

REQUEST FOR QUOTATION

State of West Virginia
Offices of the Insurance Commissioner
10SA044

PART 1 GENERAL INFORMATION

1.1 Purpose:

The West Virginia Offices of the Insurance Commissioner (OIC) is soliciting proposals from qualified vendors to provide services to aid and assist OIC in completing IAIABC-EDI electronic data transfers of West Virginia workers' compensation claims information by employers and insurance carriers.

1.2 Inquiries:

Additional information inquiries regarding specifications must be submitted in writing to the individual named below with the exception of questions regarding bid submission, which may be oral.

Vickie Marcum, Procurement Officer
Administrative Services Division
1124 Smith Street
Charleston, WV 25301
(p) 304.558.6279 ext. 1191
(f) 304.558.4967

1.3 Vendor Registration:

Vendors participating in this process should complete and file a **Vendor Registration and Disclosure Statement** (Form WV-1) and remit the registration fee. Vendor is not required to be a registered vendor in order to submit a proposal, but the **successful bidder must** register and pay the fee prior to the award of an actual purchase order or contract.

1.4 Oral Statements and Commitments:

Vendor must clearly understand that any verbal representation made or assumed to be made during any oral discussion held between Vendor's representatives and any State personnel is **not** binding. Only the information issued in writing and added to the Request for Quotation (RFQ) specifications file by an official written addendum are binding.

1.5 Preparation of Proposal:

Proposals should be prepared simply and economically, providing a straightforward, concise description of bidder's abilities to satisfy the requirements of the RFQ. Emphasis should be placed on completeness and clarity of content.

1.6 Bid Submission:

Bids must be received **prior** to the date and time stated below as the "Opening Date" and "Opening Time." All bids will be date and time stamped in each office to verify official time and date of receipt. Mark the outside of the bid: **BID QUOTATION OPENS 2/19/2010 at 2:00 P.M.**

1.7 Rejection of Proposals:

The OIC reserves the right to accept or reject any or all proposals, in part or in whole at its discretion. The OIC reserves the right to withdraw this RFQ at any time and for any reason at its sole discretion. Submission of, and receipt of a valid offer confers no rights upon the bidder nor obligates OIC to make an award.

1.8 Price Quotations:

All offers (quotations) shall be firm for acceptance within 45 calendar days from the date of bid opening. All prices quoted, accepted and awarded shall not be subject to any increase and will be considered firm for the life of the contract/purchase order.

1.9 Resident Vendor Preference:

West Virginia State Code §5A-3-37 provides an opportunity for qualifying vendors to request (at the time of bid) preference for their residency status. Such preference is an evaluation method only and will be applied only to the cost bid in accordance with the West Virginia State Code. A certificate of application is used to request this preference. Generally, a West Virginia vendor may be eligible for two 2.5% preferences in the evaluation process up to a maximum of 5% for qualifying bidders.

PART 2 PROGRAM BACKGROUND

2.1 In 2005, West Virginia privatized its workers' compensation system, permitting employers to obtain workers' compensation coverage through qualified private insurance carriers. Additionally, qualified employers can self-insure their workers' compensation risk. Pursuant to W. Va. Code St. R. §85-2-1 et seq., self-insured employers and private carriers are required to report West Virginia workers' compensation claims data in IAIABC-EDI Release 3 format. The OIC is seeking a qualified vendor to provide services to aid and assist the OIC in assuring that EDI data transfers are completed timely and accurately.

PART 3 PROCUREMENT SPECIFICATIONS

3.1 Technical Service Requirements and Deliverables:

3.1.1 Technical

- A. Communications and File Transfers with Trading Partners
 - o 128 encrypted FTP
- B. Data Formats (all formats must be IAIABC standards)
 - o Release 3 FROI (148 & R21), SROI (A49 & R22), AKC (AK1)
 - o ASC X12 Medical (837) and Acknowledgement (824)
 - o Creation of flat file format for 837, FROI and SROI to be used by state for system integration
- C. IAIABC Edits
 - o Technical Edits
 - o Business Edits

- Sequencing of transactions - successful bidder must be able to acquire approved transaction data from current EDI vendor to insure consistency
- D. Trading Partner Acknowledgment Processing
 - Create and communicate AKC for FROI and SROI within 24 hours of receipt
 - Create and communicate 824 and 837 Medical within 24 hours of receipt.
- E. EDI User Interface
 - Provide user interface with appropriate edits for entry by OIC trading partners of FROI, SROI and Medical Bill
 - Creation of OIC Jurisdictional Claim Number sequencing based upon OIC provided specifications
- F. State File Updates
 - Provide daily transfer of “error free” FROI, SROI, and Medical Bills
 - Acknowledgements (Transactions Accepted – TA and Transaction Accepted With Errors – TE, Transaction rejected – TR)
- G. Maintenance
 - Perform necessary technical enhancements for changes to the IAIABC standards or state data requirements
 - Conduct additional testing as required
 - Conduct additional OIC staff and trading partner training as required.

