100% (post-consumer) 80% (post-consumer)
Trash Bags (plastic)	10% (post-consumer)
Toner Cartridges	Return used toner cartridges for remanufacturing and reuse or purchase a remanufactured or recycled-content replacement cartridge.
Printer Ribbons	Procure printer ribbon reinking or reloading services or procure reinked or reloaded printer ribbons.
Plastic Envelopes	25% (post-consumer)
Plastic Clipboards: ———HDPE ———PS ———Misc. Plastics	 90% (post-consumer) 50% (post-consumer) 15% (post-consumer)
Plastic File Folders ———HDPE	 90% (post-consumer)
Plastic Clip Portfolios ———HDPE	 90% (post-consumer)
Plastic Presentation Folders ———HDPE	 90% (post-consumer)

"Post-consumer" material is "material or finished product that has served its intended use and has been diverted or recovered from waste destined for disposal, having completed it life as a consumer item. Post-consumer material is part of the broader category of recovered material."

[1] The recommended recovered materials content levels for steel in this table reflect the fact that the designated item is made from steel manufactured from in a Basic Oxygen Furnace (BOF). Steel from the BOF process contains 25-30% total recovered materials, of which 16% is post-consumer steel.

"Recovered Materials" refers to waste materials and by-products which have been recovered or diverted from solid waste, but does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process

(B) **BIDDER'S CERTIFICATION**

Bidder certifies that the nonpaper office products which the bidder is offering contains the required minimum percentage of post-consumer and recovered material content as shown above for the product.

(C) **MANUFACTURER/MILL CERTIFICATION**

In addition to the Bidders Certification in Subsection (B), a manufacturer certification must be completed and signed by the manufacturer before payment will be made to the successful bidder for the delivered items. The enclosed Manufacturer/Mill Certification form must be used. Bidders are not required to submit the completed and signed Manufacturer/Mill Certification form with their bids. **THE COMMONWEALTH SHALL HAVE NO OBLIGATION TO PAY FOR THE ITEM(S) UNTIL A PROPERLY COMPLETED AND SIGNED MANUFACTURER/MILL CERTIFICATION IS SUBMITTED FOR THE DELIVERED ITEM.**

(D) **ENFORCEMENT**

Awarded bidders may be required, after delivery of the paper, to provide the Commonwealth with documentary evidence that the nonpaper office product(s) were in fact produced with the required minimum percentage of post-consumer and recovered material content.

EXHIBIT A-7
PARK & RECREATION PRODUCTS
RECYCLED CONTENT

(A) **REQUIREMENT**

All park and recreation products offered by the bidder, or included in the final product offered by the bidder, and sold to the Commonwealth **must** contain the minimum percentage of post-consumer and recovered material content as shown below for the applicable products:

Park & Recreation Product	Recovered Material Content[1]
Park Benches & Picnic Tables: —Plastic[2] —Plastic Composites —Aluminum —Concrete —Steel[3]	 90% (post-consumer) + 10% (recovered) 50% (post-consumer) + 50% (recovered) 25% (post-consumer) 15% (total) 16% (post-consumer) + 9% (recovered) 67% (post-consumer) + 33% (recovered)
Plastic Fencing for Specified Uses[4]	60% (post-consumer) + 30% (recovered)
Playground Equipment —Plastic[3] —Plastic Composites —Steel[4] —Aluminum	 90% (post-consumer) + 10% (recovered) 50% (post-consumer) + 45% (recovered) 16% (post-consumer) + 9% (recovered) 67% (post-consumer) + 33% (recovered) 25% (post-consumer)
Playground Surfaces: —Plastic or Rubber	 90% (post-consumer)
Running Tracks: —Plastic or Rubber	 90% (post-consumer)

"Post-consumer" material is "material or finished product that has served its intended use and has been diverted or recovered from waste destined for disposal, having completed it life as a consumer item. Post-consumer material is part of the broader category of recovered material."

