

# REQUEST FOR PROPOSALS

by

**STATE OF OHIO**

**BUREAU OF WORKERS' COMPENSATION**

for

**EMPLOYER FINANCIAL ANALYSIS TOOLS**

**March 12, 2010**

**Bid # BWCB10004**

RFP ISSUED: March 12, 2010  
INQUIRY PERIOD BEGINS: March 15, 2010  
INQUIRY PERIOD ENDS: March 23, 2010  
PROPOSAL DUE DATE: April 6, 2010 by 2:00 p.m. ET

**Proposals received after the due date and time will not be evaluated.**

OPENING LOCATION: Ohio Bureau of Workers' Compensation  
Purchasing Department  
30 W. Spring Street, Level 24  
Columbus, OH 43215-2256

Offerors must note that all proposals and other material submitted will become the property of BWC and may be returned only at BWC's option. Proprietary information should not be included in a proposal or supporting materials because BWC will have the right to use any materials or ideas submitted in any proposal without compensation to the Offeror. Additionally, all proposals will be open to the public after the award of the contract has been posted on the State Procurement Web site. Refer to the Ohio Administrative Code, Section 123:5-1-08 (E).

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PLEASE READ ALL CONDITIONS AS SET FORTH IN THIS REQUEST FOR PROPOSALS (RFP) FOR A FULL UNDERSTANDING OF THE REQUIREMENTS

## 1.0 BACKGROUND AND NATURE OF PROJECT

### 1.1 BWC GENERAL BACKGROUND

Under the mandates of the Ohio Revised Code (ORC), the Ohio Workers' Compensation System is the largest exclusive state insurance fund system in the United States, with investment assets of \$19.3 billion as of December 31, 2009 and annual insurance premiums and assessments of over \$2.0 billion. The Ohio Workers' Compensation System consists of the Ohio Bureau of Workers' Compensation (BWC), responsible for administrative and insurance functions, and the Industrial Commission of Ohio (IC), responsible for claims adjudicative functions. BWC exercises fiduciary authority with respect to the State Insurance Fund (SIF) and related Specialty Funds. These BWC Trust Funds are held for the benefit of the injured workers and employers of Ohio. It is from these trust funds that all claims for both medical and compensation for disability benefits are paid with the exception of self-insured claims.

Self-insuring employers have been granted the status of self-insurance by having proven ability to meet certain obligations set forth in the ORC 4123.35. Self-insuring employers administer their own workers' compensation claims and are monitored by BWC. Presently, BWC processes claims, pays compensation and medical benefits to injured workers and underwrites workers' compensation coverage for employers doing business in Ohio. BWC also offers safety training and accident prevention programs to employers and helps injured employees return to work through rehabilitation programs. The Board of Directors (BOD) oversees BWC's activities and functions as a fiduciary.

### 1.2 PURPOSE OF THE REQUEST FOR PROPOSALS

BWC is soliciting Proposals from all qualified firms that have demonstrated experience with, and success in, providing financial analysis tools to evaluate the financial strength and stability of employers. The tool should have the capability to calculate a credit score as well as an expected default rate. As a result of this RFP process, BWC intends to select one vendor to provide services for BWC. The selected vendor will be under contract for a 13 month term (beginning June 1, 2010 through June 30, 2011) with a BWC option to renew the contract for two additional one-year periods.

## 2.0 CALENDAR OF EVENTS

The time schedule for this project is outlined below, and is subject to change. BWC may change this schedule at any time. If BWC changes the schedule before the Proposal due date, it will do so through an announcement on the State Procurement Web site area for this RFP. The Web site announcement will be followed by an addendum to this RFP, also available through the State Procurement Web site. It is each prospective Offeror's responsibility to check the Web site question and answer area for this RFP for current information regarding this RFP and its calendar of events through award of the Contract. No contact shall be made with agency/program staff until contract award is announced.

### 2.1 DATES:

RFP Issued	Friday, March 12, 2010
Question Period Begins	Monday, March 15, 2010
Question Period Concludes	Tuesday, March 23, 2010 (8:00 a.m. ET)
Questions and Answers Posted	Friday, March 26, 2010
Proposals Due	Tuesday, April 6, 2010 (2:00 p.m. ET)
Presentations (if requested by BWC)	Week of April 12, 2010
Contract Commences:	Tuesday, June 1, 2010

NOTE: These dates are subject to change.

There are references in this RFP to the Proposal due date. Prospective Offerors must assume, unless it is clearly stated to the contrary, that any such reference means the date and time (Columbus, OH local time) that the Proposals are due.

Proposals received after 2:00 p.m. on the due date will not be evaluated.

## 3.0 PROPOSAL INQUIRIES AND SUBMISSIONS

### 3.1 QUESTIONS

Offerors may make inquiries regarding this RFP any time during the inquiry period listed in the Calendar of Events. To make an inquiry, provide reference(s) to the RFP e.g. (Section number and/or item number, etc.) Unreferenced or incorrectly referenced questions will not be answered; Offerors must use the following process:

1. Access the State Procurement Web site at <http://www.ohio.gov/procure>.
2. From the Navigation Bar on the left, select "Find It Fast".
3. Select "Doc/Bid/Schedule #" as the Type.
4. Enter the RFP Number found on Page 1 of the document. (RFP numbers begin with the letters "BWC")
5. Click "Find It Fast" button.
6. On the document information page, click "Submit Inquiry".
7. On the document inquiry page, complete the required "Personal Information" section by providing:
  - a. First and last name of the prospective Offeror's representative who is responsible for the inquiry.
  - b. Name of the prospective Offeror.
  - c. Representative's business phone number.
  - d. Representative's e-mail address.

8. Type the inquiry in the space provided including:
  - a. A reference to the relevant part of this RFP.
  - b. The heading for the provision under question.
  - c. The page number of the RFP where the provision can be found.
9. Click the "Submit" button.

