

State of Arkansas
OFFICE OF STATE PROCUREMENT
1509 West Seventh Street, Room 300
Little Rock, Arkansas 72201-4222

REQUEST FOR PROPOSAL

Bid Number: SP-09-0337

Buyer: Rick Smith

Commodity: Actuarial Service

Bid Opening Date: July 29, 2009

Date: 6/01/09

Bid Opening Time: 2:00 PM CDT

PROPOSALS WILL BE ACCEPTED UNTIL THE TIME AND DATE SPECIFIED ABOVE. THE PROPOSAL ENVELOPE MUST BE SEALED AND SHOULD BE PROPERLY MARKED WITH THE PROPOSAL NUMBER, DATE AND HOUR OF PROPOSAL OPENING AND VENDOR'S RETURN ADDRESS. IT IS NOT NECESSARY TO RETURN "NO BIDS" TO THE OFFICE OF STATE PROCUREMENT.

Vendors are responsible for delivery of their proposal documents to the Office of State Procurement prior to the scheduled time for opening of the particular proposal. When appropriate, vendors should consult with delivery providers to determine whether the proposal documents will be delivered to the OSP office street address prior to the scheduled time for proposal opening. Delivery providers, USPS, UPS, FedEx, DHL deliver mail to our street address, 1509 W. 7th Street, Room 300, Little Rock, AR 72201-4222, on a schedule determined by each individual provider. These providers will deliver to our offices based solely on our street address.

PROPOSAL DELIVERY ADDRESS:

Office of State Procurement
1509 West Seventh Street, Room 300
Little Rock, AR 72201-4222

PROPOSAL OPENING LOCATION:

Office of State Procurement
1509 West Seventh Street, Room 300
Little Rock, AR 72201-4222
TELEPHONE NUMBER: 501-324-9316

Company Name:

Name (type or print):

Title:

Address:

Telephone Number:

Fax Number:

E-Mail Address:

Signature:

USE INK ONLY; UNSIGNED BIDS WILL NOT BE CONSIDERED

Identification:

*
Federal Employer ID Number

*
Social Security Number

FAILURE TO PROVIDE TAXPAYER IDENTIFICATION NUMBER MAY RESULT IN BID REJECTION

Business Designation
(check one):

Individual *

Sole
Proprietorship *

Public Service Corp *

Partnership *

Corporation *

Government/
Nonprofit *

MINORITY BUSINESS POLICY

Minority participation is encouraged in this and all other procurements by state agencies. "Minority" is defined by Arkansas Code Annotated §15-4-313 (5)(A-D) means a lawful permanent resident of this state who is: African American, Hispanic American, American Indian, or an Asian and Pacific Islander. In addition, the Arkansas Economic Development Commission conducts a certification process for minority businesses.

Arkansas Economic Development Commission Minority Certification # _____

EQUAL EMPLOYMENT OPPORTUNITY POLICY:

In compliance with Act 2157 of 2005, the Office of State Procurement is required to have a copy of the vendor's Equal Opportunity Policy prior to issuing a contract award. EO Policies may be submitted in electronic format to the following email address: eeopolicy.osp@dfa.state.ar.us or as a hard copy accompanying the proposal response. The Office of State Procurement will maintain a file of all vendor EO policies submitted in response to solicitations issued by this office. The submission is a one time requirement but vendors are responsible for providing updates or changes to their respective policies and of supplying EO policies upon request to other state agencies that must also comply with this statute. Vendors that do not have an established EO policy will not be prohibited from receiving a contract award, but are required to submit a written statement to that effect.

ACT 157 of 2007 EMPLOYMENT OF ILLEGAL IMMIGRANTS

Pursuant to Act 157 of 2007, all bidders must certify prior to award of the contract that they do not employ or contract with any illegal immigrants in its contract with the State. Bidders shall certify online at:
http://www.arkansas.gov/dfa/procurement/pro_index.html

ALTERATION OF ORIGINAL RFP DOCUMENTS

The original written or electronic language of the RFP shall not be changed or altered except by approved written addendum issued by the Office of State Procurement. This does not eliminate an Offeror from taking exception(s) to these documents, but does clarify that the Offeror cannot change the original document's written or electronic language. If the Offeror wishes to make exception(s) to any of the original language, it must be submitted by the Offeror in separate written or electronic language in a manner that clearly explains the exception(s). If Offeror's/Contractor's submittal is discovered to contain alterations/changes to the original written or electronic documents, the Offeror's response may be declared as "non-responsible" and the response shall not be considered.

ADDITIONAL TERMS AND CONDITIONS

The Office of State Procurement objects to and shall not consider any additional terms or conditions submitted by a bidder, including any appearing in documents attached as part of a bidder's response. In signing and submitting its bid, a bidder agrees that any additional terms or conditions, whether submitted intentionally or inadvertently, shall have no force or effect. Failure to comply with terms and conditions, including those specifying information that must be submitted with a bid, shall be grounds for rejecting a proposal.

REQUIREMENT OF AMENDMENT AND ADDENDUMS

THIS RFP MAY BE MODIFIED ONLY BY AMENDMENTS OR ADDENDUMS WRITTEN AND AUTHORIZED BY THE OFFICE OF STATE PROCUREMENT. Vendors are cautioned to ensure they have received or obtained and responded to any and all amendments or addendums to the proposal prior to submission. There will be no addendums to a proposal 72 hours prior to the proposal opening. It is the responsibility of the vendor to check the OSP website, http://www.arkansas.gov/dfa/procurement/pro_index.html for any and all addendums up to that time.

ANTICIPATION OF AWARD

After complete evaluation of the bid or proposal, the anticipated award will be posted on the OSP website (http://www.arkansas.gov/dfa/procurement/pro_index.html) and/or the legal section of a newspaper of statewide circulation. The purpose of the posting is to establish a specific time in which vendors and agencies are aware of the anticipated award. The bid results will be posted for a period of fourteen (14) days prior to the issuance of any award. Vendors and agencies are cautioned that these are preliminary results only, and no official award will be issued prior to the end of the fourteen day posting period. Accordingly, any reliance on these preliminary results is at the agency's/vendor's own risk. The Office of State Procurement reserves the right to waive this policy, The Anticipation to Award, when it is in

the best interest of the State. Vendors are responsible for viewing the Anticipation to Award section of the OSP web site at http://www.arkansas.gov/DFA/PROCUREMENT/PRO_INTENT.PHP

PAST PERFORMANCE:

In accordance with provisions of The State Procurement Law, R7: 19-11-229 Competitive Sealed Bidding - Bid Evaluation paragraph (E)(i) & (ii): a vendor's past performance with the state may be used in the evaluation of any offer made in response to this solicitation. The past performance should not be greater than three years old and must be supported by written documentation on file in the Office of State Procurement at the time of the bid opening. Documentation may be in the form of either a written or electronic report, VPR; memo, file or any other appropriate authenticated notation of performance to the vendor files.

