



Department of Buildings and General Services
BGS Financial Operations
Office of Purchasing & Contracting
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<http://bgs.vermont.gov/purchasing>

Agency of Administration

SEALED BID

REQUEST FOR PROPOSAL

HEALTH CARE FINANCING PLAN

ISSUE DATE: March 2, 2012

MANDATORY TELEPHONE BIDDER'S CONFERENCE CALL:

March 8, 2012 at 3:30 PM

QUESTIONS DUE BY: March 12, 2012 at 4:00 PM

DUE DATE and TIME: March 26, 2012 at 9:00 AM

RETURN OF ELECTRONIC COPY: SOV.HealthCare@state.vt.us

PLEASE BE ADVISED THAT ALL NOTIFICATIONS, RELEASES, AND AMENDMENTS ASSOCIATED WITH THIS RFP WILL BE POSTED AT:

<http://www.bgs.state.vt.us/pca/bids/bids.php>

THE STATE WILL MAKE NO ATTEMPT TO CONTACT VENDORS WITH UPDATED INFORMATION. IT IS THE RESPONSIBILITY OF EACH VENDOR TO PERIODICALLY CHECK <http://www.bgs.state.vt.us/pca/bids/bids.php> FOR ANY AND ALL NOTIFICATIONS, RELEASES AND AMENDMENTS ASSOCIATED WITH THE RFP.

PURCHASING AGENT: Linda Wortman
TELEPHONE: (802) 828-4658
E-MAIL: SOV.HealthCare@state.vt.us
FAX: (802) 828-2222

1. **OVERVIEW:**

- 1.1. **SCOPE:** The Office of Purchasing & Contracting, on behalf of the Agency of Administration seeks a contractor who can assist with development of a financial model for a program of health insurance coverage for all Vermonters. Act 48 of the 2011 Vermont legislative session enacted a range of reforms aimed at improving health care services and insurance coverage and reducing the rate of growth in health care costs in the state. The modeling we are seeking will encompass not only the economic implications of expanded insurance coverage, but will also take into account broader efforts to reform health care financing and delivery.
- 1.2. **BACKGROUND:** Act 48 sets Vermont on a path to fully design a system of universal and uniform health insurance coverage for all Vermonters, and to implement that system after completion of two additional steps: 1. The legislature approves a financing mechanism; and 2. The federal government approves a waiver from certain provisions of the Affordable Care Act to allow Vermont to implement the system. The goal is to implement a system that, within the constraints of federal and state law, and to the maximum extent possible, divorces health insurance coverage from employment and provides for public financing of universally-available coverage.
- 1.3. Under Section 9 of Act 48 of 2011, the secretary of administration will recommend to the legislature two financing plans no later than January 15, 2013. This RFP seeks to develop the financial model for these plans, building on prior work of the administration and the legislature's joint fiscal office. Act 48 requires plans that:
 1. recommend the amounts and necessary mechanisms to finance Green Mountain Care and any systems improvements needed to achieve a public-private universal health care system.
 2. recommend the amounts and necessary mechanisms to finance any initiatives which must be implemented by January 1, 2014 in order to provide coverage to all Vermonters in the absence of a waiver from certain federal health care reform provisions established the federal Affordable Care Act.
- 1.4. Green Mountain Care is intended to assure a minimum level of health insurance coverage to all Vermont residents. The minimum level of benefits is provided for in statute, 33 V.S.A. chapter 18, subchapter 2. The specific benefit package will be chosen by the Green Mountain Care Board, after recommendations by the Agency of Human Services.
- 1.5. Act 48 requires that the potential impact of the following be considered in developing the Green Mountain Care financing plans:
 - all financing sources, including adjustments to the income tax, a payroll tax, consumption taxes, provider assessments required under 33 V.S.A. chapter 19, the employer assessment required by 21 V.S.A. chapter 25, other new or existing taxes, and additional options as determined by the secretary;
 - the impacts of the various financing sources, including levels of deductibility of any tax or assessment system contemplated and consistency with the principles of equity expressed in 18 V.S.A. § 9371;
 - issues involving federal law and taxation;
 - impacts of tax system changes on individuals, households, businesses, public sector entities, and the nonprofit community, including the circumstances under which a particular tax change may result in the potential for double payments, such as premiums and tax obligations
 - impacts of tax system changes over time, on changing revenue needs; and impacts of tax system changes during a transitional period, while the tax system and health care cost structure are changing;
 - growth in health care spending relative to needs and capacity to pay;
 - anticipated federal funds that may be used for health services and how to maximize the amount of federal funding available for this purpose;