"Recovered Materials" refers to waste materials and by-products which have been recovered or diverted from solid waste, but does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process

(B) **BIDDER'S CERTIFICATION**

Bidder certifies that the park and recreational product(s) which the bidder is offering contains the required minimum percentage of post-consumer and recovered material content as shown above for the product.

(C) **MANUFACTURER/MILL CERTIFICATION**

In addition to the Bidders Certification in Subsection (B), a manufacturer certification must be completed and signed by the manufacturer before payment will be made to the successful bidder for the delivered items. The enclosed Manufacturer/Mill Certification form must be used. Bidders are not required to submit the completed and signed Manufacturer/Mill Certification form with their bids. **THE COMMONWEALTH SHALL HAVE NO OBLIGATION TO PAY FOR THE ITEM(S) UNTIL A PROPERLY COMPLETED AND SIGNED MANUFACTURER/MILL CERTIFICATION IS SUBMITTED FOR THE DELIVERED ITEM.**

(D) **ENFORCEMENT**

Awarded bidders may be required, after delivery of the park and recreational product(s), to provide the Commonwealth with documentary evidence that the park and recreational product(s) were in fact produced with the required minimum percentage of post-consumer and recovered material content.

---

[1] The recommended recovered materials content levels are based on the dry weight of the raw materials, exclusive of any additives such as adhesives, binders, or coloring agents.
[2] "Plastic" includes both single and mixed plastic resins. Park benches and picnic tables made with recovered plastic may also contain other recovered materials such as sawdust, wood, or fiberglass. The percentage of these materials contained in the product would also count toward the recovered materials content level of the item.
[3] The recommended recovered materials content levels for steel in this table reflect the fact that the designated items can be made from steel manufactured from either a Basic Oxygen Furnace (BOF) or an Electric Arc Furnace (AF). Steel from the BOF process contains 25-30% total recovered materials, of which 16% is post-consumer steel. Steel from the EAF process contains a total of 100% recovered steel, of which 67% is post-consumer.
[4] Designation includes fencing containing recovered plastic for use in controlling snow or sand drifting and as a warning/safety barrier in construction or other applications.

EXHIBIT A-8
TRANSPORTATION PRODUCTS
RECYCLED CONTENT

(A) **REQUIREMENT**

All transportation products offered by the bidder, or included in the final product offered by the bidder, and sold to the Commonwealth **must** contain the minimum percentage of post-consumer and recovered material content as shown below for the applicable products:

Transportation Products	Recovered Material Content[1]
Traffic Cones: ----Plastic (PVC and LDPE) ----Crumb Rubber	 50% (recovered) 50% (recovered)
Traffic Barricades (type I and II only): ----Plastic (HDPE, LDPE, PET) ----Steel[2] ----Fiberglass	 80% (post-consumer) + 20% (recovered) 16% (post-consumer) + 9% (recovered) 67% (post-consumer) + 33% (recovered) 100% (recovered)
Parking Stops: ----Plastic and/or Rubber ----Concrete Containing Coal Fly Ash ----Concrete Containing Ground Granulated Blast Furnace Slag	 100% (recovered) 20% (recovered) 15% when used as a partial cement replacement as an admixture in concrete. 25% (recovered)
Traffic Control Devices: ----Channelizers: ------Plastic ------Rubber (base only) ----Delineators: ------Plastic ------Rubber (base only) ------Steel (base only)[2] ----Flexible Delineators	 25% (post-consumer) 100% (post-consumer) 25% (post-consumer) 100% (post-consumer) 16% (post-consumer) + 9% (recovered) 67% (post-consumer) + 33% (recovered) 25% (post-consumer)

"Post-consumer" material is "material or finished product that has served its intended use and has been diverted or recovered from waste destined for disposal, having completed it life as a consumer item. Post-consumer material is part of the broader category of recovered material."

"Recovered Materials" refers to waste materials and by-products which have been recovered or diverted from solid waste, but does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process

(B) **BIDDER'S CERTIFICATION**

Bidder certifies that the transportation product(s) which the bidder is offering contains the required minimum percentage of post-consumer and recovered material content as shown above for the product.