PRICING:

Bid prices must be in US currency and bid must be in English language. Pricing must remain firm for the term of the contract.

EO-98-04 GOVERNOR'S EXECUTIVE ORDER:

Complete the forms posted with this proposal.

TECHNOLOGY ACCESS

Please reference Arkansas statute 25.26.201 et seq. The Vendor expressly acknowledges that state funds may not be expended in connection with the purchase of information technology unless that system meets certain statutory requirements, in accordance with the State of Arkansas technology policy standards, relating to accessibility by persons with visual impairments.

Accordingly, the Vendor represents and warrants to State of Arkansas that the technology provided to State of Arkansas for purchase is capable either by virtue of features included within the technology or because it is readily adaptable by use with other technology of:

- Providing equivalent access for effective use by both visual and non-visual means;
- Presenting information, including prompts used for interactive communications, in formats intended for non-visual use; and
- After being made accessible, it can be integrated into networks for obtaining, retrieving, and disseminating information used by individuals who are not blind or visually impaired.

For purposes of this paragraph, the phrase "equivalent access" means a substantially similar ability to communicate with or make use of the technology, either directly by features incorporated within the technology or by other reasonable means such as Assistive devices or services which would constitute reasonable accommodations under the American with Disabilities Act or similar state or federal laws. Examples of methods by which equivalent access may be provided include, but are not limited to, keyboard alternatives to mouse commands and other means of navigating graphical displays, and customizable display appearance.

ALL TERMS AND CONDITIONS OF THIS RFP ARE NON-NEGOTIABLE. DISAGREEMENT WITH THE TERMS AND CONDITIONS WILL ELIMINATE THE RESPONSE FROM CONSIDERATION.

SECTION I - GENERAL INFORMATION

1.0 INTRODUCTION

The **Arkansas Insurance Department** is seeking actuarial assistance to act as a consulting actuary for all lines of insurance and to assist in annual filings review as well as financial examination of insurance firms on site as needed. In addition, the selected firm will be required to give expert testimony to support their findings in court and at administrative hearings as needed.

1.1 DEFINITION OF TERMS

The State Procurement Official has made every effort to use industry-accepted terminology in this RFP and it will attempt to further clarify any point or item in question. The words "bidder", "Administrator", and "vendor" are used synonymously in this document.

1.2 ISSUING AGENCY

The Office of State Procurement (OSP) issues this RFP for the Agency. The issuing office is the sole point of contact in the State for the selection process. Vendor questions regarding RFP related matters should be made through the State's buyer.

1.3 CAUTIONS TO VENDORS

Only proven experience in this field of discipline will be considered.

- A. During the time between the proposal opening and contract award, Vendor will not initiate contact with the issuing office or requesting Agency concerning this RFP. Specifically, the person(s) named herein will initiate all contact.
- B. Vendors are requested to respond to each numbered paragraph of the RFP stating first the paragraph number, the specification, and then the vendor's response.

C.

Vendors must submit signed original proposal on or before the date specified on page one (1) of this RFP. The vendor must submit eight (8) additional copies of the proposal, and eight (8) compact disc (CD) copies of the proposal, preferably in MS Word format. **EXEMPT FROM PUBLIC DISCLOSURE:** All vendors are required to mark the original copy of the completed RFP to identify any information that is exempt from public disclosure. In addition, the vendor must submit one complete copy of the proposal from which any information you marked as exempt has been removed, i.e., a redacted copy. The information redacted should mirror in ever detail the information marked as exempt from public disclosure. The redacted copy should (i) reflect the same pagination as the original, (ii) show the empty space from which information was redacted, and (iii) be submitted on a CD. Except for the redacted information, the CD must be identical to the original hard copy. The vendor is responsible for ensuring the redacted copy on CD is protected against restoration of redacted data. Failure to provide a redacted copy will authorize full disclosure of the completed RFP in the event of a Freedom of Information Act (FOIA) request.

Do not include any pricing from the Official Proposal Price Sheet on the copies, including the CD.

Pricing from the Official Proposal Price Sheet must be separately sealed from the proposal response and clearly marked as pricing information. Due to the complex nature of possible pricing strategies and formulas, the price component of this RFP may be evaluated by the actuarial firm contracted with another agency or internally. The electronic version of the Official Proposal Price Sheet must also be sealed separately from the electronic version of the proposal. Failure to submit the required number of copies with the proposal may be cause for rejection. If the Office of State Procurement requests additional copies of the proposal, they must be delivered within twenty-four (24) hours.

- D. For a proposal to be considered, an official authorized to bind the vendor to a resultant contract must have signed the original proposal that is submitted.
- E. All official documents and correspondence shall be included as part of the resultant contract.
- F. The State Procurement Official reserves the right to award a contract or reject a proposal for any or all line items of a proposal received as a result of this RFP, if it is in the best interest of the State to do so. Proposals will be rejected for one or more reasons not limited to the following:

- 1) Failure of the vendor to submit proposal(s) on or before the deadline established by the issuing office.
- 2) Failure of the vendor to respond to a requirement for oral/written clarification, presentation, or demonstration.
- 3) Failure to supply vendor references.
- 4) Failure to sign the Official Proposal.
- 5) Failure to complete the Official Proposal Price Sheet(s) and include them sealed separately from the rest of the proposal.
- 6) Any wording by the vendor in their response to this RFP, or in subsequent correspondence, which conflicts with or takes exception to a requirement in this RFP.
- 7) Failure of any proposed services to meet or exceed the specifications as outlined in this RFP.