- the amounts required to maintain existing state insurance benefit requirements;
 - funding mechanisms to ensure that operations of Green Mountain Care are self-sustaining;
 - the use of financial or other incentives to encourage healthy lifestyles and patient self-management for individuals enrolled in Green Mountain Care;
 - preserving retirement health benefits while enabling retirees to participate in Green Mountain Care and the implications of Green Mountain Care on funds set aside to pay for future retiree health benefits.
- 1.6. While the contractor will not be expected to fulfill all of these requirements without analysis and input from state staff, they should be addressed in the financing plans to the extent feasible.
- 1.7. **WORK TO DATE ON THIS ISSUE:** Vermont has developed health care expenditure analyses for nearly two decades that utilize a variety of data sources to estimate total health care expenditures in the state, segregate those expenditures by provider and payer type, and project future growth. In addition, the general assembly commissioned an estimate of the cost of a single payer system in Vermont and the legislature and executive branch have collaborated on refinements to that model. See these links –
- Initial single payer estimates: <http://www.leg.state.vt.us/jfo/healthcaresystemdesign.aspx>
 - Refinements to initial estimates: http://www.leg.state.vt.us/jfo/healthcare_act48.aspx
- 1.8. Over the winter, the state has engaged in a public input process to collect and listen to information from the general public, health care providers, employers, unions, advocacy groups, and others. The information collected will be provided to the contractor to allow the contractor to understand the tax system landscape in Vermont and the public perceptions and feedback on how to finance a health care system. Presentations and small group exercises engaged in during these listening sessions is available here: <http://hcr.vermont.gov/Listening>
- 1.9. Lastly, Act 48 included principles for establishing a health care system and these principles should be considered by the contractor in assisting the state in developing the model. These principles are attached as Appendix A and also included in the text of Act 48 which is available here: <http://www.leg.state.vt.us/DOCS/2012/ACTS/ACT048.PDF>
- 1.10. **SINGLE POINT OF CONTACT:** All communications concerning this Request for Proposal (RFP) are to be addressed in writing to the attention of: **Linda Wortman**, Purchasing Agent, State of Vermont, Office of Purchasing & Contracting, 10 Baldwin St - Montpelier, Montpelier, VT 05633-7501. **Linda Wortman**, Purchasing Agent is the sole contact for this proposal. Actual contact with any other party or attempts by bidders to contact any other party could result in the rejection of their proposal.
- 1.11. **BIDDERS' CONFERENCE:** A **MANDATORY** Telephone Bidders' Conference Call will be held **March 8, 2012 at 3:30P.M.** **DIALIN INFORMATION: 1-800-591-2259 Participant Code: 339732**
- 1.12. **QUESTION AND ANSWER PERIOD:** Any vendor requiring clarification of any section of this proposal or wishing to comment or take exception to any requirements or other portion of the RFP must submit specific questions in writing no later than **March 12, 2012 at 4:00 PM**. Questions may be e-mailed to SOV.HealthCare@state.vt.us. Any objection to the RFP, or to any provision of the RFP, that is not raised in writing on or before the last day of the question period is waived. At the close of the question period a copy of all questions or comments and the State's responses will be posted on the State's web site <http://www.bgs.state.vt.us/pca/bids/bids.php>. Every effort will be made to have these available as soon after the question period ends, contingent on the number and complexity of the questions.
- 1.13. **INSTRUCTIONS FOR BIDDERS:** see sections 7.
2. **SPECIFICATIONS OF WORK TO BE PERFORMED:**
- 2.1. **Base coverage estimates:** Construct estimates of the costs of full health insurance coverage of Vermont's population (including Medicaid and Medicare-covered populations, to the extent allowed under federal law) based on a range of assumptions regarding:
- Covered services

- Minimum actuarial value of services
- Cost sharing options

Variations on these parameters will be provided by state personnel and will not result in more than nine total base coverage models

2.2. **Federal financial contribution estimates:** Construct estimates, in cooperation with relevant state personnel, of likely federal contributions to:

