

REQUEST FOR PROPOSALS  
ADDENDUM # 3

ISSUED: October 16, 2008

RFP NUMBER: CSP902409  
INDEX NUMBER: DAS071K  
UNSPSC CODE: 84131500

The state of Ohio, through the Department of Administrative Services, Office of Procurement Services, for the Department of Administrative Services, Office of Risk Management, is requesting proposals for:

**Property and Casualty Insurance, Broker of Record, for the State of Ohio**

Reason for Addendum: This Addendum is issued to notify potential offerors of changes to the revision date from 2009 to 2008 and other grammatical corrections. Please replace pages 1, 2, 6, 10, 11, 21, 23, 26 with the attached pages.

PROPOSAL DUE DATE: November 14, 2008 at 1:00 p.m.

OPENING LOCATION: Department of Administrative Services  
Office of Procurement Services  
4200 Surface Rd.  
Columbus, OH 43228-1395

REQUEST FOR PROPOSALS

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INDEX NUMBER: DAS071K  
UNSPSC CATEGORY: 84131500

The State of Ohio, through the Department of Administrative Services, Office of Procurement Services, on behalf of the Department of Administrative Services, Office of Risk management, is requesting proposals for:

Property and Casualty Insurance, Broker of Record, for the State of Ohio

RFP ISSUED: September 19, 2008  
INQUIRY PERIOD BEGINS: September 19, 2008  
PRE-PROPOSAL CONFERENCE: September 26, 2008  
INQUIRY PERIOD ENDS: October 31, 2008 at 8:00 A.M.  
PROPOSAL DUE DATE: November 14, 2008 by 1:00 P.M.

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

OPENING LOCATION: Department of Administrative Services  
Office of Procurement Services  
4200 Surface Road  
Columbus, OH 43228-1395

\*This RFP consists of five (5) parts and 11 attachments, totaling 55 consecutively numbered pages. Please verify that you have a complete copy.

\*Change revision date to 10/16/08. Please insure all pages show 2008.

PART ONE: EXECUTIVE SUMMARY

\*PURPOSE. This is a Request for Competitive Sealed Proposals (RFP) under Section 125.071 of the Ohio Revised Code (the Revised Code) and Section 123:5-1-08 of the Ohio Administrative Code (the Ohio Administrative Code). The Ohio Department of Administrative Services, Office of Risk Management (ORM), has asked the Department of Administrative Services (DAS), Office of Procurement Services to solicit competitive sealed proposals (Proposals) for Property and Casualty Insurance, Broker of Record, for the state of Ohio, and this RFP is the result of that request. If a suitable offer is made in response to this RFP, the state of Ohio (State), through DAS, may enter into a contract (the Contract) to have the selected Offeror (the Contractor) perform all or part of the Project. This RFP provides details on what is required to submit a Proposal for the Work, how the State will evaluate the Proposals, and what will be required of the Contractor in performing the Work.

This RFP also gives the estimated dates for the various events in the submission process, selection process, and performance of the Work. While these dates are subject to change, prospective Offerors must be prepared to meet them as they currently stand.

Once awarded, the initial term of the Contract will be from the award date through June 30, 2010. The State may renew all or part of this Contract subject to the satisfactory performance of the Contractor and the needs of the agency. The State's decision to exercise renewal of the Contract is subject to the discretionary decision of the Ohio General Assembly to enact authorizing legislation and to appropriate funds for this Contract in each new biennium, and, as necessary, for the Governor to issue an executive order authorizing an extension of the program. The State may renew the Contract for three (3) additional one-year periods.

Any failure to meet a deadline in the submission or evaluation phases and any objection to the dates for performance of the Project may result in the State refusing to consider the Proposal of the Offeror.

\*BACKGROUND. The state of Ohio is seeking a property & casualty insurance Broker of Record (BOR) for the State to market and place existing and emerging insurance programs, including the creation of alternative risk financing and/or integrated programs to supplement or replace existing programs by creating a comprehensive risk management coverage plan and support the ORM with removing silos of risk.

Authority for the State's insurance, self-insurance, and risk management programs covered by this RFP is found in Ohio Revised Code Sections 9.82, 9.821, 9.822, 9.823, and 9.83.