3.1.2 **Administrative Tasks and Requirements**

- A. Facilitate Trading Partner Set up (Transmission Profile Processing)
 - The successful vendor must be able to work with an estimated 300 trading partners with file set up and transmission of data
 - Provide Trading Partner Testing
 - Develop, coordinate, execute and validate
- B. Provide technical support for state and state trading partners

3.1.3 **Business/Systems Analysis and Administrative and Technical Documentation**

- A. Trading Partner Implementation Guide Update and Documentation
- B. Data Requirement Determination and Analysis
 - Identification and definition of technical and business edits
- C. Scenario Creation and Documentation
- D. Testing Procedures Creation, Execution and Documentation
 - Coordinate with trading partners.
- E. Assist OIC with IAIABC file layouts and data mapping when necessary

3.1.4 **Required Timelines**

3.2 **Vendor Qualifications**

- A. The successful vendor should have at least 5 years experience in IAIABC EDI and should be an active member of the IAIABC.
- B. The successful vendor must have experience in the IAIABC medical file layout

3.3 Service Level Agreements (SLA)

- A. Propose Guidelines for Industry Standard SLA
 - a. Acceptable turnaround of incoming and outgoing file transfers and conversions
 - b. Acceptable transaction error ratio
 - c. Acceptable user support response parameters
- B. Failure to address service level agreement requirements will result in disqualification of the bid.

3.4 Purchasing Affidavit:

West Virginia State Code §5A-3-10a requires that all vendors submit an affidavit of debt, which certifies that there are no outstanding obligations or debts owing the State of West Virginia. The Debt Affidavit is attached to this request for quotation, which should be completed, signed and returned with the vendor's proposal. If bidding a joint proposal, a "Purchasing Affidavit" must be completed for both vendors.

3.5 General Terms and Conditions:

3.5.1 Vendor Relationship:

The relationship of the Vendor to the OIC shall be that of an independent contractor and no principal-agent relationship or employer-employee relationship is contemplated or created by the parties to this contract. The Vendor as an independent contractor is solely liable for the acts and omissions of its employees and agents. Vendor shall be responsible for selecting, supervising and compensating any and all individuals employed pursuant to the terms of this RFQ and resulting contract. Neither the Vendor nor any employees or contractors of the vendor shall be deemed to be employees of the OIC for any purposes whatsoever.

3.5.2 Governing Law

The laws of the State of West Virginia shall govern this contract. The Vendor further agrees to comply with the Civil Rights Act of 1964 and all other applicable laws (Federal, State or Local government) regulations.

3.5.3 Subcontract/Joint Ventures

The Vendor is solely responsible for all work performed under the contract and shall assume prime contractor responsibility for all services offered and products to be delivered under the terms of this contract. The OIC will consider the Vendor to be the sole point of contract with regard to all contractual matters. The Vendor shall not assign, convey, transfer or delegate any of its responsibilities and obligations under this contract to any person, corporation, partnership, association or entity without express written consent of the Agency.

3.5.4 Terms of Contract & Renewals:

This contract will be effective (date set upon award) and shall extend for the period of 12 months at which time the contract may, upon mutual consent, be renewed. Such renewal periods shall extend for an additional 12-month term with a maximum of five (5) renewals, or until such reasonable time thereafter as is necessary to obtain a new contract.

The “reasonable time” period shall not exceed six months. During the “reasonable time” period the vendor may terminate the contract for any reason upon giving the OIC ninety (90) days written notice. Notice by Vendor of intent to terminate will not relieve Vendor of the obligation to continue to provide services pursuant to the terms of the contract.