- Medicaid, under a renewed section 1115 “Global Commitment” waiver
- Medicare, under a “status quo” scenario
- Medicare, under assumptions provided by state personnel, of one or more payment reform models that include Medicare
- Federal tax credits and subsidies to Vermont individuals and employers for the purchase of health insurance, under the provisions of the federal Affordable Care Act, including a scenario where Vermont elects a Basic Health Plan

2.3. **Health care reform costs and savings estimates:** Construct estimates, in cooperation with relevant state personnel, of the likely impact on total costs of health care administrative, payment and delivery system reforms implemented at the state level. These include:

- The Blueprint for Health integrated health services delivery model (see link to most recent evaluation)
- Payment reform efforts of the Green Mountain Care Board and the Department of Vermont Health Access
- Changes in the cost of administration of health insurance (including costs in health care provider practices) resulting from the implementation of the Vermont Health Benefit Exchange
- Changes in the cost of administration of health insurance (including costs in health care provider practices) resulting from the implementation of a single-payer system in Vermont
- Costs of investments in health care reform, including investments in health information technology, health care workforce investments, improvements to existing health care facilities and investments in public health initiatives
- Costs of reducing or eliminating the state’s provider taxes and employer assessment

2.4. **Financing options:** Construct models, in cooperation with relevant state personnel, for two health care financing options: (a) A model in which the state covers all who remain uninsured after full implementation of the federal Affordable Care Act, with some combination of public and private funds, beginning in 2014 and (b) A model in which the state introduces public financing for all coverage that is not federally-financed, beginning in 2015.

- Both financing plans should include complete analysis of the revenue sources to be utilized, including federal funds, taxes, fees, assessments, premiums, and any cost-sharing.
- Both financing plans should include an analysis of the interaction of new provisions with Vermont’s current revenue structure, including income, property and sales tax, and recommend possible complementary reforms to the overall tax code.
- Both financing plans should include complete analysis of sustainability, including long-term revenue forecast and projections of utilization and spending growth.
- Both financing plans should include an analysis of the feasibility of reducing or eliminating the state’s provider taxes and employer assessment.
- Both financing plans should take into account likely impacts on overall employer or individual tax liability as a result of the new revenue sources utilized, including any new federal liabilities provided for in the Affordable Care Act.
- Both financing plans should include an evaluation of performance measured against the Act 48 principles.

2.5. **Economic effects of financing models:** Construct estimates of the effects of the potential financing models on economic growth in the state, competitiveness of Vermont business, profitability of firms, worker wages, overall job supply and the distribution of jobs between health care and other sectors.

- 2.6. **Distribution and incidence of financing models:** Both financing plans should include analysis of the distribution and incidence of the revenue impacts compared to the current state of Vermont health care.
- 2.7. **Transition:** Both financing plans should include recommended measures to address orderly transition from the current state of Vermont health care financing.
- 2.8. **Legal Analysis:** Both plans must include an analysis of the constraints of federal law, including the Social Security Act and the Employer Retirement Income Security Act (ERISA), and contractor cost estimates should include any legal analysis necessary to understand these factors. Due to the limited number of possible bidders with ERISA expertise, the state will allow bids solely for the ERISA analysis as long as the bidder agrees to work collaboratively with the other contractors chosen to do this work.

3. **PROJECT MANAGEMENT & REPORTING**

3.1. **Deliverables:**

- Financial modeling described in Section 2 with an explanation of assumptions and other necessary information in a format to be agreed upon between the contractor and the state.
- A proposed work plan for the project within two weeks of the contract being signed.

3.2. **Meetings:** At least two meetings in Vermont with regular, periodic phone meetings to be scheduled with the state contact to provide updates on the work.

3.3. **Reports:** Assistance with drafting the financing plans due to the Vermont legislature on January 15, 2013 and summary documents, including a powerpoint presentation, to be used by the state staff.

3.4. **Change Order Procedure:** The State may at any time request a modification to the Scope of Work using a change order. The following procedures for a change order shall be followed: Written Request. The State shall specify in writing the desired modifications to the same degree of specificity as in the original Scope of Work. The request may be in email.

4. **CRITICAL TIMELINE:** Qualified Contractor must meet the state's timeline.

4.1. Contractor must demonstrate in their response that they can meet the requirements identified within the timeline identified by the state.