The State of Ohio is a diverse government organization, comprised of over 90 agencies, performing a wide range of functions and operations, with an overall annual budget of \$26 billion and approximately 55,000 employees serving over 11 million residents of the State.

\*The state currently has a blend of insurance policies covering real and personal property, inland marine, auto physical damage and general liability insurance. The state also has individual policies covering special agency needs, such as directors & officers liability and fiduciary liability.

The following information is a summary of policies placed through ORM. Once the Proposal is awarded, the successful Offeror will receive a full copy of all policy information and actuarial reports.

Vehicle Liability. Fully self-insured by the State through the risk management reserve fund. Coverage is continuous with a \$2,000,000 per occurrence limit of liability. Coverage extends to over 17,000 licensed and off-road self-propelled vehicles, including emergency and law enforcement vehicles.

Property Insurance. The State purchases a policy with a \$250,000,000 limit of liability with a \$100,000 per occurrence deductible. Once the Contract is awarded, the selected BOR will receive the property inventory/statement of values (SOV).

Public Employee Dishonesty & Faithful Performance of Duty. Privately insured with a \$250,000 limit of liability, subject to a \$5,000 per occurrence deductible.

OTHER COVERAGES. When requested by State agencies, ORM purchases other coverage's through various agents and brokers. Attached is a list of the policies, along with the scope of coverage. It is ORM's goal to consolidate and significantly reduce the number of policies. The BOR will have the responsibility to recommend the most efficient and cost effective manner to consolidate coverages, including self-insuring, Self-Insured Retention (SIR) and purchase of excess coverage, and alternative risk financing options. A summary of all policies will be available at the pre-proposal conference.

PROJECT OBJECTIVE. The intent of this Proposal is to contract with the most experienced and qualified firm to provide BOR services and assist the ORM in fulfilling its critical role of providing proper protection of the state assets and activities on behalf of our citizens and taxpayers. Current conditions dictate that the successful Offeror may be tasked to market and replace certain existing policies and bonds immediately following the award.

\*Change capital s in state to lower case.

### PART THREE: GENERAL INSTRUCTIONS

The following sections provide details on how to get more information about this RFP and how to respond to this RFP. All responses must be complete and in the prescribed format.

CONTACTS. The following person will represent the State:

Ross A. Leider, CPPB  
Ohio Department of Administrative Services  
Office of Procurement Services  
4200 Surface Road  
Columbus, Ohio 43228-1395

During the performance of the Work, a State representative (the "Agency Project Representative") will represent the Agency and be the primary contact for matters relating to the Work. The Agency Project Representative will be designated in writing after the Contract award.

INQUIRIES. Offerors may make inquiries regarding this RFP any time during the inquiry period listed in the Calendar of Events. To make an inquiry, 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 "CSP")
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.

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 "CSP")
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.

The State will try to respond to all inquiries within 48 hours of receipt, excluding weekends and State holidays. The State 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, the State will use its discretion in deciding whether to provide answers as part of this RFP process.

The State 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.

\*Change the word not from capitalized to lower case.

The evaluation will result in a point total being calculated for each Proposal. At the sole discretion of the State, any Proposal, in which the Offeror received a significant number of zeros for sections in the technical portions of the evaluation, may be rejected. Those Offerors submitting the highest-rated Proposals may be scheduled for the next phase. The number of Proposals forwarded to the next phase will be within the committee's discretion, but regardless of the number of Proposals selected for the next phase, they will always be the highest rated Proposals from this phase.

At any time during this phase, the State may ask an Offeror to correct, revise, or clarify any portion(s) of its Proposal.

The evaluation committee will document all major decisions in writing and make these a part of the Contract file along with the evaluation results for each Proposal considered.

**PROPOSAL EVALUATION CRITERIA.**

**MANDATORY REQUIREMENTS.** In the proposal evaluation phase, the committee will rate the Proposals submitted in response to this RFP based on the following criteria and the weight assigned to each criterion. If the Offeror meets the mandatory requirements in the Table 1, the Offeror's Proposal will be included in the next part of this evaluation phase in Table 2.