3.5.5 Contract Release: N/A

3.5.6 Non-Appropriation of Funds:

If OIC is not allotted funds by the West Virginia Legislature in any succeeding fiscal year for the continued use of the service covered by this contract, the OIC may terminate the contract at the end of the affected current fiscal period without further charge or penalty. The OIC shall give the vendor written notice of such non-allocation of funds as soon as possible after the OIC receives notice. No penalty shall accrue to the OIC in the event this provision is exercised.

3.5.7 Contract Termination:

The OIC may terminate any contract resulting from the RFQ immediately at any time the Vendor fails to carry out its responsibilities or to make substantial progress under the terms of this RFQ and resulting contract. The OIC shall provide the Vendor with advance notice of performance conditions, which are endangering the contract's continuation. If after such notice the Vendor fails to remedy the conditions contained in the notice, within the time period contained in the notice, the OIC shall be obligated only for services rendered and accepted prior to the date of the notice of termination. The contract may also be terminated upon mutual agreement of the parties with thirty days prior notice.

3.5.8 Changes:

If changes to the original contract become necessary, a formal contract change order will be negotiated by OIC and the Vendor, to address changes to the terms and conditions and the cost of work included under the contract.

3.5.9 Invoices & Payments:

The Vendor shall submit invoices, in arrears, to the OIC at the address on the face of the purchase order labeled “Invoice To” pursuant to the terms of the contract. Payment will be made only upon approval of an acceptable report. Invoices may not be submitted more than once monthly and State law forbids payment of invoices in advance of receipt of services.

3.5.10 Data Ownership:

Upon completion of each reporting period and assembly of the data into the report(s), the vendor agrees that the content of the report, all working documents, raw and statically data become the property of the OIC. The vendor further agrees that they shall not release verbally, written, or electronically any of the data reported and compiled to fulfill the requirements of this contract.

PART 4 Award Process

4.1 Bid Sheets & Award Process:

4.1.1 Award shall be based on the lowest bid received meeting all specifications. (OIC reserves the right to accept or reject any or all of the proposals, in whole or in part, without prejudice if to do so is felt to be in the best interest of OIC at its sole discretion.)

4.1.2 Vendor's failure to provide complete and accurate information may be considered grounds for disqualification. The OIC reserves the right if necessary to ask vendors for additional information to clarify their proposals. Nothing may be added to alter the written solution or method contained in the original proposal after the bid opening.

4.2 Costs/Bid Sheet:

A. Implementation Cost	\$ _____
B. Year 1 Support Cost	\$ _____
C. Year 2 Support Cost	\$ _____
D. Year 3 Support Cost	\$ _____
E. Year 4 Support Cost	\$ _____
F. Year 5 Support Cost	\$ _____
Total Cost	\$ _____

Cost quotations shall include all travel related expenses (air & ground transportation, lodging, meals, baggage handling, gratuities, parking, ground and cell phones, long distance calls, duplication fees, out of pocket expenses) as required by the vendor in performance of the scope of work. No travel expenses shall be reimbursed.

STATE OF WEST VIRGINIA
Purchasing Division

PURCHASING AFFIDAVIT

West Virginia Code §5A-3-10a states: No contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and the debt owned is an amount greater than one thousand dollars in the aggregate

DEFINITIONS:

“Debt” means any assessment, premium, penalty, fine, tax or other amount of money owed to the state or any of its political subdivisions because of a judgment, fine, permit violation, license assessment, defaulted workers’ compensation premium, penalty or other assessment presently delinquent or due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued thereon.

“Debtor” means any individual, corporation, partnership, association, Limited Liability Company or any other form or business association owing a debt to the state or any of its political subdivisions. “Political subdivision” means any county commission; municipality; county board of education; any instrumentality established by a county or municipality; any separate corporation or instrumentality established by one or more counties or municipalities, as permitted by law; or any public body charged by law with the performance of a government function or whose jurisdiction is coextensive with one or more counties or municipalities. “Related party” means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceed five percent of the total contract amount.

EXCEPTION: The prohibition of this section does not apply where a vendor has contested any tax administered pursuant to chapter eleven of this code, workers’ compensation premium, permit fee or environmental fee or assessment and the matter has not become final or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement.

Under penalty of law for false swearing (**West Virginia Code §61-5-3**), it is hereby certified that the vendor affirms and acknowledges the information in this affidavit and is in compliance with the requirements as stated.