1.4 TERMS AND CONDITIONS OF PROPOSAL

- A. The term of the contract shall be for one (1) year. The contract may be mutually renewed for six (6) additional one (1) year terms or a portion thereof.
- B. All invoices shall be forwarded to the:
Arkansas Insurance Department
Attn: Pam Looney
1200 West 3rd Street, Suite 345
Little Rock, AR 72201-1904
Each invoice must show an itemized list of charges by type of service.
- C. Payment will be made in accordance with applicable State of Arkansas accounting procedures upon acceptance by the Agency. The State may not be invoiced in advance of delivery and acceptance of any service. Payment will be made only after the vendor has successfully satisfied the Agency as to the reliability and effectiveness of each service as a whole.
- D. To be considered, vendors must include as part of their proposal all of the provisions of the RFP. An official authorized to bind the vendor to the resultant contract must sign proposals in ink.
- E. The Office of State Procurement will not sign any documents that include terms or conditions other than those outlined in this RFP.
- F. The successful vendor shall at all times observe and comply with federal and State laws, local laws, ordinances, orders, and regulations existing at the time of or enacted subsequent to the execution of this contract which in any manner affect the completion of the work. The successful vendor shall indemnify and save harmless the Agency and all its officers, representatives, agents, and employees against any claim or liability arising from or based upon the violation of any such law, ordinance, regulation, order or decree by an employee, representative, or subcontractor of the successful vendor.
- G. The vendor must maintain all pertinent financial and accounting records and evidence pertaining to the contract in accordance with generally accepted principles of accounting and other procedures specified by the State of Arkansas. Access will be granted upon request, to State or Federal Government entities or any of their duly authorized representatives.
- H. Financial and accounting records must be available, upon request, to the State of Arkansas' designee(s) at any time during the contract period and any extension thereof, and for five (5) years from expiration date and final payment on the contract or extension thereof.

1.5 RFP FORMAT

Any statement in this document that contains the word "**must**" "**shall**" or "**will**" means that compliance with the intent of the statement is **mandatory**, and failure by the vendor to satisfy that intent will cause the proposal to be rejected. It is requested that vendors respond to each item or paragraph of the RFP in sequence. Items not needing a specific vendor statement may be responded to by concurrence or acknowledgment. All questions or statements must be acknowledged in the negative or positive.

The RFP responses will be limited to maximum of one (1) 2" binders. Do not stuff the responses and marketing material into the binder – marketing or other lengthy illustrative-only materials should be provided in electronic format only. Responses in larger binders will not be evaluated.

1.6 SEALED PRICES

The Official Proposal Price Sheet submitted in response to this RFP must be submitted separately, sealed from the proposal response. Bidders must include all pricing information on the Official Price Proposal Sheet only and must clearly mark said page(s) as pricing information.

1.7 PROPRIETARY INFORMATION

Proprietary information submitted in response to this RFP will be processed in accordance with applicable State of Arkansas procurement procedures. Proposals and documents pertaining to the RFP become the property of the State and shall be open to public inspection subsequent to proposal opening. It is the responsibility of the bidder to identify any confidential information and place in a separate sealed envelope marked as such. Refer to 1.3 (B).

1.8 RESERVATION

This RFP does not commit the State Procurement Official to award a contract, to pay costs incurred in the preparation of a proposal in response to this request, or to procure or contract for services or supplies.

1.9 ESTIMATED SCHEDULE OF EVENTS

June 19, 2009	RFP posted
July 10, 2009	Written questions are due
July 17, 2009	Responses to written questions will be posted on OSP web site
July 29, 2009	Proposals are due no later than 2:00 PM local (Little Rock, AR) CDST
August 11, 2009	Presentations (if necessary)
By September 11, 2009	Anticipation to Award
By September 30, 2009	Contract Awarded by OSP

1.10 CLARIFICATION OF RFP AND QUESTIONS

If additional information is necessary to enable vendors to better interpret the information contained in the RFP, written questions will be accepted until the close of business on July 10, 2009. Vendor questions submitted in writing will be consolidated and responded to by the State. The consolidated written State response will be posted on the OSP website on or before the close of business on July 17, 2009. Answers to verbal questions may be given as a matter of courtesy and must be evaluated at vendor's risk. Questions should be sent to state purchaser, Rick Smith at rick.smith@dfa.arkansas.gov. Due to the necessity to use Spam Filters the vendor should request a confirmation from the buyer that your questions were received at the Office of State Procurement.

1.11 PERFORMANCE SECURITY

This will not be required.

1.12 PRIME CONTRACTOR RESPONSIBILITY

- A. The selected vendor will be required to assume prime contractor responsibility for the contract and will be the sole point of contact.
- B. The Arkansas Insurance Department reserves the right to interview the key personnel assigned by the successful vendor to this project and to recommend and/or require reassignment of personnel deemed unsatisfactory by the department. All such request must be submitted to OSP prior to making any request to the vendor.
- C. The Arkansas Insurance Department reserves the right to approve subcontractors for this project and to require primary contractors to replace subcontractors who are found to be unacceptable. All such requests must be submitted to OSP prior to making any request to the vendor.
- D. If any part of the work is to be outsourced and / or subcontracted responses to this RFP must include a list of such entities, including:
 1. firm name and address,
 2. contact person,
 3. complete description of work to be done,
 4. organizational relationship to vendor,
 5. descriptive information concerning subcontractor's organizational activities, and
 6. subcontractor fees, which should be disclosed in Price Sheet.

- E. The vendor shall give the Contract Administrator immediate notice in writing by certified mail of any action or suit filed and prompt notice of any claim made against the vendor by any subcontractor or vendor which, in the opinion of the vendor, may result in litigation related in any way to the contract or the State.
- F. The selected vendor will be required to assume responsibility for all services obtained under contracts resulting from this RFP. Vendor must submit at least three (3) references.

1.13 PROPOSAL OPENING DATE AND LOCATION

To be considered, proposals must be received prior to the time and date specified on page one (1) of the RFP. Proposals shall be publicly opened and vendor announced at that time, and become public information under the laws of the State of Arkansas

1.14 STATEMENT OF LIABILITY

The State will demonstrate reasonable care, but at no time will the State be responsible for or accept liability for any vendor-owned items.