In the event of a case where no Proposal meets all the mandatory requirements, it may be that an upper ranking Proposal contains a failure to meet a mandatory requirement that the State believes is critical to the success of the RFP's objectives. When this is so, the State may reject that Proposal and consider lower ranking Proposals. Before doing so, the State must notify the Offeror of the situation and give the Offeror an opportunity to cure the critical mandatory requirement.

If the Offeror cures its failure to meet a critical mandatory requirement, its Proposal will continue to be considered. If the Offeror is unwilling or unable to cure the failure, its Proposal may be rejected. The State then may continue to consider the other remaining Proposals including, if the State so chooses, proposals that ranked lower than the rejected Proposal.

**\*TABLE 1 – MANDATORY REQUIREMENTS**

<b>MANDATORY REQUIREMENTS</b>	<b>ACCEPT</b>	<b>REJECT</b>
1. The Offeror must be a properly licensed insurance broker licensed in the state of Ohio.		
2. The Offeror must have a minimum of ten (10) years experience as a commercial property & casualty insurance broker specializing in municipal or public accounts.		
3. The Offeror must have a minimum of ten (10) years experience in major account management, reinsurance, alternative risk financing, and integrated insurance programs.		

**TECHNICAL REQUIREMENTS, EVALUATION AND SCORING**

Does Not Meet	Weak	Moderate	Meets	Strong	Greatly Exceeds
0 Points	1 Points	2 Points	3 Points	4 Points	5 Points

The scale below (0-5) will be used to rate each proposal on the criteria listed in Table 2.

The Evaluation Committee will rank the Proposals by multiplying the score received in each category by its assigned weight and add all categories together for the Offeror's total technical score. Representative numerical values are defined as follows:

Does Not Meet (0) – Proposal does not comply substantially with requirements.

Weak (1) – Response was poor related to meeting the objectives.

Moderate (2) - Proposal meets most requirements, and any weaknesses or deviations from requirements are minor, acceptable and may be readily corrected or minimized in terms of material impact.

Meets (3) – Proposal generally meets the objectives (or expectations).

\*Change First Table to Table 1.

Strong (4) – Proposal exceeds objectives (or expectations) in ways that are beneficial to the State and meets objectives (or expectations) and contains at least one enhancing feature that provides some benefit to the State. Weaknesses are minor and are more than offset by the enhancing feature.

Greatly Exceeds (5) – Proposal significantly exceeds objectives (or expectations) in ways that provide tangible benefits or meets objectives (or expectations) and contains at least one enhancing feature that provides significant benefits.

**TABLE 2 – TECHNICAL PROPOSAL EVALUATION**

CRITERION	WEIGHT	RATING (0 -5)
<b>Offer Profile</b>		
1. If the Offeror is representing a regional or national insurance brokerage firm, or represents a firm with more than one location, describe the coordination of services. Also, describe the financial structure and arrangements among the offices. The Offeror must disclose if each office is an individual profit center, or if a formal arrangement exists and how compensation is distributed.	5	
2. The Offeror will describe in detail experience providing insurance and risk management services to large governmental entities.	10	
3. The Offeror will describe in detail experience providing insurance and risk management services to large private/non-governmental companies.	10	
4. The Offeror will describe in detail experience working with major property/casualty insurance and reinsurance companies.	10	
5. The Offeror will describe in detail experience developing and implementing alternative risk financing programs, including integrated programs.	5	
6. The Offeror will provide a comprehensive list of public entity customers of similar scope or comparable nature that have been successfully undertaken by the Offeror. Provide a name, address, and telephone number of a reference for each customer listed. If you are a regional or national brokerage firm and have other state business or property insurance programs, list the state and the office location placing coverage. However, if your office did not actually place the coverage, do not list it as a customer of similar scope or comparable nature.	10	
7. The Offeror will provide a comprehensive list of private/non-government customers of similar scope (alternative risk programs or integrated insurance programs) or comparable nature that have been successfully undertaken by the Offeror. Provide a name, address, and telephone number of a reference for each customer listed.	10	
8. If the Offeror plans to use a wholesale, Excess and Surplus (E&S) broker, please identify the firms and explain why it would be necessary to use them. Also, describe why this would be advantageous to the state.	5	
9. *If another person or office outside of the state of Ohio or the Offerors office will market the coverage, identify the city, state, the individuals, and their qualifications. (Document in tab 1)	0	0 Point Value
<b>Staffing Plan</b>		
10. The Offeror must provide a team organizational chart identifying primary contact and support staff and matching each team member to the staffing requirements that will service the Office of Risk Management. The Offeror must list their qualification, experience and area of expertise.	5	
11. The Offer will identify the loss control staff that are available to conduct inspections, replacement cost evaluations/appraisals and other value added services. The Offeror must list their qualification, experience, and area of expertise.	5	

\*Change capital s in state to lower case.