WITNESS THE FOLLOWING SIGNATURE

Vendor’s Name: _____

Authorized Signature: _____ Date: _____

State of _____

County of _____, to-wit:

Taken, subscribed, and sworn to before me this ____ day of _____, 20____.

My Commission expires _____, 20____.

AFFIX SEAL HERE

NOTARY PUBLIC _____

State of West Virginia VENDOR PREFERENCE CERTIFICATE

Certification and application* is hereby made for Preference in accordance with **West Virginia Code**, §5A-3-37. (Does not apply to construction contracts). **West Virginia Code**, §5A-3-37, provides an opportunity for qualifying vendors to request (at the time of bid) preference for their residency status. Such preference is an evaluation method only and will be applied only to the cost bid in accordance with the **West Virginia Code**. This certificate for application is to be used to request such preference. The Purchasing Division will make the determination of the Resident Vendor Preference, if applicable.

1. Application is made for 2.5% resident vendor preference for the reason checked:

- Bidder is an individual resident vendor and has resided continuously in West Virginia for four (4) years immediately preceding the date of this certification; **or,**
- Bidder is a partnership, association or corporation resident vendor and has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; or 80% of the ownership interest of Bidder is held by another individual, partnership, association or corporation resident vendor who has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; **or,**
- Bidder is a nonresident vendor which has an affiliate or subsidiary which employs a minimum of one hundred state residents and which has maintained its headquarters or principal place of business within West Virginia continuously for the four (4) years immediately preceding the date of this certification; **or,**

2. Application is made for 2.5% resident vendor preference for the reason checked:

- Bidder is a resident vendor who certifies that, during the life of the contract, on average at least 75% of the employees working on the project being bid are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; **or,**

3. Application is made for 2.5% resident vendor preference for the reason checked:

- Bidder is a nonresident vendor employing a minimum of one hundred state residents or is a nonresident vendor with an affiliate or subsidiary which maintains its headquarters or principal place of business within West Virginia employing a minimum of one hundred state residents who certifies that, during the life of the contract, on average at least 75% of the employees or Bidder's affiliate's or subsidiary's employees are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; **or,**

4. Application is made for 5% resident vendor preference for the reason checked:

- Bidder meets either the requirement of both subdivisions (1) and (2) or subdivision (1) and (3) as stated above; **or,**

5. Application is made for 3.5% resident vendor preference who is a veteran for the reason checked:

- Bidder is an individual resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard and has resided in West Virginia continuously for the four years immediately preceding the date on which the bid is submitted; **or,**

6. Application is made for 3.5% resident vendor preference who is a veteran for the reason checked:

- Bidder is a resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard, if, for purposes of producing or distributing the commodities or completing the project which is the subject of the vendor's bid and continuously over the entire term of the project, on average at least seventy-five percent of the vendor's employees are residents of West Virginia who have resided in the state continuously for the two immediately preceding years.

Bidder understands if the Secretary of Revenue determines that a Bidder receiving preference has failed to continue to meet the requirements for such preference, the Secretary may order the Director of Purchasing to: (a) reject the bid; or (b) assess a penalty against such Bidder in an amount not to exceed 5% of the bid amount and that such penalty will be paid to the contracting agency or deducted from any unpaid balance on the contract or purchase order.

By submission of this certificate, Bidder agrees to disclose any reasonably requested information to the Purchasing Division and authorizes the Department of Revenue to disclose to the Director of Purchasing appropriate information verifying that Bidder has paid the required business taxes, provided that such information does not contain the amounts of taxes paid nor any other information deemed by the Tax Commissioner to be confidential.

Under penalty of law for false swearing (West Virginia Code, §61-5-3), Bidder hereby certifies that this certificate is true and accurate in all respects; and that if a contract is issued to Bidder and if anything contained within this certificate changes during the term of the contract, Bidder will notify the Purchasing Division in writing immediately.