1.15 AWARD RESPONSIBILITY

The State Procurement Official will be responsible for award and the Arkansas Department of Finance and Administration/Employee Benefits Division will be responsible for administration of any resulting contract(s). The three highest ranking proposals evaluated will be selected and those vendors will be awarded equal portions of the contract. A vendor will be selected for an assignment that represents the best fit for each assignment, at the discretion of the insurance department. The choice made will consider size of the assignment, lines of business, particular vendor expertise, presence of conflicts of interest and conflicts in scheduling, the inability of the vendors to handle a case in a timely manner, and various other criteria determined at the discretion of the insurance department.

1.16 PUBLICITY

News releases pertaining to the RFP or the services, study, data, or project to which it relates will not be made without prior written approval of the State Procurement Director, and then only in accordance with the explicit written instructions from the Director. No results of the program are to be released without prior written approval from the State Procurement Director, and then only to persons designated.

1.17 INDEPENDENT PRICE DETERMINATION

By submission of his/her proposal, the vendor certifies, and in the case of a joint proposal, each party thereto certifies as to its own organization, that in connection with this proposal: the prices in the proposal have been arrived at independently, without collusion and that no prior information concerning these prices have been received from or given to a competitive company.

If there is sufficient evidence of collusion to warrant consideration of this proposal by the Office of the Attorney General, all vendors should understand that this paragraph might be used as a basis for litigation.

1.18 CONFIDENTIALITY

The vendor shall be bound to confidentiality of any information that its employees may become aware of during the course of performance of contracted tasks. Consistent and/or uncorrected breaches of confidentiality may constitute grounds for cancellation of the contract.

1.19 WARRANTY

The vendor must warrant that all services and any other item provided by the vendor in conjunction with this RFP will be performed at the level specified herein.

Vendor shall, at his/her expense, remedy all such defects in performance.

1.20 COST

All charges must be included on the Official Proposal Price Sheets, must be valid for 180 days following RFP opening, and shall be included in the costing evaluation. The Official Proposal Price Sheets must be separately sealed from the proposal.

NOTE:

- A. The State will not be obligated to pay any costs not identified on the Official Proposal Price Sheet.
- B. Any cost not identified by the vendor but subsequently incurred in order to achieve the service will be borne by the vendor.
- C. Official Proposal Price Sheets may be reproduced as needed.
- D. The vendor must identify all taxes and fees included in the quoted rate and identify the taxes and fees not included in the quoted rate.

- E. The vendor must also identify all costs which shall be incurred by the individual member, such as bank fees or debit card fees. Any cost not identified by the vendor but subsequently added to the Plan, may be borne by the vendor or paid by the member, such determination shall be made by EBD at their discretion.

1.21 CANCELLATION

In the event the State no longer needs the service specified in the contract or purchase order due to program changes, changes in laws, rules, or regulations, relocation of offices, or lack of appropriated funding, the State may cancel the contract or purchase order by giving the vendor written notice of such cancellation 30 days prior to the date of cancellation.

1.22 DELEGATION AND/OR ASSIGNMENT

The vendor shall not assign the contract in whole or in part or any payment arising there from without the prior written consent of the State Procurement Official. The vendor shall not delegate any duties under this contract to a subcontractor other than a subcontractor named in the proposal unless the State Procurement Official has given written consent to the delegation.

1.23 CONTRACT INFORMATION

Vendors should note the following regarding the State's contracting authority, and amend any documents accordingly. Failure to conform to these standards may result in rejection of proposal.

A. The State of Arkansas may not contract with another party:

- 1) To indemnify and defend that party for any liability and damages. However, the State Procurement Official may agree to hold the other party harmless from any loss or claim resulting directly from and attributable to the State's use or possession of equipment, software or services and reimburse that party for the loss caused solely by the State's use or possession (this is the only form of indemnification to which the State Procurement Official can agree).
- 2) Upon default, to pay all sums to become due under a contract.
- 3) To pay damages, legal expenses or other costs and expenses of any party.
- 4) To continue a contract once the service has been terminated.
- 5) To conduct litigation in a place other than Pulaski County, Arkansas.
- 6) To agree to any provision of a contract which violates the laws or Constitution of the State of Arkansas.

B. A party wishing to contract with the State of Arkansas should:

- 1) Include in its proposal that the laws of the State of Arkansas govern the contract.
- 2) Acknowledge in its' proposal that contracts become effective when awarded by the State Procurement Official.

1.24 VENDOR REFERENCES

1.25 MANUALS

Vendors must state their provisions and/or procedures for updating or enhancing any manuals provided in response to this RFP.

1.26 IMPLEMENTATION SCHEDULE

The State requires full implementation of the vendor's services no later than October 1, 2009. Offers must include this date of implementation as part of their proposal.

1.27 CONTRACT PAYMENT

Payment will be made only after the contractor has successfully satisfied the Arkansas Insurance Department as to the reliability and effectiveness of the service provided.

1.28 NEGOTIATIONS

As provided in this request for proposal and under regulations, discussions may be conducted with responsible offeror who submit proposals determined to be reasonably susceptible of being selected for award for the purpose of obtaining clarification of proposal response and negotiation for best and final offers.

1.29 QUESTIONS ABOUT MANAGING THE CONTRACT

In the event of a difference of opinion between Arkansas Insurance Department and the bidder as to the meaning of any provision in these specifications, Arkansas Insurance Department may request clarification, but if agreement cannot be reached the decision of Arkansas Insurance Department shall be final and controlling.

1.30 SEVERABILITY

In the event that any portion, section, or requirement contained in this RFP is invalid or unenforceable, the remaining portions, sections, and requirements shall remain intact and enforceable to the extent allowed by law.

1.31 TERMINATION

Either party may terminate this contract by not renewing at the appropriate time. Arkansas Insurance Department may terminate this contract at any time for nonfeasance, misfeasance, or malfeasance and with thirty (30) days notice without cause.

SECTION II - REQUIREMENTS**2.0 SCOPE OF WORK**

The **Arkansas Insurance Department** is seeking actuarial assistance to act as a consulting actuary for all lines of insurance and to assist in annual filings review as well as financial examination of insurance firms on site as needed. In addition, the selected firm will be required to give expert testimony to support their findings in court and at administrative hearings as needed.