3. Offeror Disclosure of Location of Services and Data.

As part of the Proposal, the Offeror must disclose the following:

- a. The location(s) where all services will be performed;
- b. The location(s) where any state data applicable to the contract will be maintained or made available; and
- c. The principal location of business for the Contractor and all subcontractors.

During the performance of the Contract, the Offeror must not change the location(s) of the country where the services are performed or change the location(s) of the country where the data are maintained or made available without prior written approval of the Department of Administrative Services.

4. Signed Contracts. The Offeror must provide two (2) originally signed, blue ink copies of the included Contract, Attachment Four (4). Offeror must complete, sign and date both copies of the Contract and include it with their Proposal.
5. Offeror Profile and Prior Projects. Each Proposal must include a profile of the Offeror's capability, capacity, and relevant experience working on projects similar to this Work. The profile must also include the Offeror's legal name; address; telephone number; fax number; e-mail address; home office location; date established; ownership (such as public firm, partnership, or subsidiary); firm leadership (such as corporate officers or partners); number of employees; number of employees engaged in tasks directly related to the Work; and any other background information that will help the State gauge the ability of the Offeror to fulfill the obligations of the Contract. The financial stability of the company should also be described and is considered a necessary component of this portion of the Proposal's response. This RFP includes Offeror Profile Summary Form as Attachment Five A which must be completed for the Offeror. The Offeror must use this form and fill it out completely to provide the Offeror requirement information.

The Offeror shall also provide information on the firm's background as well as evidence that it has in place the personnel, internal procedures, and any other resources required under the terms of the Contract to ensure successful performance and contract compliance. Offerors must describe current operational capacity of the organization and the Offeror's ability to absorb the additional workload resulting from this Project. Failure to recreate the form accurately to include all fields, may lead to the rejection of the Offeror's Proposal.

This RFP also includes three (3) Offeror Profile Prior Project Forms as Attachments Five B, C and D which must be filled out to describe prior completed projects similar to this Work. The Offeror must use these forms and fill them out completely to provide the Offeror requirement information. Failure to recreate the form accurately to include all fields, may lead to the rejection of the Offeror's Proposal.

6. Offeror References. The Offeror must include a minimum of three (3) references for organizations and/or clients for whom the Offeror has successfully provided services on projects that were similar in their nature, size, and scope to the Work. These references must relate to work that was completed within the past five (5) years. This RFP includes an Offeror Reference Form as Attachment Six. Failure to recreate the form accurately may lead to the rejection of the Offeror's Proposal.

The State does not assume that since the experience requirement is provided at the top of the page that all descriptions on that page relate to that requirement. Offerors must reiterate the experience being described, including the capacity in which the experience was performed and the role of the Offeror on the Project. It is the Offeror's responsibility to customize the description to clearly substantiate the qualification. Previous experience must include the conduct, management, and coordination of projects. Incumbents must ensure specifics are addressed. Evaluations will not be based on intrinsic knowledge of evaluation committee members.

The description of the related service shows the Offeror's experience, capability, and capacity to develop this Project's deliverables and/or to achieve this Project's milestones. Details such as the size of the contracting organizations, duration of involvement, level of responsibility, significant accomplishments, as well as a thorough description of the nature of the experience will be required for appropriate evaluation by the committee.

- a. \*Contact Information. The contact name, title, phone number, e-mail address, company name, and mailing address must be completely filled out. If the primary contact cannot be reached, the same information must be included for an alternate contact in lieu of the primary contact. Failure to provide requested contact information may result in the State not including the reference in the evaluation process.
- b. Project Name. The name of the project where the mandatory experience was obtained and/or service was provided.
- c. Dates of Experience. Must be completed to show the length of time the Offeror performed the experience being described, not the length of time the Offeror was engaged for the reference. The Offeror must complete these dates with a beginning month and year and an ending month and year.