Bidder: _____ **Signed:** _____

Date: _____ **Title:** _____

**Check any combination of preference consideration(s) indicated above, which you are entitled to receive.*

AGREEMENT ADDENDUM

In the event of conflict between this addendum and the agreement, this addendum shall control:

1. **DISPUTES** - Any references in the agreement to arbitration or to the jurisdiction of any court are hereby deleted. Disputes arising out of the agreement shall be presented to the West Virginia Court of Claims.
2. **HOLD HARMLESS** - Any clause requiring the Agency to indemnify or hold harmless any party is hereby deleted in its entirety.
3. **GOVERNING LAW** - The agreement shall be governed by the laws of the State of West Virginia. This provision replaces any references to any other State's governing law.
4. **TAXES** - Provisions in the agreement requiring the Agency to pay taxes are deleted. As a State entity, the Agency is exempt from Federal, State, and local taxes and will not pay taxes for any Vendor including individuals, nor will the Agency file any tax returns or reports on behalf of Vendor or any other party.
5. **PAYMENT** - Any references to prepayment are deleted. Payment will be in arrears.
6. **INTEREST** - Should the agreement include a provision for interest on late payments, the Agency agrees to pay the maximum legal rate under West Virginia law. All other references to interest or late charges are deleted.
7. **RECOUPMENT** - Any language in the agreement waiving the Agency's right to set-off, counterclaim, recoupment, or other defense is hereby deleted.
8. **FISCAL YEAR FUNDING** - Service performed under the agreement may be continued in succeeding fiscal years for the term of the agreement, contingent upon funds being appropriated by the Legislature or otherwise being available for this service. In the event funds are not appropriated or otherwise available for this service, the agreement shall terminate without penalty on June 30. After that date, the agreement becomes of no effect and is null and void. However, the Agency agrees to use its best efforts to have the amounts contemplated under the agreement included in its budget. Non-appropriation or non-funding shall not be considered an event of default.
9. **STATUTE OF LIMITATION** - Any clauses limiting the time in which the Agency may bring suit against the Vendor, lessor, individual, or any other party are deleted.
10. **SIMILAR SERVICES** - Any provisions limiting the Agency's right to obtain similar services or equipment in the event of default or non-funding during the term of the agreement are hereby deleted.
11. **ATTORNEY FEES** - The Agency recognizes an obligation to pay attorney's fees or costs only when assessed by a court of competent jurisdiction. Any other provision is invalid and considered null and void.
12. **ASSIGNMENT** - Notwithstanding any clause to the contrary, the Agency reserves the right to assign the agreement to another State of West Virginia agency, board or commission upon thirty (30) days written notice to the Vendor and Vendor shall obtain the written consent of Agency prior to assigning the agreement.
13. **LIMITATION OF LIABILITY** - The Agency, as a State entity, cannot agree to assume the potential liability of a Vendor. Accordingly, any provision limiting the Vendor's liability for direct damages to a certain dollar amount or to the amount of the agreement is hereby deleted. Limitations on special, incidental or consequential damages are acceptable. In addition, any limitation is null and void to the extent that it precludes any action for injury to persons or for damages to personal property.
14. **RIGHT TO TERMINATE** - Agency shall have the right to terminate the agreement upon thirty (30) days written notice to Vendor. Agency agrees to pay Vendor for services rendered or goods received prior to the effective date of termination.
15. **TERMINATION CHARGES** - Any provision requiring the Agency to pay a fixed amount or liquidated damages upon termination of the agreement is hereby deleted. The Agency may only agree to reimburse a Vendor for actual costs incurred or losses sustained during the current fiscal year due to wrongful termination by the Agency prior to the end of any current agreement term.
16. **RENEWAL** - Any reference to automatic renewal is hereby deleted. The agreement may be renewed only upon mutual written agreement of the parties.
17. **INSURANCE** - Any provision requiring the Agency to insure equipment or property of any kind and name the Vendor as beneficiary or as an additional insured is hereby deleted.
18. **RIGHT TO NOTICE** - Any provision for repossession of equipment without notice is hereby deleted. However, the Agency does recognize a right of repossession with notice.
19. **ACCELERATION** - Any reference to acceleration of payments in the event of default or non-funding is hereby deleted.
20. **CONFIDENTIALITY:** -Any provision regarding confidentiality of the terms and conditions of the agreement is hereby deleted. State contracts are public records under the West Virginia Freedom of Information Act.
21. **AMENDMENTS** - All amendments, modifications, alterations or changes to the agreement shall be in writing and signed by both parties. No amendment, modification, alteration or change may be made to this addendum without the express written approval of the Purchasing Division and the Attorney General.

ACCEPTED BY:
STATE OF WEST VIRGINIA _____

VENDOR _____

Spending Unit: _____

Company Name: _____

Signed: _____

Signed: _____

Title: _____

Title: _____

Date: _____

Date: _____