2.1 QUALIFICATIONS (Acknowledge each item and provide detail as deemed necessary)

The Arkansas Insurance Department, as a part of its continuing regulatory responsibilities to the consumers of the State of Arkansas, will utilize an actuarial firm to assist the Department in conducting examinations and to consult the Department with regard to other issues affecting the insurance industry. The required vendor characteristics are outlined below.

1. Vendor's work must always be performed or supervised by a member of the American Academy of Actuaries.
2. Vendor's firm must have broad expertise in performing actuarial services for all lines of insurance and reinsurance.
3. The Vendor must have experience in analysis and valuation assignments, data extraction and analysis in support of insurance department financial examinations and experience in analysis and rating for state Medicaid programs.
4. In evaluating the RFP's for actuarial firms, the following bid characteristics must be met:
 - a. Vendor must acknowledge and be able to provide services that will include on-site company visits to collect information and to support agency staff during the review and analysis of annual statement actuarial filings and in conjunction with agency engagements and examinations. Timing of these on site visits will be determined by agency and all work will be coordinated with an Agency designee.
 - b. The Vendor must provide an organizational chart and a list of staff.
 - c. The Vendor must provide a sample examination report for an examination assignment that has been compiled in the last two years.
 - d. The Vendor must provide a list of all Arkansas clients for the purpose of determining potential conflicts of interest.
 - e. The Vendor must provide references for the type of assignment referenced in the Service Specifications section. At least three (3) are required.
 - f. The Vendor must provide example bids based on limited financial information provided in the pricing examples attached hereto.

g. In the event of a hearing, deposition, or court challenge of figures derived by the actuary on any work performed under this contract, the Vendor will provide expert testimony defending the figures developed and explaining the methodology used. Vendor must be present at any hearing or court proceeding.

2.2 PROJECT UNDERSTANDING AND REQUIREMENTS (Acknowledge each item and provide detail as deemed necessary)

A. Service Specifications

1. For Consulting Actuarial Services attendant to annual filings and other items:

- a. The contract will cover consulting actuarial services for all lines of insurance as well as other areas regulated by the agency.
- b. The contract will cover a thorough review and analysis of Rates/Forms.
- c. The Vendor must be able to review and analyze fully financial statements submitted by insurers as required by the Agency. Specific analyses may be requested and may focus on single topics depending on the issue before the Agency.
- d. The Vendor may request specific information from the Agency on all matters pertaining to the areas to be analyzed.

B. Examination Actuarial Services:

2. The Contract will cover actuarial assistance and participation in the financial examination process.

- a. The Vendor must conduct examination work based on criteria prescribed by the using Agency and in accordance with Arkansas law. If different criteria are necessary for making a thorough analysis, prior approval must be obtained from the Agency.
- b. The Vendor must provide examination services for all lines of insurance.
- c. The Vendor must be on-site for portions of the examination and must support Agency staff. All work must be coordinated through the examiner in charge of the specific examination.

2.3 VENDOR PROFILE

A. Supply the following information about your organization:

- 1) Name
- 2) Home office address
- 3) Nearest sale/support office address
- 4) Name, title, telephone, fax, and email address of contact person
- 5) Organization Chart

B. Vendor shall detail the qualifications and number of staff committed to delivery of services.

C. The vendor shall detail how many years the organization has been in this type of business.

D. Vendor shall provide detailed information on specific contacts for implementation, operations, claims, accounting, and privacy/security.

E. Vendor shall detail their staff turnover rate for the past year.

F. What is the average length of employment of your staff?

G. Vendor shall provide detailed information on corporate structure and ownership.

H. Vendor must provide information on any co-owned ventures that might be considered a conflict of interest.

2.4 EXPENSE REIMBURSEMENT

Domestic airfare will be reimbursed at a maximum of standard coach rates or actual cost, whichever is less. Expenses for food and lodging will be at a maximum of the Federal allowable rate or actual cost, whichever is less.

Working hours will be billable up to the limits set but travel time and overnight off time will not be billable. Each actuarial job can be negotiated as to an hour/cost cap so the Insurance Department will have budgetary control over funds spent.

3.0 EVALUATION & SELECTION

3.1 EVALUATING CRITERIA

1. Technical Qualification Evaluation	Points: 1000
A. Fee Schedule (including the pricing examples)	200
B. Number of qualified people the company can dedicate to the accomplishment of the required services	200
C. Expertise in all lines of insurance and reinsurance	300
D. Reputation within the industry; Experience and Qualifications. Measure will include references	300
Total Points:	1000

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Pricing Examples

As examples of the anticipated level of effort for financial examinations, please estimate the number of hours for the following hypothetical insurance companies and fill in the bid layout.

1. Life and Accident and Health Insurance Company A: Estimated Quantity – 18

Total Assets - \$11,000,000

Assets of an actuarial nature

Life premium and annuity considerations
deferred and uncollected -

\$150,000

Liabilities of an actuarial nature

Aggregate reserve – life policies and contracts

\$10,500,000

Policy and contract claims

50,000

Premiums and annuity considerations
received in advance

10,000

Total number of hours: _____

PRICING (BID LAYOUT)

#1

Senior Actuary, \$___/Per HR. Each X ___/Total Hrs. Each X ___/# of Sr. Actuaries= \$___/Total Cost Senior Actuaries

Junior Actuary, \$___/Per HR. Each X ___/Total Hrs. Each X ___/# of Jr. Actuaries= \$___/Total Cost Junior Actuaries

Admin. Asst., \$___/Per HR. Each X ___/Total Hrs. Each X ___/# of Admin. Asst.= \$___/Total Cost Admin. Asst.

Miscellaneous, \$___/Per HR. Each X ___/Total Hrs. Each X ___/# of Miscellaneous.= \$___/Total Cost Miscellaneous.