Offerors submitting inquiries will receive an immediate acknowledgement that their inquiry has been received as well as an e-mail acknowledging receipt of the inquiry. Offerors will not receive a personalized e-mail response to their question, nor will they receive notification when the question has been answered.

Questions must be received by BWC by March 23, 2010 at 8:00 a.m. ET. BWC will respond to any or all questions exclusively through the above method; however, responses by BWC will not officially modify the RFP in any way unless a written addendum is issued by BWC.

Offerors may view inquiries and responses using the following process:

1. Access the State Procurement Web site at <http://www.ohio.gov/procure>.
2. From the Navigation Bar on the left, select "Find It Fast".
3. Select "Doc/Bid/Schedule #" as the Type.
4. Enter the RFP Number found on Page 1 of the document. (RFP numbers begin with the letters "BWC")
5. Click "Find It Fast" button.
6. On the document information page, click the "View Q & A" button to display all inquiries with responses submitted to date.

BWC will try to respond to all inquiries within 48 hours of receipt, excluding weekends and State holidays. BWC will not respond to any inquiries received after 8:00 a.m. on the inquiry end date.

Offerors are to base their RFP responses, and the details and costs of their proposed projects, on the requirements and performance expectations established in this RFP for the future contract, not on details of any other potentially related contract or project. If Offerors ask questions about existing or past contracts using the Internet Q&A process, BWC will use its discretion in deciding whether to provide answers as part of this RFP process.

BWC is under no obligation to acknowledge questions submitted through the Q&A process if those questions are not in accordance with these instructions or deadlines.

### **3.2 COMMUNICATION RESTRICTIONS**

In order to ensure fairness and parity among prospective vendors, from the time of the release of this RFP until a vendor is selected and a contract is awarded; vendors shall not communicate with any BWC staff concerning this RFP, except as provided in Section 3.1. If the vendor attempts or undertakes an unauthorized communication, BWC reserves the right to reject that vendor's proposal, without evaluation. BWC shall not be responsible for any vendor's reliance on any information regarding this Request for Proposal or any work hereunder if the information was provided by any source other than through the inquiry process in Section 3.1.

### **3.3 PROPOSAL SUBMISSION**

It is absolutely essential that vendors carefully review all elements in their final proposal. Once received by BWC, a proposal cannot be altered. One (1) complete, signed, and sealed original; four (4) complete, sealed copies; and two (2) electronic copies on CD of your proposal shall be

submitted for evaluation. Proposals shall be clearly marked "Ohio Bureau of Workers' Compensation BID No. BWCB10004 — Employer Financial Analysis Tools" on the outside of the envelope. FAX or electronic mail transmissions will not be accepted. All copies must be received by BWC together in one package.

Proposals must be received in the Purchasing Department by 2:00 P.M. ET on Tuesday, April 6, 2010. Proposals inappropriately addressed or delivered elsewhere risk untimely re-routing to the Purchasing Department. Any proposals received in the Purchasing Department after the deadline will be marked as untimely and will not be opened or evaluated regardless of the reason for late receipt.

If mailing proposals, vendors should allow for sufficient mailing time to ensure timely receipt by the Purchasing Department. All mail and deliveries can be expected to undergo package security screening (amounting to approximately one hour) before receipt in the Purchasing Department. Vendors must anticipate this additional time when arranging for mail or delivery of proposals. If attending the opening, vendors must bring photo identification and should allow for additional time for personal security screening (amounting to approximately twenty minutes) and for package security screening (amounting to approximately one hour) if they are also delivering their proposals in person at that time. Submit complete, signed and sealed copies of the proposal to:

**BY MAIL OR HAND-DELIVERY:  
Ohio Bureau of Workers' Compensation  
Purchasing Department  
30 W. Spring Street, Level 24  
Columbus, Ohio 43215-2256**

All material submitted to and accepted by BWC in response to the RFP shall become the property of BWC and will be retained by BWC in accordance with the Ohio Public Records Act and the Ohio Records Retention Act. THE CONTENTS OF THE PROPOSAL ARE SUBJECT TO THE OHIO PUBLIC RECORDS ACT, SECTION 149.43, OF THE OHIO REVISED CODE, UNLESS OTHERWISE EXCEPTED BY LAW. If the proposal includes information that the proposer in good faith believes falls within one of the exceptions to the provisions of the Ohio public records laws, the proposer must put such information in separate sealed envelopes with each copy of the proposal with a note identifying which exception is claimed. Any material not separately sealed and annotated will be released upon a proper public records request. Any proposal that claims that the entire contents of the proposal fall within the exceptions will be disqualified. After a contract is awarded, if BWC determines that the information separately sealed by any proposer appears not to be exempt and may be released upon a proper request, the vendor will be advised of BWC's intent to release the information.

**3.4 CHANGES TO THIS REQUEST FOR PROPOSALS**

All vendors will be notified in the event that BWC finds it necessary to modify one or more portions of this RFP after it has been released. Should BWC issue an addendum to this RFP, additional time may be given to all prospective vendors, if appropriate, to extend the deadline to accommodate needed changes in the proposals.

**4.0 GENERAL TERMS AND CONDITIONS**

**4.1 GENERAL**

BY SUBMITTING A PROPOSAL, THE VENDOR ACKNOWLEDGES THAT VENDOR HAS READ THIS RFP, UNDERSTANDS IT, AND AGREES TO BE BOUND BY ITS REQUIREMENTS, TERMS, AND CONDITIONS. BWC RESERVES THE RIGHT TO

DISQUALIFY ANY PROPOSAL WHICH TAKES EXCEPTION TO OR LIMITS THE RIGHTS OF BWC UNDER THE RFP. BWC RESERVES THE RIGHT TO REFUSE ACCEPTANCE OF ANY PROPOSAL WHICH IS NOT PROPERLY SUBMITTED IN ACCORDANCE WITH THE REQUIREMENTS OF THIS RFP. FURTHERMORE, BWC RESERVES THE RIGHT TO REJECT ANY AND ALL PROPOSALS, INCLUDING THE SELECTED PROPOSAL, AT ANY TIME PRIOR TO EXECUTION OF A CONTRACT. BWC RESERVES THE RIGHT TO CANCEL THIS RFP AT ANY TIME PRIOR TO EXECUTION OF A CONTRACT.