4.2. The state must deliver a written financing plan for both models to the Vermont legislature on January 15, 2013. The contractor must provide analysis and support for completing this report. The specific schedule of deliverables will be negotiated in the contract, but the proposal should include suggested timeframes. A proposed work plan must be delivered within 2 weeks of the contract being signed.

5. **KNOWLEDGE AND EXPERTISE:** The Qualified Firm shall demonstrate its qualifications and its experience relating to its ability to perform the requirements of this RFP in the following areas.

- Knowledge of health care costs and financing
- Knowledge of health care economics and the potential behavioral and cost effects of financing changes
- Experience with modeling changes in health care coverage, payments, delivery system changes, costs and potential savings
- Knowledge of the effects of health care spending on the overall economy
- Knowledge of federal health care financing and its impact on states
- Experience with modeling changes to a state revenue system, including the potential behavioral effects of changes to the revenue base and possible impacts of proposed changes on revenue growth and revenue volatility.

6. **GENERAL REQUIREMENTS:**

6.1. **ECONOMY OF PRESENTATION:** Proposal shall not contain promotional or display materials. Proposals must address the technical and pricing requirements. All questions posed by the RFP must be answered concisely and clearly.

6.2. **COSTS OF PREPARING THE PROPOSAL:** The costs of preparation and delivery of the proposal are solely the responsibility of the bidder.

6.3. **REJECTION OF PROPOSALS:** The State will reject any proposal outright and not evaluate it for any of the following reasons:

- a. The respondent fails to deliver the proposal by the due date and time.
- b. The respondent states that a service requirement cannot be met.
- c. The respondent's response materially changes a service requirement.
- d. The respondent initiates unauthorized contact regarding the RFP with State employees.
- e. The respondent provides misleading, conflicting or inaccurate responses.

In addition, the State reserves the right to accept or reject any part of any proposal, and to accept or reject any or all proposals without penalty. Any proposal may also be rejected outright for any one of the following reasons:

- a. The respondent's response limits the rights of the State.
- b. The respondent consistently fails to timely include information necessary to substantiate that it will be able to meet service requirements that are necessary for the proposal to be adequately evaluated. A response of "will comply" or merely repeating the requirements is not sufficient.
- c. The respondent fails to timely respond to the State's request for information, documents, or references.
- d. The respondent fails to timely include any signature, certification, authorization, stipulation, disclosure or guarantee requested.
- e. The respondent presents the information requested by this RFP in a format inconsistent with the instructions of the RFP.

6.4. **WORKER'S COMPENSATION; STATE CONTRACTS COMPLIANCE REQUIREMENT:** The Department of Buildings and General Services in accordance with Act 54, Section 32 of the Acts of 2009 and for total projects costs exceeding \$250,000.00, requires bidders comply with the following provisions and requirements.

- (a) (1) Bidder is required to self report detailed information including information relating to past violations, convictions, suspensions, and any other information related to past performance and likely compliance with proper coding and classification of employees requested by the applicable agency.

The bidder is required to report information on any violations that occurred in the previous 12 months.

- (a) (2) Bidder is required to provide a list of subcontractors on the job along with lists of subcontractor's subcontractors and by whom those subcontractors are insured for workers' compensation purposes. Include additional pages if necessary. This is not a requirement for subcontractor's providing supplies only and no labor to the overall contract or project.

In order for a bidder's response to be considered valid bidders must complete and submit the following two (2) forms at time of bid:

- Self Reporting
- Subcontractor Reporting

6.5. **INVOICING:** All invoices are to be rendered by the Contractor on the vendor's standard billhead and forwarded directly to the institution or agency ordering materials or services and shall specify the address to which payments will be sent.

6.6. **CANCELLATION:** The State specifically reserves the right to cancel the contract, or any portion thereof, if, in the opinion of its Commissioner of Buildings and General Services, the services or materials supplied by the contractor are not satisfactory or are not consistent with the terms of the contract

6.7. **METHOD OF AWARD:** Awards will be made in the best interest of the State. The State may award one or more contracts and reserves the right to make additional awards to other compliant bidders at any time during the first year of the contract if such award is deemed to be in the best interest of the State. All other considerations being equal, preference will be given to resident bidders of the state and/or to products raised or manufactured in the state.

6.7.1 An Evaluation Committee will be formed to examine and evaluate all compliant proposals. The membership of the committee will be at the sole discretion of the State.