Clerical/Technical, \$___/Per HR. Each X ___/Total Hrs. Each X ___/# of Clerical/Technical = \$___/Total Cost Clerical/Technical

\$___/Total Cost Audit divided by ___/Total Hours Audit = \$___/Average Cost/Hour Audit

\$___/Total Cost Audit X 18 (Estimated # of Audits) = \$___/Evaluated Total Cost

2. Life and Accident and Health Insurance Company B: Estimated Quantity - 4

Total Assets - \$150,000,000

Assets of an actuarial nature

Life premium and annuity considerations
deferred and uncollected -

\$10,000,000

Liabilities of an actuarial nature

Aggregate reserve - life policies and contracts
Policy and contract claims
Premiums and annuity considerations
received in advance

\$10,000,000

60,000,000

5,000,000

Total number of hours: _____

PRICING (BID LAYOUT)

#2

Senior Actuary, \$___/Per HR. Each X ___/Total Hrs. Each X ___/# of Sr. Actuaries= \$___/Total Cost Senior Actuaries

Junior Actuary, \$___/Per HR. Each X ___/Total Hrs. Each X ___/# of Jr. Actuaries= \$___/Total Cost Junior Actuaries

Admin. Asst., \$___/Per HR. Each X ___/Total Hrs. Each X ___/# of Admin. Asst.= \$___/Total Cost Admin. Asst.

Miscellaneous, \$___/Per HR. Each X ___/Total Hrs. Each X ___/# of Miscellaneous.= \$___/Total Cost Miscellaneous.

Clerical/Technical, \$___/Per HR. Each X ___/Total Hrs. Each X ___/# of Clerical/Technical = \$___/Total Cost Clerical/Technical

\$___/Total Cost Audit divided by ___/Total Hours Audit = \$___/Average Cost/Hour Audit

\$___/Total Cost Audit X 4 (Estimated # of Audits) = \$___/Evaluated Total Cost

3. Property / casualty insurance Company A: Estimated Quantity – 9

Schedule P Lines of Business: Homeowners only

Applicable Reinsurance Treaties: Cat Cover, Quota-Share

Balance Sheet Items of an actuarial nature:

Net Loss and LAE Reserves:	\$100,000
Net Unearned Premium Reserves:	\$500,000
Surplus:	\$500,000

Total number of hours: _____

PRICING (BID LAYOUT)

#3

Senior Actuary, \$___/Per HR. Each X ___/Total Hrs. Each X ___/# of Sr. Actuaries= \$___/Total Cost Senior Actuaries

Junior Actuary, \$___/Per HR. Each X ___/Total Hrs. Each X ___/# of Jr. Actuaries= \$___/Total Cost Junior Actuaries

Admin. Asst., \$___/Per HR. Each X ___/Total Hrs. Each X ___/# of Admin. Asst.= \$___/Total Cost Admin. Asst.

Miscellaneous, \$___/Per HR. Each X ___/Total Hrs. Each X ___/# of Miscellaneous.= \$___/Total Cost Miscellaneous.

Clerical/Technical, \$___/Per HR. Each X ___/Total Hrs. Each X ___/# of Clerical/Technical = \$___/Total Cost Clerical/Technical

\$___/Total Cost Audit divided by ___/Total Hours Audit = \$___/Average Cost/Hour Audit

\$___/Total Cost Audit X 9 (Estimated # of Audits) = \$___/Evaluated Total Cost

4. Property / casualty insurance Company B: Estimated Quantity – 3

Schedule P Lines of Business:

Homeowners
 Commercial Multi Peril
 Private Passenger Auto Liability
 Special Property
 Auto Physical Damage

Applicable Reinsurance Treaties:

Cat Cover, Excess of Loss, Quota-Share

Balance Sheet Items of an actuarial nature:

Net Loss and LAE Reserves:	\$2,000,000
Net Unearned Premium Reserves:	\$4,000,000
Surplus:	\$3,000,000

Total number of hours: _____

PRICING (BID LAYOUT)

#4

Senior Actuary, \$___/Per HR. Each X ___/Total Hrs. Each X ___/# of Sr. Actuaries= \$___/Total Cost Senior Actuaries

Junior Actuary, \$___/Per HR. Each X ___/Total Hrs. Each X ___/# of Jr. Actuaries= \$___/Total Cost Junior Actuaries

Admin. Asst., \$___/Per HR. Each X ___/Total Hrs. Each X ___/# of Admin. Asst.= \$___/Total Cost Admin. Asst.

Miscellaneous, \$___/Per HR. Each X ___/Total Hrs. Each X ___/# of Miscellaneous.= \$___/Total Cost Miscellaneous.

Clerical/Technical, \$___/Per HR. Each X ___/Total Hrs. Each X ___/# of Clerical/Technical = \$___/Total Cost Clerical/Technical

\$___/Total Cost Audit divided by ___/Total Hours Audit = \$___/Average Cost/Hour Audit

\$___/Total Cost Audit X 3 (Estimated # of Audits) = \$___/Evaluated Total Cost

Total Cost 1\$ ___ + 2\$ ___ + 3\$ ___ + 4\$ ___ = \$ _____

Grand Total RFP Cost

**OFFICIAL BID PRICE SHEET
TO BE SEALED SEPERATELY****Company Name** _____

The fees related to consulting services and special projects will be based on actual time and reasonable expense charges. The proposer shall quote the billing rates that would be charged for each category of personnel as follows:

Hourly Rate by staff position:

Primary Actuary	\$ _____
Secondary Actuary	\$ _____
Primary Consultant	\$ _____
Secondary Consultant	\$ _____
Other Professional Personnel	\$ _____
Administrative Support	\$ _____

Note: Vendor must disclose, on this Official Bid Price Sheet, any and all costs or charges necessary for use of the service(s) offered.

1. Be sure to indicate if the fee is required based on services to be rendered or if optional based on any additional service mentioned in the RFP response
2. Include consulting fees if applicable.
3. Any costs or charges not disclosed herein will be borne by the vendor.
4. Changes to the format and intent of the Price Sheet are not acceptable. Proposals submitted with altered price sheets may be rejected.
5. The State will not be obligated to pay any costs not identified on the official price sheet.

Any costs or charges not disclosed herein will be borne by the vendor.