Headings used in this RFP are for convenience only and shall not affect the interpretation of any of the terms and conditions hereof.

In BWC's sole discretion, BWC may waive minor defects that are not material when no prejudice will result to the rights of any other vendors, the public, or BWC.

BWC is not liable for any cost incurred by any vendor in the preparation and submission of any proposal, or in anticipation of the award of a contract. Moreover, BWC is not liable for any cost incurred by any selected Vendor prior to the execution of a contract by all parties. All disbursements made for the contract shall be only for obligations incurred on or after the effective date of the contract.

BWC reserves the right to use any materials or ideas submitted without compensation to the proposer.

#### **4.2 RESULTING CONTRACT**

Any contract resulting from this RFP shall consist of this RFP and any written addenda issued by BWC, the proposal and the executed contract.

The term of the contract shall commence June 1, 2010, contingent upon compliance with any and all conditions precedent as provided for herein, and shall be completed by June 30, 2011 unless modified by mutual agreement of the parties. The contract may be renewed for two (2) additional one year periods at the sole and exclusive option of the Bureau.

BWC shall incur no liability should it choose not to exercise its exclusive option to renew the contract.

#### **4.3 GOVERNING LAW - SEVERABILITY**

The validity, construction and performance of any contract resulting from this RFP and the legal relations among the parties to any contract shall be governed by and construed in accordance with the laws of the State of Ohio. If any provision of any contract resulting from this RFP or the application of any such provision shall be held by an Ohio court of competent jurisdiction to be contrary to law, the remaining provisions of the contract shall remain in full force and effect. The parties agree to submit irrevocably to the jurisdiction of Ohio courts.

#### **4.4 COMPLIANCE WITH APPLICABLE LAWS**

The Vendor agrees to comply with all applicable federal, state, and local laws in the conduct of the work hereunder. The Vendor accepts full responsibility for payment of all taxes and insurance including workers' compensation insurance premiums, unemployment compensation insurance premiums, all income tax deductions, social security deductions, and any and all other taxes or payroll deductions required for all employees engaged by the Vendor in the performance of the work authorized by this contract. BWC does not agree to pay any taxes. Failure to have workers' compensation or other required insurance in accordance with the RFP shall deem any resulting contract voidable at BWC's sole discretion.

#### **4.5 PUBLICITY**

Any use or reference to any resulting contract by the selected Vendor to promote, solicit, or disseminate information regarding the scope of the contract is prohibited, unless otherwise agreed to in writing by BWC. BWC agrees to be used as a reference by the successful Vendor in other State of Ohio situations where the Vendor may wish to make a proposal.

#### **4.6 CONDITIONS PRECEDENT**

It is expressly understood by the parties that the contract is not binding on BWC until such time as all necessary funds are made available and forthcoming from the appropriate State agencies, and such expenditure of funds is approved by the Administrator after execution of the contract by the Vendor but before execution by BWC. No contract shall be binding upon either party until receipt by the contracting Vendor of a copy of a fully executed contract, and compliance with any and all conditions precedent.

#### **4.7 EQUAL EMPLOYMENT OPPORTUNITY**

The Vendor will comply with all state and federal laws regarding equal employment opportunity and fair labor and employment practices, including Ohio Revised Code Section 125.111(B) and all related Executive Orders.

Before a contract can be awarded or renewed, an Affirmative Action Program Verification Form must be submitted to the DAS Equal Opportunity Division to comply with the Ohio affirmative action requirements. Affirmative Action Verification Forms and approved Affirmative Action Plans can be found by contacting the Equal Opportunity Department or viewing the Equal Opportunity Department's web site:

<http://das.ohio.gov/Divisions/EqualOpportunity/AffirmativeActionProgramVerification/tabid/133/Default.aspx>

#### **4.8 PAYMENT**

BWC shall make payment to the selected vendor upon inception of the contract for the term of the contract. The selected vendor shall not request and BWC shall not render additional payment for the service provided by the vendor. BWC shall make payment to the selected vendor for any renewals at the inception of the renewal for the term of the renewal.

In the event of early termination of the contract by BWC, BWC shall be entitled to a pro rata refund of paid fees.

The Vendor's fee shall be due and payable within thirty (30) days after receipt of a proper invoice. Defective invoices shall be returned to Vendor noting areas for correction. When such notification of defect is sent, the required payment date shall be thirty (30) days after receipt of the corrected invoice.

Section 126.30 of the Ohio Revised Code, and any applicable rules thereto, are applicable to this Agreement and require payment of interest if, upon receipt of a proper invoice, payment is not made within thirty (30) calendar days, unless otherwise agreed in writing. The interest charge shall be at the rate per calendar month which equals one-twelfth of the rate per annum prescribed by Section 5703.47 of the Ohio Revised Code. In the event that BWC does fail to make prompt payment, Vendor is entitled to the interest allowed by law. In no event shall such failure to make prompt payment be deemed a default or breach of contract on the part of BWC.

By signing the contract, the selected vendor agrees to receive payment by means of electronic fund transfers, "EFT". BWC agrees to send to the selected vendor an Authorization Agreement for Automatic Deposit of State Warrants for the selected vendor to complete and to file with the

Auditor of State, providing the information needed to enable EFT payment. It is the Vendor's responsibility to complete and to submit the Authorization Agreement for Automatic Deposit of State Warrants.