(C) **MANUFACTURER/MILL CERTIFICATION**

In addition to the Bidders Certification in Subsection (B), a manufacturer certification must be completed and signed by the manufacturer before payment will be made to the successful bidder for the delivered items. The enclosed Manufacturer/Mill Certification form must be used. Bidders are not required to submit the completed and signed Manufacturer/Mill Certification form with their bids. **THE COMMONWEALTH SHALL HAVE NO OBLIGATION TO PAY FOR THE ITEM(S) UNTIL A PROPERLY COMPLETED AND SIGNED MANUFACTURER/MILL CERTIFICATION IS SUBMITTED FOR THE DELIVERED ITEM.**

(D) **ENFORCEMENT**

Awarded bidders may be required, after delivery of the transportation product(s), to provide the Commonwealth with documentary evidence that the transportation product(s) were in fact produced with the required minimum percentage of post-consumer and recovered material content.

[1] Content levels are based on the dry weight of the raw materials, exclusive of any additives such as adhesives, binders, or coloring agents.
[2] The recommended recovered materials content levels for steel in this table reflect the fact that the designated items can be made from steel manufactured from either a Basic Oxygen Furnace (BOF) or an Electric Arc Furnace (EAF). Steel from the BOF process contains 25-30% total recovered materials, of which 16% is post-consumer steel. Steel from the EAF process contains a total of 100% recovered steel, of which 67% is post-consumer.

Commonwealth of Pennsylvania
STD-274 Rev. 05/07/04

MANUFACTURER/MILL CERTIFICATION

(To be submitted with invoice for each order)

TO BE COMPLETED BY MANUFACTURER/MILL:

NAME OF MANUFACTURER/MILL: _____

ADDRESS OF MANUFACTURER/MILL: _____

FEDERAL EMPLOYER I.D. NO.: _____

CONTRACT OR REQUISITION NO. _____

NAME OF CONTRACTOR: _____

ADDRESS OF CONTRACTOR: _____

Type of product(s) which the manufacturer/mill furnished to the contractor: _____

_____

_____

CERTIFICATION: I, the undersigned officer of the above-named manufacturer/mill, do hereby certify that I am authorized to provide this certification on behalf of the above-named manufacturer/mill and that the type of product(s) listed above which my company furnished to the contractor named above for the referenced contract or purchase requisition, contained not less than _____% post-consumer materials and _____% recovered materials as those terms are defined in the invitation for bids. I understand that this document is subject to the provisions of the Unsworn Falsification of Authorities Act (18 P.S. Section 4904).

_____
Signature

_____
Name of Signatory

_____
Title Date

Appendix B

DOMESTIC WORKFORCE UTILIZATION CERTIFICATION

Each proposal will be scored for its commitment to use the domestic workforce in the fulfillment of the contract. Maximum consideration will be given to those offerors who will perform the contracted direct labor exclusively within the geographical boundaries of the United States. Those who propose to perform a portion of the direct labor outside of the United States will receive a correspondingly smaller score for this criterion.

In order to be eligible for any consideration for this criterion, offerors must complete and sign the following certification. This certification will be included as a contractual obligation when the contract is executed. Failure to complete and sign this certification will result in no consideration being given to the offeror for this criterion.

I, _____ **[title]** of _____ **[name of Contractor]** a _____ **[place of incorporation]** corporation or other legal entity, ("Contractor") located at _____ _____ **[address]**, having a Social Security or Federal Identification Number of _____, do hereby certify and represent to the Commonwealth of Pennsylvania ("Commonwealth") (Check **one** of the boxes below):

☐ All of the direct labor performed within the scope of services under the contract will be performed exclusively within the geographical boundaries of the United States.

OR

☐ _____ **percent** (____%) **[Contractor must specify the percentage]** of the direct labor performed within the scope of services under the contract will be performed within the geographical boundaries of the United States. Please identify the direct labor performed under the contract that will be performed outside the United States: _____

_____

_____

_____

_____

[Use additional sheets if necessary]

The Department of General Services **[or other purchasing agency]** shall treat any misstatement as fraudulent concealment of the true facts punishable under Section 4904 of the *Pennsylvania Crimes Code*, Title 18, of Pa. Consolidated Statutes.