\*Change paragraph 6 a. font size to Arial 9.

One of the criteria on which the State may base the award of the Contract is the quality of the Offeror's Work Team. Switching personnel after the award will not be accepted without due consideration. The Offeror must propose a Work Team that collectively meets all the requirements in this RFP. Additionally, each team member may have mandatory requirements listed in this RFP that the team member must individually meet. All candidates proposed must meet the technical experience for the candidate's position and be named.

9. Work Plan. Offeror must fully describe its current capacity, approach, methods, and specific work steps for doing the Work on this Project. The State encourages responses that demonstrate a thorough understanding of the nature of the Project and what the Contractor must do to complete the Project satisfactorily. To this end, the Offeror must submit for this section of the Proposal the Project plan that will be used to create a consistent, coherent management plan of action that will be used to guide the Project. The Project plan should include detail sufficient to give the State an understanding of the Offeror's knowledge and approach.

The State seeks insightful responses that describe proven state-of-the-art methods. Recommended solutions should demonstrate that the Offeror would be prepared to immediately undertake and successfully complete the required tasks. The Offeror's Work Plan should clearly and specifically identify key personnel assignments. (NOTE: The staffing plan should be consistent with the Work plans).

Additionally, the Offeror should address potential problem areas, recommended solutions to the problem areas, and any assumptions used in developing those solutions.

10. Support Requirements. The Offeror must describe the support it wants from the State other than what the State has offered in this RFP. Specifically, the Offeror should address the following:
- a. Nature and extent of State support required in terms of staff roles, percentage of time available, etc.;
  - b. Assistance from State staff and the experience/qualification level required; and
  - c. Other support requirements.

The State may not be able or willing to provide the additional support the Offeror lists in this part of its Proposal. The Offeror must therefore indicate whether its request for additional support is a requirement for its performance. If any part of the list is a requirement, the State may reject the Offeror's Proposal if the State is unwilling or unable to meet the requirements.

11. Proposal Guarantee/Performance Bond. – Not Required.
12. \*Conflict of Interest Statement. Each Proposal must include a statement indicating whether the Offeror or any people that may work on the Project through the Offeror have a possible conflict of interest (e.g., employed by the state of Ohio, etc.) and, if so, the nature of that conflict. The State has the right to reject a Proposal in which a conflict is disclosed or cancel the Contract if any interest is later discovered that could give the appearance of a conflict.
13. Assumptions. The Offeror must provide a comprehensive listing of any and all of the assumptions that were made in preparing the proposal. If any assumption is unacceptable to the State, it may be cause for rejection of the Proposal. No assumptions shall be included regarding negotiation, terms and conditions, and requirements.
14. Proof of Insurance. In this section, the Offeror must provide the certificate of insurance required by the General Terms & Conditions, Attachment Three, Part Two. The policy may be written on an occurrence or claims made basis.
15. Payment Address. The Offeror must give the address to which payments to the Offeror will be sent. DAS requires a 30-day notice to change the "bill to address".
16. Contract Performance. The Offeror must complete Attachment 8, Offeror Performance Form.
17. W-9 Form and Additional Vendor Information Form. The Offeror must complete Federal Form W-9, Request for Taxpayer Identification Number and Certification form and the Vendor Information Form (OBM-3456) in their entirety. At least one (1) original of each (signed in blue ink) must be submitted. All other copies of a Proposal may contain copies of these forms. Please indicate on the outside of the binder which Proposal contains the original, blue ink signature. If a

subsidiary company is involved, Offerors must have an original W-9 and OBM-3456 for both the parent and subsidiary companies. These documents and directions can be found on the OBM Web site at <http://www.obm.ohio.gov/forms>

\*Change capital s in state to lower case.