Payment shall be made to the Vendor, in the Vendor's Federal E.I. number, as provided for in the response to the RFP. The date the EFT payment is issued shall be considered the date payment is made. Payment shall not be initiated before a proper invoice is received by BWC.

Any travel or per diem required by the Vendor to carry out its obligations under the contract shall be at the Vendor's expense.

#### **4.9 WORKERS' COMPENSATION**

The Vendor shall submit a copy of the certificate proving that the Vendor and agents are covered by workers' compensation. The Vendor is responsible for ensuring contractually that any subcontractors maintain workers' compensation insurance at all times during the term of the resulting contract. Failure to maintain coverage at any time during the term of any contract shall be deemed a material breach of the contract. Such breach shall render the contract voidable in its entirety at BWC's sole discretion.

#### **4.10 GENERAL COMMERCIAL AND PROFESSIONAL LIABILITY INSURANCE**

The vendor shall carry general commercial and professional liability insurance with limits of not less than \$1,000,000 for any one occurrence. Failure to maintain coverage at any time during the term of any contract shall be deemed a material breach of the contract. Such breach shall render the contract voidable in its entirety at BWC's sole discretion.

Prior to the award of the contract, the selected Vendor shall submit to Joel Donchess (Manager, Operational Performance) a copy of the certificate of insurance. The Vendor will furnish a certificate of insurance to BWC for the required coverage from an insurance carrier authorized to do business in Ohio. The certificate must be in a form that is reasonably satisfactory to BWC as to the contents of the policies and the quality of the insurance carriers. The certificate must list BWC as an additional insured. Failure to currently maintain the required coverage amounts will not disqualify a vendor during evaluation. Failure to provide the certificate of coverage will result in the Vendor being deemed non-responsive, and the proposal will be immediately disqualified.

#### **4.11 VENDOR'S LIABILITY**

The Vendor's entire liability and BWC's remedies for claims it may have related to or arising out of the contract for any cause and regardless of the form of action shall include all legal and equitable remedies.

#### **4.12 CONTRACT COMPLIANCE AND TERMINATION**

During the term of this contract, the BWC Manager of Operational Performance shall be responsible for monitoring the Vendor's performance and compliance with the terms and conditions of the contract. It is specifically understood that the nature of the services to be rendered pursuant to any contract resulting from this RFP are of such a nature that BWC is the sole judge of the adequacy of such services. BWC reserves the right to cancel the contract at any time without cause upon thirty (30) days notice. If BWC's representative observes any infraction(s), such shall be documented and notice conveyed to the Vendor for immediate correction. Continued failures on the Vendor's part to comply with the terms and conditions of the ensuing contract may constitute an event of default. Unremedied infraction(s) persisting beyond thirty (30) days after notice to the vendor may constitute an event of default.

#### **4.13 DEFAULT BY THE VENDOR**

BWC declares and the Vendor acknowledges that BWC may suffer damages due to the failure of the Vendor to act in accordance with the requirements, terms, and conditions of the contract. BWC declares and the Vendor agrees that such failure shall constitute an event of default on the part of the Vendor. The Vendor agrees that if BWC does not give prompt notice of such a failure, that BWC has not waived any of its rights or remedies

#### **4.14 DAMAGES**

In the event that the Vendor fails to cure a default or breaches any term or condition of the contract, the Vendor agrees to reimburse BWC for any actual and direct losses incurred by BWC. In the event that the direct losses or direct damages are uncertain or difficult to ascertain by BWC, the Vendor agrees to pay BWC liquidated damages in the amount of \$50,000. In addition, the Vendor agrees that BWC shall have the right to terminate the contract either in whole or in part, without liability to BWC whatsoever. The Vendor agrees that the liquidated damages are not a penalty.

#### **4.15 SUBCONTRACTING**

No subcontracting will be permitted without prior written approval by the Administrator of BWC or her designee. However, BWC's approval will not serve to modify or abrogate the responsibility of the Vendor for the acts, omissions, nonfeasance, malfeasance, or misfeasance of any and all subcontractors.

#### **4.16 DRUG-FREE WORKPLACE**

The Vendor agrees to comply with all applicable state and federal laws regarding a drug-free workplace. The Vendor shall make a good faith effort to ensure that all of its employees, if working on state property, will not purchase, use or possess illegal drugs or alcohol or abuse prescription drugs in any way.

#### **4.17 INTELLECTUAL PROPERTY & CONFIDENTIALITY**

All materials, surveys, analysis, reports, software and documentation developed by the vendor solely in the performance of this contract as "Work Made for Hire " shall become the property of BWC. BWC shall have an unrestricted right to reproduce, distribute, modify, maintain and use the Work Made for Hire, and the vendor shall not obtain copyright, patent or other proprietary protection for these items. The vendor relinquishes any and all copyrights, privileges and proprietary rights to these items. The vendor shall not include in the Work Made for Hire any copyrighted matter, unless the copyright owner gives prior written approval to such copyrighted matter provided herein.

The vendor promises not to copy, retain, disclose, publish, or communicate BWC's confidential information. The Vendor promises to use confidential BWC information only for the purpose of performing work under the Agreement resulting from this RFP and to maintain the confidentiality of BWC information in the same manner as the Vendor maintains the confidentiality of its own confidential information.

#### **4.18 OHIO ELECTIONS LAW**

Vendor hereby certifies that no applicable party listed in Divisions (I), (J), (Y) and (Z) of O.R.C. Section 3517.13 has made contributions in excess of the limitations specified under Divisions (I), (J), (Y) and (Z) of O.R.C. Section 3517.13.