Attest or Witness:

_____
Corporate or Legal Entity's Name

_____
Signature/Date

_____
Signature/Date

_____
Printed Name/Title

_____
Printed Name/Title

APPENDIX C - PROPOSAL COVER SHEET
COMMONWEALTH OF PENNSYLVANIA
GOVERNOR'S OFFICE OF ADMINISTRATION
RFP# CN00023197 – VOLUNTARY BENEFITS

Enclosed in three (3) separately sealed submittals is the proposal of the Offeror identified below for the above-referenced RFP:

Offeror Information:	
Offeror Name	
Offeror Mailing Address	
Offeror Website	
Offeror Contact Person	
Contact Person's Phone Number	
Contact Person's Facsimile Number	
Contact Person's E-Mail Address	
Offeror Federal ID Number	

Submittals Enclosed and Separately Sealed:	
☐	Technical Submittal
☐	Disadvantaged Business Submittal
☐	Cost Submittal

Signature	
Signature of an official authorized to bind the Offeror to the provisions contained in the Offeror's proposal:	
Printed Name	
Title	

FAILURE TO COMPLETE, SIGN AND RETURN THIS FORM WITH THE OFFEROR'S PROPOSAL MAY RESULT IN THE REJECTION OF THE OFFEROR'S PROPOSAL

APPENDIX D

INSTRUCTIONS TO BIDDERS

CN #00023197 - VOLUNTARY BENEFITS	
Instructions to Bidders:	The following appendices are made part of the RFP and subsequent contract.
	Appendices marked with a "star" (*) must be returned with your proposal.
Appendix A	Standard Contract Terms and Conditions, STD-274 (Non-SAP) (Rev. 5-7-04)
Appendix B	Domestic Workforce Utilization Certification Forms *
Appendix C	Proposal Cover Sheet *
Appendix D	Sample Rate Card *
	Offeror is required to populate all **YELLOW**cells.
	All other provided numbers are fixed.
Appendix E	H.I.P.P.A. Appendix
Appendix F	Employee Demographic Data

APPENDIX D

Premium Rate Card - Indicate Type of Product, Unit Amount (e.g. $1000) and Biweekly Rate for each unit proposed

Age	Employee Rate	Spouse Rate	Dependent Rate	Age	Employee Rate	Spouse Rate	Dependent Rate	Age	Employee Rate	Spouse Rate	Dependent Rate
1				26				51			
2				27				52			
3				28				53			
4				29				54			
5				30				55			
6				31				56			
7				32				57			
8				33				58			
9				34				59			
10				35				60			
11				36				61			
12				37				62			
13				38				63			
14				39				64			
15				40				65			
16				41				66			
17				42				67			
18				43				68			
19				44				69			
20				45				70			
21				46				71			
22				47				72			
23				48				73			
24				49				74			
25				50				75 +			

ATTACHMENT E

HIPAA APPENDIX

Section 1. **Purpose.** The provisions of this Appendix are intended to comply with the administrative simplification provisions of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (HIPAA), the HIPAA Privacy Rule (Privacy Rule), 45 CFR Parts 160 and 164, and the HIPAA Security Rule (Security Rule), 45 CFR Parts 160, 162, and 164.

Section 2. **Inconsistent Provisions.** This Appendix shall supersede any provisions of the Plan to the extent to the extent those provisions are inconsistent with the provisions herein.

Section 3. **Definitions.** For purposes of this Appendix, the following terms shall have the following meanings:

(a) "Appendix" means this HIPAA Appendix.

(b) "Covered Individual" means an individual who is enrolled in and covered under the terms of the Plan.

(c) "Covered Entity" means the independent provider or broker of certain benefit products administered to Plan enrollees in accordance with an Administration Agreement between the Commonwealth of Pennsylvania (Plan Sponsor) and the covered entity.

(d) "Plan" means the Voluntary (Supplemental) Benefit program, sponsored by the Commonwealth of Pennsylvania and administered by the Covered Entity pursuant to an Administration Agreement.