COMPENSATION. In consideration of the Contractor's promises and satisfactory performance, the State will pay the Contractor the amount(s) identified in the RFP (the "Fee"), plus any other expenses identified as reimbursable in the RFP. In no event will payments under this Contract exceed the "not-to-exceed" amount in the RFP without the prior, written approval of the State and, when required, the Ohio Controlling Board and any other source of funding. The Contractor's right to the Fee is contingent on the complete and satisfactory performance of the Project or, in the case of milestone payments or periodic payments of an hourly, daily, weekly, monthly, or annual rate, all relevant parts of the Project tied to the applicable milestone or period. Payment of the Fee is also contingent on the Contractor delivering a proper invoice and any other documents required by the RFP.

The Contractor will send all invoices under this Contract to the "bill to" address in the RFP or in the applicable purchase order.

The State will pay the Contractor interest on any late payment as provided in Section 126.30 of the Ohio Revised Code (the "Revised Code"). If the State disputes a payment for anything covered by an invoice, within 15 business days after receipt of that invoice, the State will notify the Contractor, in writing, stating the grounds for the dispute. The State may then deduct the disputed amount from its payment as a non-exclusive remedy. If, in the opinion of the State, a material breach has occurred by the Contractor, the State retains the right to withhold payment from the Contractor. Both parties agree that an attempt at resolution of any claims or material breach or disputes will first be made jointly by the Contractor Project Manager, the Contractor Project Principal, the Agency Project Representative and the State Procurement Administrator. If, within 30 calendar days following the above notification, the claim or dispute has not been resolved, only then will it be submitted to non-binding mediation (pursuant to the rules as stipulated by the American Arbitration Association). A claim or dispute must be submitted to non-binding mediation prior to the initiation of any formal legal process. The State will consult with the Contractor as early as reasonably possible about the nature of the claim or dispute and the amount of payment affected. When the Contractor has resolved the matter to the State's satisfaction, the State will pay the disputed amount within 30 business days after the matter is resolved. No payments are required to be made by the State until the matter is resolved.

If the State has already paid the Contractor on an invoice but later disputes the amount covered by the invoice, and if the Contractor fails to correct the problem within 30 calendar days after written notice, the Contractor will reimburse the State for that amount at the end of the 30 calendar days as a non-exclusive remedy for the State. On written request from the Contractor, the State will provide reasonable assistance in determining the nature of the problem by giving the Contractor reasonable access to the State's facilities and any information the State has regarding the problem.

REIMBURSABLE EXPENSES. The State will pay all reimbursable expenses identified in the RFP, if any, in accordance with the terms in the RFP and, where applicable, Section 126.31 of the Revised Code. The Contractor will assume all expenses that it incurs in the performance of this Contract that are not identified as reimbursable in the RFP.

In making any reimbursable expenditure, the Contractor will always comply with the more restrictive of its own, then-current internal policies for making such expenditures or with the State's then-current policies. All reimbursable travel will require the advance written approval of the State's Agency Project Representative. All reimbursable expenses will be billed monthly and paid by the State within 30 business days of receiving the Contractor's invoice.

CERTIFICATION OF FUNDS. None of the rights, duties, or obligations in this Contract will be binding on the State, and the Contractor will not begin its performance, until all the following conditions have been met:

1. All statutory provisions under the Revised Code, including Section 126.07, have been met.
2. All necessary funds are made available by the appropriate state agencies.
3. \*If required, approval of this Contract is given by the Ohio Controlling Board.

If the State is relying on Federal or third-party funds for this Contract, the State gives the Contractor written notice that such funds have been made available.

EMPLOYMENT TAXES. Each party will be solely responsible for reporting, withholding, and paying all employment related taxes, payments, and withholdings for its own personnel, including, but not limited to, Federal, state and local income taxes, social security, unemployment or disability deductions, withholdings, and payments (together with any interest and penalties not disputed with the appropriate taxing authority). All people the Contractor provides to the State under this Contract will be deemed employees of the Contractor for purposes of withholdings, taxes, and other deductions or contributions required under the law.

SALES, USE, EXCISE, AND PROPERTY TAXES. The State is exempt from any sales, use, excise, and property tax. To the extent sales, use, excise, or any similar tax is imposed on the Contractor in connection with the Project, such will be the sole and exclusive responsibility of the Contractor. The Contractor will pay such taxes, together with any interest and penalties not disputed with the appropriate taxing authority, whether they are imposed at the time the services are rendered or at a later time.

\* Change the Controlling Board of Ohio to the Ohio Controlling Board.