#### **4.19 UNRESOLVED FINDING FOR RECOVERY**

By signing the contract, the selected vendor affirmatively represents and warrants that it is not subject to any unresolved finding for recovery issued by the Auditor of State within the meaning of Ohio Revised Code Section 9.24, or that it has taken the appropriate remedial steps required under Section 9.24 or otherwise qualifies under that section. The Vendor agrees that if this representation and warranty is deemed to be false, the contract shall be declared "void ab initio" as between the parties to this contract and BWC will not pay for any services rendered or goods delivered under the contract. Immediately upon such declaration, any funds paid under this contract shall be immediately repaid by the vendor to BWC or an action for recovery of such payments from the vendor may result.

#### **4.20 CONTRACTOR DISCLOSURE; LOCATION OF SERVICES, DATA.**

As part of this Agreement, the Vendor shall disclose the following information:

- (1) the location(s) where all services will be performed;
- (2) the location(s) where any state data applicable to the contract will be maintained or made available; and
- (3) the principal location of business for the vendor and all subcontractors.

The vendor shall not, during the performance of this Agreement, change the location(s) of the country where the services are performed or change the locations(s) of the country where the data is maintained or made available without prior written approval of the state.

#### **4.21 DECLARATION REGARDING MATERIAL ASSISTANCE / NON-ASSISTANCE TO A TERRORIST ORGANIZATION**

The Vendor must complete the Declaration Regarding Material Assistance/Non- Assistance to a Terrorist Organization (DMA) certification as required by the Ohio Department of Public Safety/Ohio Homeland Security. Vendors are required to register at the Ohio Business Gateway, <http://obg.ohio.gov/> to certify that the Vendor does not provide material assistance to any organization on the United States, Department of State's terrorist exclusion list. The completion of this certification is considered a Condition Precedent for Execution of a Contract. Failure to complete the certification may result in the bidder being deemed not responsive and/or may invalidate any Contract award. The current Terrorist Exclusion List can be found on this website:

[http://www.publicsafety.ohio.gov/links/terrorist\\_exclusion\\_list.pdf](http://www.publicsafety.ohio.gov/links/terrorist_exclusion_list.pdf)

#### **4.22 DEBARMENT**

Vendor represents and warrants that it is not debarred from consideration for contract awards by the Director of the Department of Administrative Services, pursuant to either Ohio Revised Code Section 153.02 or Ohio Revised Code Section 125.25. If this representation and warranty is found to be false, this Agreement will be declared "void ab initio" and Vendor shall immediately repay to BWC any funds paid under this Agreement.

### **5.0 SCOPE OF SERVICES**

#### **5.1 QUALIFICATIONS**

The selected vendor shall:

1. Possess and provide documentation of at least five years' experience in developing and maintaining financial analysis tools which calculate credit scores and expected default rates.

2. Possess and propose a system which will allow BWC to evaluate the financial worthiness of applicant employers to participate in various alternative workers' compensation rating programs.
3. Provide at least three references of clients who have utilized the vendor's financial analysis tools during the past five years.

## **5.2 REQUIREMENTS**

The selected vendor's system shall:

1. Calculate a credit score and expected default rate for employers with publicly available financial information. Please provide a timeframe as to how often credit scores, default rates, and other pertinent financial rating updates are made to the system.
2. Provide automatic alerts to BWC when there are updates to the financial statements of BWC customers with publicly available financial statements.
3. Provide functionality for BWC to enter financial information and calculate a credit score and expected default rate for employers whose financial statements are not publicly available.
4. Protect the confidentiality of financial information for employers whose financial information is not publicly available.
5. Provide supporting information for how the credit score and expected default rate are calculated.
6. Provide the ability to compare employer ratings against industry standards.
7. Facilitate an approximate range of 2,000 to 5,000 employer queries by BWC annually.

## **5.3 DELIVERABLES**

The selected vendor shall:

1. Upon award of the contract by BWC, provide access to the vendor's system meeting the above requirements for the specified term of the contract.

## **6.0 PROPOSAL**

To be considered, Vendors must submit a complete, signed and sealed response to this Request for Proposal in accordance with Section 3.3 of this RFP. All FIVE (5) hard copies and two (2) electronic copies of the proposal must be marked "Ohio Bureau of Workers' Compensation BID No. BWCB10004 — Employer Financial Analysis Tools" on the outside of the envelope, and must be received on or before 2:00 P.M. ET on Tuesday, April 6, 2010. Proposals must be signed by an official authorized to bind the Vendor. No faxed or electronically mailed copies will be accepted.

Any proposal received after the specified time, or improperly marked, prepared or submitted will not be eligible for consideration and will be rejected. Proposals that do not comply with all of the requirements of this RFP shall be rejected as non-responsive. The proposal must remain valid for the term of the proposed contract, and this validity statement must also appear in the response.

All proposals submitted in response to this RFP will become the property of BWC and are subject to the Ohio Public Records Law. As a public record, all proposals will be available to the public for inspection unless subject to a statutory exception from the Ohio Public Records Law.

All material submitted becomes the property of BWC and may be returned only at BWC's option. BWC reserves the right to use any or all ideas presented in response to this Request for Proposals. Selection or rejection of any given proposal does not affect this right.

BWC is not liable for any cost incurred by a Vendor in the preparation and submission of any proposal, or in anticipation of the award of a contract. Moreover, BWC is not liable for any cost incurred by any Vendor prior to the execution of a contract.

A respondent to this Request for Proposals must include in its proposal sufficient information to permit BWC to effectively evaluate its qualifications. At a minimum, the following information must be submitted:

#### **6.1 COVER LETTER**

A cover letter in the form of a standard business letter that shall be signed by an individual authorized to legally bind the Vendor must be provided. The letter shall provide the name, telephone number and e-mail address of a contact person with authority to answer questions regarding the proposal. The letter shall also provide a statement that the proposal remains valid for the term of the proposed contract.

#### **6.2 EXPERIENCE**

The Vendor must submit documentation of the Vendor having at least five (5) years experience in providing financial analysis tools. The Vendor must submit documentation about the size of the Vendor, including the number of persons employed and the number of persons involved in updating and maintaining the proposed system as well as their individual time commitments and relevant experience.