STANDARD TERMS & CONDITIONS

1. General: Any special terms and conditions included in the Request for Proposal override these standard terms and conditions. The standard terms and conditions and any special terms and conditions become part of any contract entered into if any or all parts of the proposal are accepted by the State of Arkansas.
2. Acceptance and Rejection: The State reserves the right to accept or reject all or any part of a proposal or any and all proposals, to waive minor technicalities, and to award the proposal to best serve the interest of the State.
3. Proposal Submission: Proposals must be submitted to the Office of State Procurement on this form, with attachments when appropriate, on or before the date and time specified for proposal opening. If this form is not used, the proposal may be rejected. Each proposal should be placed in a separate envelope completely and properly identified. The proposal must be typed or printed in ink. Late proposals will not be considered under any circumstances. SIGNATURE: FAILURE TO SIGN THE PROPOSAL WILL DISQUALIFY IT. THE PERSON SIGNING THE PROPOSAL SHOULD SHOW TITLE OR AUTHORITY TO BIND HIS FIRM IN A CONTRACT. THE SIGNATURE MUST BE IN INK.
4. Prices: Quote FOB destination. Bid the unit price. In case of errors in extension, unit prices shall govern. Prices are firm and not subject to escalation unless otherwise specified in the Request for Proposal. Unless otherwise specified, the proposal must be firm for acceptance for thirty days from the proposal opening date. "Discount from list" proposals are not acceptable unless requested in the request for proposal.
5. Quantities: The quantities stated in the term contracts are estimates only, and are not guaranteed. Bid unit price on the estimated quantity and unit of measure specified. The State may order more or less than the estimated quantity on term contracts. Quantities stated on firm contracts are actual requirements of the ordering Agency.
6. Brand Name References: Any catalog brand name or manufacturer's reference used in the RFP is descriptive only, not restrictive, and used to indicate the type and quality desired. Proposals on brands of like nature and quality will be considered. If proposing other than referenced specifications, the proposal must show the manufacturer, brand or trade name, and other descriptions, and should include the manufacturer's illustrations and complete descriptions of the product offered. The State reserves the right to determine whether a substitute offered is equivalent to and meets the standards of the item specified, and the state may require the vendor to supply additional descriptive material. The vendor guarantees that the product offered will meet or exceed specifications identified in this RFP. If the vendor takes no exception to the specifications or reference data in this proposal he will be required to furnish the product according to brand names, numbers, etc., as specified in the request for proposal.
7. Guaranty: All items proposed shall be newly manufactured, in first class condition, latest model and design, including, where applicable, containers suitable for shipment and storage, unless otherwise indicated in the request for proposal. The vendor hereby guarantees that everything furnished hereunder will be free from defects in design, workmanship and material, that if sold by drawing, sample or specification, it will conform thereto and will serve the function for which it was furnished. The vendor further guarantees that if the items furnished hereunder are to be installed by the vendor, such items will function properly when installed. The vendor also guarantees that all applicable laws have been complied with relating to construction, packaging, labeling and registration. The vendor's obligations under this paragraph shall survive for a period of one year from the date of delivery, unless otherwise specified herein.
8. Samples: Samples or demonstrators, when requested, must be furnished free of expense to the state. If samples are not destroyed during reasonable examination they will be returned at vendor's expense, if requested, within ten days following the opening of proposals. All demonstrators will be returned after reasonable examination. Each sample should be marked with the vendor's name and address, proposal number and item number.
9. Testing Procedures for Specifications Compliance: Test may be performed on samples or demonstrators submitted with the proposal or on samples taken from regular shipment. In the event products tested fail to meet or exceed all conditions and requirements of the specifications, the cost of the sample used and the reasonable cost of the testing shall be borne by the vendor.
10. Amendments: The proposal cannot be altered or amended after the proposal opening except as permitted by regulation.
11. Taxes and Trade Discounts: Do not include state or local sales taxes in the proposal price. Trade discounts should be deducted from the unit price and net price should be shown in the proposal.

12. **Award: Term Contracts:** A Contract Award will be issued to the successful vendor. It results in a binding obligation without further action by either party. This award does not authorize shipment. Shipment against a term contract is authorized by the receipt of a Purchase Order from the ordering Agency.
13. **Firm Contracts:** A written State Purchase Order mailed, or otherwise furnished, to the successful vendor within the time of acceptance specified by Agency.
14. **Length of Contract:** The Request for Proposal will show the period of time the term contract will be in effect.
15. **Delivery on Firm Contracts:** The Request for Proposal will show the number of days to place a commodity in the ordering Agency's designated location under normal conditions. If the vendor cannot meet the stated delivery, alternate delivery schedules may become a factor in an award. The Office of State Procurement has the right to extend delivery if reasons appear valid. If the date is not acceptable, the Agency may buy elsewhere and any additional cost will be borne by the vendor.
16. **Delivery Requirements:** No substitutions or cancellations are permitted without written approval of the Office of State Procurement. Delivery shall be made during Agency work hours only 8:00 A.M. to 4:30 P.M., unless prior approval for other delivery has been obtained from the Agency. Packing memoranda shall be enclosed with each shipment.
17. **Storage:** The ordering Agency is responsible for storage if the contractor delivers within the time required and the Agency cannot accept delivery.
18. **Default:** All commodities furnished will be subject to inspection and acceptance of the ordering Agency after delivery. Backorders, default in promised delivery, or failure to meet specifications authorize the Office of State Procurement to cancel this contract or any portion of it and reasonably purchase commodities elsewhere and charge full increase, if any, in cost and handling to the defaulting contractor. The contractor must give written notice to the Office of State Procurement and ordering Agency of the reason and the expected delivery date. Consistent failure to meet delivery without a valid reason may cause removal from the vendors list or suspension of eligibility for award.
19. **Variation in Quantity:** The state assumes no liability for commodities produced, processed or shipped in excess of the amount specified on the Agency's purchase order.
20. **Invoicing:** The contractor shall be paid upon the completion of all of the following:
- a) Submission of an original and the specified number of copies of a properly itemized invoice showing the proposal and purchase order numbers, where itemized in the Request for Proposal,
 - b) Delivery and acceptance of the commodities and
 - c) Proper and legal processing of the invoice by all necessary state agencies. Invoices must be sent to "Invoice To" point shown on the purchase order.
21. **State Property:** Any specifications, drawings, technical information, dies, cuts, negatives, positives, data or any other commodity furnished to the contractor hereunder or in contemplation hereof or developed by the contractor for use hereunder shall remain property of the state, be kept confidential, be used only as expressly authorized and returned at the contractor's expense to the FOB point properly identifying what is being returned.
22. **Patents or Copyrights:** The contractor agrees to indemnify and hold the state harmless from all claims, damages and costs, including attorneys' fees, arising from infringement of patents or copyrights.
23. **Assignment:** Neither any contract entered into pursuant to this Request for Proposal is not assignable nor the duties thereunder delegable by either party without the written consent of the other party of the contract.
24. **Other Remedies:** In addition to the remedies outlined herein, the contractor and the state have the right to pursue any other remedy permitted by law or in equity.
25. **Lack of Funds:** The state may cancel this contract to the extent funds are no longer legally available for expenditures under this contract. Any delivered but unpaid for goods will be returned in normal cognition to the contractor by the state. If the State is unable to return the commodities in normal condition and there are no funds legally available to pay for the goods, the contractor may file a claim with the Arkansas Claims Commission. If the contractor has provided services and there are no longer funds legally available to pay for the service, the contractor may file a claim.