(e) "Plan Documents" mean the legal documents describing the terms of the Plan.

(f) "Plan Sponsor" means the Commonwealth of Pennsylvania.

Each capitalized term used in this Appendix that is not otherwise defined in this Appendix shall have the meaning ascribed to it under HIPAA.

Section 4. **Disclosures to Plan Sponsor for Plan Administration.** The Plan may disclose Protected Health Information to the Plan Sponsor for purposes of administering the Plan. These purposes shall include the following:

(a) Confirmation of, and other administrative actions and decisions relating to, enrollment, contributions to the Plan, premium payments, and the payment of administrative fees;

(b) Processing, adjudication, notification, and payment of claims and claim appeals;

(c) Claims status and medical necessity reviews;

(d) Response to individual complaints, grievances, or inquiries relating to claims or other Plan administrative matters;

(e) Coordination of benefits, subrogation, and other third party recoveries;

(f) Audits and investigations of claims, systems, network operations, and other matters relating to Plan administration and the review of reports relevant to Plan administration;

(g) Placement of information on a web site or in other accessible form or media;

(h) Legally required reporting, disclosure and other obligations, including: (i) use and disclosure to the Secretary of Health and Human Services when required by the Secretary for its investigation or determination of the compliance of the Plan with the Privacy Rule; (ii) use and disclosure in response to a valid exercise by a Covered Individual of that individual's rights to gain access to or amend Protected Health Information in his or her own Designated Record Set or to obtain information necessary to provide an accounting of certain disclosures of his or her own Protected Health Information; (iii) appropriate use and disclosure in connection with certain law enforcement or public health activities or judicial or administrative proceedings; and (iv) imposition of sanctions for the failure to meet the requirements of HIPAA, other laws or applicable policies and procedures;

(i) De-identification and removal of certain individually identifiable information, and;

(j) Other Payment or Health Care Operations purposes. However, all disclosures under this Section 4, including those specifically identified, must pertain to the administration of the Plan and must be permitted or required by the Plan Documents, as they may be from time to time amended, or required by law.

Section 5. **Requirements of Plan Sponsor.** With respect to Protected Health Information that the Plan Sponsor receives pursuant to Section 4, the Plan Sponsor shall:

(a) Not use or disclose the Protected Health Information other than for Plan administration, or as otherwise required by law and, specifically, not use or disclose the Protected Health Information for employment-related actions or decisions or in connection with any employee benefit plan or benefit provided by the Plan Sponsor other than the Plan or a health benefit provided under the Plan;

(b) Ensure that any agent (including a subcontractor) to whom the Plan Sponsor provides the Protected Health Information agrees to the same restrictions and conditions with respect to that information as applies to the Plan Sponsor under this Appendix;

(c) Establish and maintain appropriate safeguards to prevent any use or disclosure of PHI other than as provided for by this agreement. Appropriate safeguards shall include implementing administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic PHI that is created, received, maintained, or transmitted on behalf of the covered entity.

(d) Report to the Plan's Privacy Officer or designee within two (2) days of discovering any security incident of which it becomes aware;

(e) Report to the Plan any use or disclosure of the Protected health Information that is inconsistent with the uses or disclosures set forth in Section 4 of this Appendix and of which the Plan Sponsor becomes aware;

(f) Make the Protected Health Information of a Covered Individual available to that individual, upon the individual's written request, in accordance with the requirements of the Privacy Rule;

(g) Incorporate amendments of information included in the Designated Record Set of a Covered Individual as and to the extent required by the Privacy Rule;

(h) Make available to a Covered Individual upon the individual's written request, the information necessary to provide an accounting of the disclosures of Protected Health Information as and to the extent required by the Privacy Rule;

(i) Make the Plan Sponsor's internal practices, books, and records relating to the use and disclosure of the Protected Health Information available to the Secretary of Health and Human Services for determinations as to the compliance of the Plan with HIPAA;