#### **6.3 REFERENCES**

The Vendor must provide at least three (3) references for which the Vendor has provided financial analysis tools which BWC can contact. Workers' compensation clients are preferred but not mandatory.

#### **6.4 CONFLICTS OF INTEREST**

The Vendor must describe how it avoids conflicts of interest or the appearance of a conflict of interest. The Vendor must present a statement that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict, in any manner or degree, with the performance of services that are required to be performed under the contract. The Vendor must affirm that no person having such interest shall be employed in the performance of the contract. The Vendor shall likewise advise BWC in the event it acquires such interest during the course of the contract.

The Vendor must present a statement with the submission of a proposal that it agrees to adhere to all ethics laws contained in Chapters 102 and 2921 of the Ohio Revised Code governing ethical behavior, understands that such provisions apply to persons doing or seeking to do business with BWC, and agrees to act in accordance with the requirements of such provisions; and warrants that it has not paid and will not pay, has not given and will not give, any remuneration or thing of value directly or indirectly to BWC or any of its board members, officers, employees, or agents, or any third party in any of the engagements of this Agreement or otherwise, including, but not limited to a finder's fee, cash solicitation fee, or a fee for consulting, lobbying or otherwise.

In accordance with Executive Order 2007-01S, Vendor or Grantee, by signature on this document, certifies: (1) it has reviewed and understands Executive Order 2007-01S, (2) has reviewed and understands the Ohio ethics and conflict of interest laws, and (3) will take no action inconsistent with those laws and this order. The Vendor or Grantee understands that failure to

comply with Executive Order 2007-01S is, in itself, grounds for termination of this contract or grant and may result in the loss of other contracts or grants with the State of Ohio.

## **6.5 DISCLOSURE STATEMENT**

The Vendor must provide a completed IRS Form W-9 and a disclosure statement concerning its organizational structure, including subsidiary or parent corporations and/or organization and ownership information.

## **6.6 CONFIDENTIALITY OF DATA**

The Vendor must describe how it will maintain the confidentiality and security of BWC data supplied to the Vendor to carry out its responsibilities under this proposal. The Vendor must also identify how the data will be destroyed upon termination of the agreement.

## **6.7 COST/FEE**

The Vendor must describe how it is proposing to be reimbursed for the requested services. The cost amount should be expressed as a fee for the first month (June, 2010) plus an annual fee for access to query an approximate range of 2,000 to 5,000 employers for the initial term of this proposal. The cost amount should also provide an amount for fees related to the potential annual renewal terms.

## **6.8 PROOF OF INSURANCE AND WORKERS' COMPENSATION COVERAGE**

The Vendor shall provide a copy of a current Ohio certificate of workers' compensation coverage, if appropriate, or insurance policy for workers' compensation coverage. The Vendor shall also provide proof of general commercial and professional liability coverage.

## **7.0 PROPOSAL EVALUATION**

### **7.1 BWC SELECTION COMMITTEE**

A selection committee composed of BWC personnel will evaluate the proposals. The composition of the committee will remain consistent for all responses. The selection committee will be responsible for documenting and tabulating the scores for all responses.

### **7.2 EVALUATIONS APPROACH**

BWC's approach to evaluation of responses to this proposal will consist of the following four (4) phases:

- Phase I. Verifies compliance by a respondent to the minimum requirements of the RFP
- Phase II. Evaluates the response based upon a point scale rating of the content, technical requirements and cost of the proposed solution
- Phase III. Demonstrations of the top scoring systems by the top vendors (if requested)
- Phase IV. Minimum one week system trial access period

### **7.3 PHASE I MINIMUM REQUIREMENTS**

The first phase of the evaluation process consists of a review of all proposals received to ensure that each proposal meets the minimum administrative and professional requirements identified below:

### **Administrative Requirements**

1. The Vendor must submit One (1) complete, signed, and sealed original copy; four (4) complete, sealed copies; and two (2) electronic copies on CD of the proposal by the deadline.
2. The Vendor Proposal must include:
  - Cover Letter
  - Proof of five (5) years experience
  - Three (3) references
  - Conflict of interest statement
  - Disclosure Statement
  - Confidentiality of Data Statement
  - Cost/Fee Statement
  - Proof of Insurance and Workers' Compensation Coverage

### **Proposal Rejection Criteria**

The following list details some of the most common submission errors that shall be grounds for rejection of proposal.

- failure to identify RFP Bid Number and description on the outside of the envelope;
- failure to submit One (1) complete, signed, and sealed original copy; four (4) complete, sealed copies; and two (2) electronic copies on CD of the Proposal for evaluation purposes;
- failure to meet the deadline for submission;
- failure to include all administrative requirements with proposal;
- claiming that the entire contents of a Proposal qualifies for an exception to Ohio public records law;
- mailing the Proposal with insufficient postage; and,
- taking exception to mandatory technical terms, conditions, and requirements of the contract

Proposals that have been determined not to have met one or more of the mandatory requirements will be excluded from any further consideration or scoring.

#### **7.4 PHASE II POINT SCALE RATING**

Proposals that have met the minimum requirements will undergo detailed evaluation based upon a point scale rating of the content and technical requirements. A maximum point value has been assigned to each requirement. An evaluator will assign a score, from zero to the maximum score available, depending on the vendor's response to the requirement. The maximum point total for all three categories listed below is 100 points.

<b>Category</b>	<b>Maximum Points</b>
Vendor Experience and Credentials	35
System Capability	55
Cost	10
<b>Total</b>	<b>100</b>

**A. Vendor Experience and Credentials – 35 Points**

A maximum of 35 points will be awarded based on the degree of familiarity or experience with financial analysis packages.