6.7.2 Evaluation Criteria and assigned weight:

Evaluation Criteria	Assigned Weight
Qualifications (demonstrated knowledge and expertise)	25
Ability to Meet Schedule	20
Project Approach	30
Fee Structure	25

- 6.7.3 As these are the evaluation criteria upon which the selection will be based, proposals should respond to each criterion in a well-organized and detailed manner and in the order in which they are listed. Respond to each criteria, but restrict information to that requested. Unorganized, non-responsive, or excessive and irrelevant information may impede the state's review of proposals received.
- 6.7.4 The State reserves the right at its sole discretion to invite the firm(s) with the highest evaluation score(s) to make a presentation of their proposal.
- 6.7.5 At the conclusion of the evaluation process, the evaluation committee will forward their proposed recommendation for award to the issuing officer.
- 6.8. **CONFIDENTIALITY:** The successful response will become part of the contract file and will become a matter of public record, as will all other responses received. If the response includes material that is considered by the bidder to be proprietary and confidential under 1 VSA, Chapter 5, the bidder shall clearly designate the material as such, explaining why such material should be considered confidential. The bidder must identify each page or section of the response that it believes is proprietary and confidential with sufficient grounds to justify each exemption from release, including the prospective harm to the competitive position of the bidder if the identified material were to be released. Under no circumstances can the entire response or price information be marked confidential. Responses so marked may not be considered.
- 6.9. **CONTRACT TERMS:** The selected vendors will sign a contract with the State to provide the items named in their responses, at the prices listed. Minimum support levels, terms, and conditions from this RFP, and the vendor's response will become part of the contract. This contract will be subject to review throughout its term. The State will consider cancellation upon discovery that a vendor is in violation of any portion of the agreement, including an inability by the vendor to provide the products, support, and/or service offered in their response.
- 6.10. **NEWS RELEASES:** The firm's shall not make public any details pertaining to this procurement or any part of the proposal without the prior written approval of the State.
- 6.11. **DEFAULT:** In case of default of the contractor, the State may procure the materials or supplies from other sources and hold the contractor responsible for any excess cost occasioned thereby, provided, that if public necessity requires the use of materials or supplies not conforming to the specifications they may be accepted and payment therefore shall be made at a proper reduction in price.
- 6.12. **STATEMENT OF RIGHTS:** The State of Vermont reserves the right to obtain clarification or additional information necessary to properly evaluate a proposal. Vendors may be asked to give a verbal presentation of their proposal after submission. Failure of vendor to respond to a request for additional information or clarification could result in rejection of that vendor's proposal. To secure a project that is deemed to be in the best interest of the State, the State reserves the right to accept or reject any and all bids, in whole or in part, with or without cause, and to waive technicalities in submissions. The State also reserves the right to make purchases outside of the awarded contracts where it is deemed in the best interest of the State.
- 6.13. **TAXES:** Most state purchases are not subject to federal or state sales or excise taxes and must be invoiced tax free. An exemption certificate will be furnished upon request covering taxable items. The contractor agrees to pay all Vermont taxes which may be due as a result of this order. If taxes are to be applied to the purchase it will be so noted in the response.

- 6.14. **ORDER OF PRECEDENCE:** The order of precedence for documentation will be the State of Vermont Standard Contract Form and attachments, the bid document and any amendments, and the vendor's response and any amendments.
- 6.15. **SPECIFICATION CHANGE:** Any changes or variations in the specifications must be received in writing from the Office of Purchasing & Contracting. Verbal instructions or written instructions from any other source are not to be considered.
- 6.16. **AMENDMENTS:** No changes, modifications, or amendments in the terms and conditions of this contract shall be effective unless reduced to writing, numbered, and signed by the duly authorized representative of the State and Contractor.
- 6.17. **NON COLLUSION:** The State of Vermont is conscious of and concerned about collusion. It should therefore be understood by all that in signing bid and contract documents they agree that the prices quoted have been arrived at without collusion and that no prior information concerning these prices has been received from or given to a competitive company. If there is sufficient evidence to warrant investigation of the bid/contract process by the Office of the Attorney General, all bidders should understand that this paragraph might be used as a basis for litigation.

- 7. **VENDOR RESPONSE CONTENT AND FORMAT:** The content and format requirements listed below are the minimum required for our evaluation. They are not intended to limit the content of the proposals; vendors may include additional information for consideration.