26. Discrimination: In order to comply with the provision of Act 954 of 1977, relating to unfair employment practices, the vendor agrees as follows

- a) The vendor will not discriminate against any employee or applicant for employment because of race, sex, color, age, religion, handicap, or national origin;
- b) In all solicitations or advertisements for employees, the vendor will state that all qualified applicants will receive consideration without regard to race, color, sex, age, religion, handicap, or national origin;
- c) The vendor will furnish such relevant information and reports as requested by the Human Resources Commission for the purpose of determining compliance with the statute;
- d) Failure of the vendor to comply with the statute, the rules and regulations promulgated thereunder and this nondiscrimination clause shall be deemed a breach of contract and it may be cancelled, terminated or suspended in whole or in part;
- e) The vendor will include the provisions of items (a) through (d) in every subcontract so that such provisions will be binding upon such subcontractor or vendor.

27. Contingent Fee: The vendor guarantees that he has not retained a person to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies maintained by the vendor for the purpose of securing business.

28. Antitrust Assignment: As part of the consideration for entering into any contract pursuant to this Request for Proposal, the vendor named on the front of this Request for Proposal, acting herein by the authorized individual or its duly authorized agent, hereby, assigns, sells and transfers to the State of Arkansas all rights, title and interest in and to all causes of action it may have under the antitrust laws of the United States or this state for price fixing, which causes of action have accrued prior to the date of this assignment and which relate solely to the particular goods or services purchased or produced by this State pursuant to this contract.

29. Disclosure: Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that order, shall be a material breach of the terms of this contract. Any contractor, whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the Agency.

CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM

Failure to complete all of the following information may result in a delay in obtaining a contract, lease, purchase agreement, or grant award with any Arkansas State Agency.

SUBCONTRACTOR:

SUBCONTRACTOR NAME:

☐ Yes ☐ No

IS THIS FOR:

TAXPAYER ID NAME:

☐ Goods?

☐ Services? ☐ Both?

YOUR LAST NAME:

FIRST NAME:

M.I.:

ADDRESS:

CITY:

STATE:

ZIP CODE:

COUNTRY:

AS A CONDITION OF OBTAINING, EXTENDING, AMENDING, OR RENEWING A CONTRACT, LEASE, PURCHASE AGREEMENT, OR GRANT AWARD WITH ANY ARKANSAS STATE AGENCY, THE FOLLOWING INFORMATION MUST BE DISCLOSED:

FOR INDIVIDUALS *

Indicate below if: you, your spouse or the brother, sister, parent, or child of you or your spouse is a current or former: member of the General Assembly, Constitutional Officer, State Board or Commission Member, or State Employee:

Position Held	Mark (✓)		Name of Position of Job Held [senator, representative, name of board/ commission, data entry, etc.]	For How Long?		What is the person(s) name and how are they related to you? [i.e., Jane Q. Public, spouse, John Q. Public, Jr., child, etc.]	
	Current	Former		From MM/YY	To MM/YY	Person's Name(s)	Relation
General Assembly	☐	☐					
Constitutional Officer	☐	☐					
State Board or Commission Member	☐	☐					
State Employee	☐	☐					

☐ None of the above applies

FOR A VENDOR (BUSINESS) *

Indicate below if any of the following persons, current or former, hold any position of control or hold any ownership interest of 10% or greater in the entity: member of the General Assembly, Constitutional Officer, State Board or Commission Member, State Employee, or the spouse, brother, sister, parent, or child of a member of the General Assembly, Constitutional Officer, State Board or Commission Member, or State Employee. Position of control means the power to direct the purchasing policies or influence the management of the entity.

Position Held	Mark (✓)		Name of Position of Job Held [senator, representative, name of board/commission, data entry, etc.]	For How Long?		What is the person(s) name and what is his/her % of ownership interest and/or what is his/her position of control?		
	Current	Former		From MM/YY	To MM/YY	Person's Name(s)	Ownership Interest (%)	Position of Control
General Assembly	☐	☐						
Constitutional Officer	☐	☐						
State Board or Commission Member	☐	☐						
State Employee	☐	☐						

☐ None of the above applies

Contract and Grant Disclosure and Certification Form

Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that Order, shall be a material breach of the terms of this contract. Any contractor, whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the agency.

As an additional condition of obtaining, extending, amending, or renewing a contract with a state agency I agree as follows:

1. Prior to entering into any agreement with any subcontractor, prior or subsequent to the contract date, I will require the subcontractor to complete a **CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM**. Subcontractor shall mean any person or entity with whom I enter an agreement whereby I assign or otherwise delegate to the person or entity, for consideration, all, or any part, of the performance required of me under the terms of my contract with the state agency.

2. I will include the following language as a part of any agreement with a subcontractor:

Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that Order, shall be a material breach of the terms of this subcontract. The party who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the contractor.

3. No later than ten (10) days after entering into any agreement with a subcontractor, whether prior or subsequent to the contract date, I will mail a copy of the **CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM** completed by the subcontractor and a statement containing the dollar amount of the subcontract to the state agency.

I certify under penalty of perjury, to the best of my knowledge and belief, all of the above information is true and correct and that I agree to the subcontractor disclosure conditions stated herein.

Signature _____ Title _____ Date _____

Vendor Contact Person _____ Title _____ Phone No. _____

Agency use only

Agency Number _____	Agency Name _____	Agency Contact Person _____	Contact Phone No. _____	Contract or Grant No. _____
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