	Maximum Points
1. Vendor provides proof of relevant experience	15
3. Vendor provides adequate number of references to relevant clients	10
4. Vendor provides conflict of interest statement which adequately addresses all apparent concerns	5
5. Vendor submits plan which adequately addresses confidentiality and security of data issues	5

**B. System Capability – 55 Points**

A maximum of 55 points will be awarded based on the capabilities of the system proposed by the vendor. The system will be evaluated for its functionality, ease of use and compliance with the desired deliverables.

	Maximum Points
1. System timely updates credit scores and expected default rates for companies with publicly available financial information.	10
2. System allows for the straightforward entry of financial information for companies that do not have publicly available financial information.	10
3. System provides automatic updates to BWC for BWC customers with publicly available financial information	10
4. Credit scores and expected default rates provided by system are statistically validated and reliable.	10
5. System provides specific detailed rationale for how credit scores and expected default rates are calculated.	10
6. System provides the opportunity to compare an employer's credit score and expected default rate to the average for the employer's industry.	5

**C. Cost – 10 Points**

The evaluation for cost consists of scoring the vendor's proposed cost in relation to the proposed costs for all vendors. The calculation of the points from the cost is as follows:

**Calculation**

$$\frac{\text{Lowest Vendor's Cost}}{\text{Vendor's Cost}} \times 10 = \text{Vendor's Cost Score}$$

**7.5 PHASE III SYSTEM DEMONSTRATIONS**

At BWC's discretion up to five (5) of the top scoring vendors may be invited to provide an internet based system demonstration of the solution they are proposing to the BWC Selection Committee. Each vendor shall have one hour to present to the selection committee. If the selection committee has any specific questions or areas on which they would like the vendor to present, that information shall be shared with the vendors when the presentations are scheduled. This phase of the evaluation shall not be scored, but information provided by the vendors may be used to revise scoring in Phase II.

## **7.6 PHASE IV SYSTEM TRIAL ACCESS PERIOD**

At BWC's discretion up to five (5) of the top scoring vendors may be asked to provide a minimum of one week trial access to the vendor's system allowing for further evaluation of the system. This phase of the evaluation will not be scored, but information regarding system operation may be used to revise scoring in Phase II.

## **7.7 CONTRACT NEGOTIATIONS**

The final phase of the evaluation process may be contract negotiations. Negotiations will be scheduled at BWC's convenience. The selected Vendor(s) are expected to negotiate in good faith.

Negotiations may be conducted with any Vendor who submits a competitive proposal, but BWC may limit discussions to specific aspects of the RFP. Any clarifications, corrections, or negotiated revisions that may occur during the negotiations phase will be reduced to writing and incorporated in the RFP or the Vendor's proposal, as appropriate. Any Vendor whose response continues to be competitive will be accorded fair and equal treatment with respect to any clarification, correction, or revision of the RFP, and will be given the opportunity to negotiate revisions to its proposal based on the amended RFP. Should the evaluation process have resulted in a top-ranked proposal, BWC may limit negotiations to only that Vendor and not hold negotiations with any lower-ranking Vendor. If negotiations are unsuccessful with the top-ranked Vendor, BWC may then go down the line of remaining Vendors, according to rank, and negotiate with the next highest-ranking Vendor. Lower-ranking Vendors do not have a right to participate in negotiations conducted in such a manner.

If BWC decides to negotiate with all the remaining Vendors, or decides that negotiations with the top-ranked Vendor are not satisfactory and negotiates with one or more of the lower-ranking Vendors, BWC will then determine if an adjustment in the ranking of the remaining Vendors is appropriate based on the negotiations. The Contract award, if any, will then be based on the final ranking of Vendors, as adjusted.

Auction techniques that reveal one Vendor's price to another or disclose any other material information derived from competing proposals are prohibited. Any oral modification of a proposal will be reduced to writing by the Vendor as described below.

Following negotiations, BWC may set a date and time for the submission of best and final proposals by the remaining Vendor(s) with which BWC conducted negotiations. If negotiations were limited and all changes were reduced to signed writings during negotiations, BWC need not require the submissions of best and final proposals.

If best and final proposals are required, they may be submitted only once; unless BWC makes a written determination that it is in BWC's interest to conduct additional negotiations. In such cases, BWC may require another submission of best and final proposals. Otherwise, discussion of or changes in the best and final Proposals will not be allowed. If a Vendor does not submit a best and final proposal, the Vendor's previous proposal will be considered the Vendor's best and final proposal.

It is entirely within BWC's discretion whether to permit negotiations. A Vendor must not submit a proposal assuming that there will be an opportunity to negotiate any aspect of the proposal. BWC is free to limit negotiations to particular aspects of any proposal, to limit the Vendors with whom BWC wants to negotiate, and to dispense with negotiations entirely.

BWC generally will not rank negotiations. The negotiations will normally be held to correct deficiencies in the top-scoring Vendor's proposal. If negotiations fail with the top-scoring Vendor, BWC may negotiate with the next Vendor in ranking. Alternatively, BWC may decide that it is in

BWC's interests to negotiate with all the remaining Vendors to determine if negotiations lead to an adjustment in the ranking of the remaining Vendors.

From the opening of the proposals to the award of the Contract, everyone working on behalf of BWC to evaluate the proposals will seek to limit access to information contained in the proposals solely to those people with a need to know the information. They will also seek to keep this information away from other Vendors, and the evaluation committee will not be allowed to tell one Vendor about the contents of another Vendor's proposal in order to gain a negotiating advantage.

Before the award of the Contract or cancellation of the RFP, any Vendor that seeks to gain access to the contents of another Vendor's proposal may be disqualified from further consideration.

Negotiated changes will be reduced to writing and become a part of the Contract file open to inspection to the public. The written changes will be drafted and signed by the Vendor and submitted to BWC within five (5) business days. If BWC accepts the change, BWC will give the Vendor written notice of BWC's acceptance. The negotiated changes to the successful offer will become a part of the Contract.