(j) If feasible, return or destroy all of the Protected Health Information that the Plan Sponsor maintains and retain no copies thereof; or, if such return or destruction is not feasible, limit further uses and disclosures of Protected Health Information to the purposes that make the destruction or return infeasible; and

(k) Ensure that members of its Workforce shall have access to the Protected Health Information only in connection with performance of the administrative functions that the Plan Sponsor performs for the Plan. The following employees or classes of employees or other workforce members under the control of Plan Sponsors may be given access to a Covered Individual's Protected Health Information received from the Plan or a health insurance issuer or business associates servicing the Plan;

(1) Secretary of Administration and administrative staff;

(2) Secretary of Budget and administrative staff;

(3) Director of the Bureau of Classification and Compensation and administrative staff;

(4) Chief of the Office of Administration's Employee Benefits Division and administrative staff;

(5) Director of the Office of Management and Productivity and staff of the Office of Management and Productivity; and

(6) Staff of the Office of Administration's Employee Benefits Division, Group Insurance Section.

(l) Ensure that, if the Plan Sponsor becomes aware of any issues relating to non-compliance with the requirements of Section 4 or 5 of this Appendix, the Plan Sponsor shall undertake an investigation to determine the extent, if any, of such non-compliance; the individuals, policies, or practices responsible for the non-compliance; and, to the extent feasible, appropriate means for curing or mitigating the effects of non-compliance and preventing such non-compliance in the future. Any individual who is determined by the Plan Sponsor to be responsible for such non-compliance shall be subject to disciplinary action, as determined by the Plan Sponsor, in its sole discretion. To the extent consistent with other applicable disciplinary policies established by the Plan Sponsor, such disciplinary action may include one or more of the following: warning or reprimand, required additional training and education with respect to the use or disclosure of, or requests for, Protected Health Information, limitations on or revocation of access to Protected Health Information, diminution of duties, suspension, disqualification for bonus or other pay or promotion, demotion in pay or status, removal from position or discharge.

Section 6. **Access to Protected Health Information.** The Plan shall disclose Protected Health Information to the Plan Sponsor and to the individuals described in Section 5(i), pursuant to disclosures described in Section 4 only if the Plan Sponsor has certified to the Covered Entity that the Plan has been amended to incorporate the provisions of Sections 4 and 5 of this Appendix and that the Plan Sponsor agrees with the restrictions and other rules set forth in Section 5.

Section 7. **Other Disclosures to Plan Sponsor.** Nothing in this Appendix shall prohibit or, in any way, limit the Plan from disclosing Protected Health Information to the Plan Sponsor where HIPAA permits such disclosure in the absence of the provisions set forth in Sections 4 and 5, including the disclosure of Protected Health Information:

(a) Pursuant to and in accordance with a valid individual authorization under the Privacy Rule;

(b) That is Summary Health information upon the Plan Sponsor's request for purposes of modifying, amending or terminating the Plan or obtaining bids from a Health Insurance Issuer;

(c) Contained in a Limited Data Set pursuant to, and in accordance with, a valid Data Use Agreement for purposes of research, public health activities, and health care operations;

(d) Pursuant to a Business Associates Contract;

(e) Regarding enrollment in or disenrollment from a Plan or any benefit option under a Plan; or

(f) For purposes of Treatment; to the extent permitted by HIPAA.

Section 8. **Effect on Health Insurance Issuers.** Health Insurance Issuers providing benefits under the Plan may disclose information to the Plan Sponsor under the same terms and conditions as apply to the Plan under other Sections of this Appendix. With respect to Protected Health Information received from a Health Insurance Issuer, the Plan Sponsor shall have the same obligations to that Health Insurance Issuer that is has to the Plan with respect to Protected Health Information received from the Plan.

Section 9. **Action by the Plan Sponsor.** The Plan Sponsor may act as prescribed in this Appendix or may delegate, in writing and in its sole discretion, any and all of its functions under this Appendix to a committee, the Chief Privacy Officer or any other officer(s) or employee(s), of the Plan Sponsor. The Plan Sponsor or its delegate shall have the authority to establish rules and prescribe forms and procedures for performing its functions hereunder.