If a Vendor fails to provide the necessary information for negotiations in a timely manner, or fails to negotiate in good faith, BWC may terminate negotiations with that Vendor.

## **8.0 AWARD OF CONTRACT**

### **8.1 AWARD PROCEDURE**

The overall point score for those proposals scored through all three phases will determine the selected Vendor. All Vendors shall be notified by letter of the selection decision. No information will be released by BWC until the official announcement of the award. All offers tendered in response to this RFP shall remain open for a period of ninety (90) days from the date upon which proposals submitted in response hereto are due.

BWC reserves the right to reject any and all proposals received in response to this RFP. The evaluation committee may waive minor defects that are not material when no prejudice will result to the rights of any other vendors, the public, or BWC.

If BWC awards a contract pursuant to this RFP, and the Vendor is unable or unwilling to perform the work within a reasonable time after the contract award under the terms and conditions of the RFP, BWC reserves the right to deem the inability or unwillingness to perform the work to be a withdrawal of that Vendor's proposal and BWC may evaluate any remaining proposals for award of the contract.

If the selected vendor changes its business organization or identity from that described in its proposal before the contract is signed by both parties or before work pursuant to the contract commences, that change may be deemed a material change in circumstances by BWC (for example, if the vendor was selected based in part on its experience, corporate structure, financial responsibility or conflicts of interest, which factors have changed). BWC may withdraw the contract award or BWC may declare the contract void ab initio and BWC may select the next highest scoring vendor for a contract under this RFP.

### **8.2 CONTRACT EXECUTION**

BWC will provide the successful Vendor a contract for execution based on the draft attached to this RFP. If the Vendor fails to execute such contract within a reasonable time, BWC reserves the right to reject the proposal and award the contract to the next highest scoring Vendor until a contract is negotiated, or BWC decides not to contract.

**SAMPLE – AGREEMENT – SAMPLE**  
Between  
**OHIO BUREAU OF WORKERS' COMPENSATION**  
And  
**NAME OF SELECTED VENDOR**

This is an Agreement by and between NAME OF SELECTED VENDOR, (hereinafter referred to as the "Vendor"), having offices at ADDRESS OF SELECTED VENDOR, and the State of Ohio, Bureau of Workers' Compensation (hereinafter referred to as the "Bureau"), having offices at 30 W. Spring Street, Columbus, Ohio 43215, entered into the day, month, and year set out below.

**Whereas**, the Bureau issued a Request for Proposals ("RFP") # BWCB10004 for Employer Financial Analysis Tools, and the Vendor submitted the best responsive and responsible response to the Request for Proposals;

**Now, therefore**, the parties hereto mutually agree to perform the contract in accordance with the Request for Proposals and the Vendor's Proposal, which are hereby incorporated by reference as if fully rewritten. Furthermore the parties agree that if there is any conflict between the Request for Proposals and the Vendor's Proposal, the Request for Proposals controls.

**CONDITIONS PRECEDENT:** The parties agree that as a condition precedent, any applicable approvals of the Office of Budget and Management must be given before obligations under this Agreement commence. All provisions of the Contract are subject to appropriation and terminate, unless renewed, at the end of the State of Ohio biennium budget period, to wit: the 30<sup>th</sup> day of June of each odd-numbered year.

**TERM AND RENEWAL:** The parties agree that all services promised to be performed pursuant to this Agreement shall commence on June 1, 2010, contingent upon compliance with any and all conditions precedent as provided for herein, and shall be completed by June 30, 2011 unless modified by mutual agreement of the parties.

The Agreement can be renewed for two (2) additional one year periods at the sole and exclusive option of the Bureau. If renewed, the Agreement automatically terminates at the end of each biennial appropriation period unless renewed in accordance with the policies of Ohio's Office of Budget and Management.

**OHIO ELECTIONS LAW:** Contractor hereby certifies that no applicable party listed in Divisions (I), (J), (Y) and (Z) of O.R.C. Section 3517.13 has made contributions in excess of the limitations specified under Divisions (I), (J), (Y) and (Z) of O.R.C. Section 3517.13.

**CONFLICTS OF INTEREST AND ETHICS COMPLIANCE CERTIFICATION:** Contractor affirms that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict, in any manner or degree, with the performance of services which are required to be performed under any resulting Contract. In addition, Contractor affirms that a person who is or may become an agent of Contractor, not having such interest upon execution of this Contract shall likewise advise the Bureau in the event it acquires such interest during the course of this Contract.

Contractor agrees to adhere to all ethics laws contained in Chapters 102 and 2921 of the Ohio Revised Code governing ethical behavior, understands that such provisions apply to persons doing or seeking to do business with the Bureau, and agrees to act in accordance with the requirements of such provisions; and warrants that it has not paid and will not pay, has not given and will not give, any remuneration or thing of value directly or indirectly to the Bureau or any of its board members, officers, employees, or agents, or any third party in any of the engagements

of this Agreement or otherwise, including, but not limited to a finder's fee, cash solicitation fee, or a fee for consulting, lobbying or otherwise.

In accordance with Executive Order 2007-01S, Vendor or Grantee, by signature on this document, certifies: (1) it has reviewed and understands Executive Order 2007-01S, (2) has reviewed and understands the Ohio ethics and conflict of interest laws, and (3) will take no action inconsistent with those laws and this order. The Vendor or Grantee understands that failure to comply with Executive Order 2007-01S is, in itself, grounds for termination of this contract or grant and may result in the loss of other contracts or grants with the State of Ohio.

\_\_\_\_\_  
**NAME OF SELECTED VENDOR**

Tax ID # \_\_\_\_\_

BWC Risk # \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Title

\_\_\_\_\_  
Date

**STATE OF OHIO, BUREAU OF  
WORKERS' COMPENSATION**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Title

\_\_\_\_\_  
Date

name.doc  
dept  
date