Proposals must be held firm and irrevocable and may not be withdrawn by prospective Vendors for a period of ninety (90) days following the proposal due date. In the event that the State and successful Firm are negotiating an agreement on or after the ninety (90) days have elapsed from the date of notice of intent to award or the date on which any appeal relative to this procurement are resolved, whichever is later, the Firm agrees to hold their offer pending execution of an agreement with the State.

- 7.1. **DEFINE PRICE REQUIREMENTS:** Any and all costs you wish the state to consider must be identified. Your attention is directed to special instructions regarding the bid proposal submissions. Proposals should be structured and clearly identify information relative to the technical aspect of the proposal including qualification and other information, and then cost proposal should also be clearly identified.

A. TECHNICAL: Response to each requirement identified under Section 2 in a well-organized manner and in the order in which they are listed. Respond to each criteria listed but restrict information to that requested. Unorganized, non-responsive, or excessive and irrelevant information may impede the state's review of proposals received. Also provide a brief overview of the offered services, and a descriptive narrative approach to providing services as outlined in Sections 2 and criterion identified under Section 6.7.2. Subparts identified under Section 2 should be described separately.

B. COST: Price Schedule: Subsections identified under Section 2 should be priced separately. If a bidder suggests combining some of the subsections into one analyses, bidder may include an alternate bid describing those advantages and pricing structure for the same. The alternate bid would be in addition to requirement of providing a proposal identifying subsections under Section 2 separately.

- 7.2. **KNOWLEDGE AND EXPERTISE:** Proposal should demonstrate how bidder meets the qualification requirements identified in Section 5.
- 7.3. **SUBCONTRACTORS:** If a Bidder intends to use subcontractors, the Bidder must identify in the proposal the names of the subcontractors and the portions of the work the subcontractors will perform.
- 7.4. **BACKGROUND AND EXPERIENCE.** Provide a full description of the experience and qualifications you have in modeling health care costs and financing; modeling the potential behavioral and cost effects of financing changes; modeling changes in health care coverage, payments, delivery system changes, costs and potential savings; modeling the effects of health care spending on the overall economy; modeling federal health care financing and its impact on states; and modeling changes to a state revenue system, including the potential behavioral effects of changes to the revenue base and possible impacts of proposed changes on revenue growth and revenue volatility.

- 7.5. **REFERENCES.** Provide the names, addresses, and phone numbers of at least three companies with whom you have transacted similar business in the last 12 months. You must include contact names who can talk knowledgeably about performance.
- 7.6. **CERTIFICATE OF COMPLIANCE:** This form must be completed and submitted as part of the response for the proposal to be considered valid.
- 7.7. **WORKERS' COMPENSATION; STATE CONTRACTS COMPLIANCE REQUIREMENT; SELF REPORTING:** This form must be completed and submitted as part of the response for the proposal to be considered valid.
- 7.8. **WORKERS' COMPENSATION; STATE CONTRACTS COMPLIANCE REQUIREMENT; SUBCONTRACTOR REPORTING:** This form must be completed and submitted as part of the response for the proposal to be considered valid.
- 7.9. **OFFSHORE OUTSOURCING QUESTIONNAIRE:** This form must be completed and submitted as part of the response for the proposal to be considered valid.

8. **SUBMISSION INSTRUCTIONS:**

- 8.1. **CLOSING DATE:** The closing date for the receipt of proposals is **March 26, 2012 at 9:00 AM.** All Responses to be submitted by email to SOV.HealthCare@state.vt.us. Submit one response electronically by the due date provided on the Cover Page.
- 8.2. All times stated herein are Eastern Time. Any proposal or modification received after the time and date stated on the Cover Page shall be rejected. All responses must a signature either by signature affixed thereto, either by manually signing the document, prior to scanning it and uploading it with your submission, or affixing it electronically. All response will be in Microsoft Word or Microsoft Excel format.

9. **ATTACHMENTS:**

- 9.1. Attachment C: Standard State Contract Provisions (January 10, 2011)
- 9.2. Certificate of Compliance
- 9.3. Offshore Outsourcing Questionnaire
- 9.4. Workers' Compensation; State Contracts Compliance Requirement; Self Reporting
- 9.5. Workers' Compensation; State Contracts Compliance Requirement; Subcontractor Reporting

State of Vermont
ATTACHMENT C: STANDARD STATE PROVISIONS
FOR CONTRACTS AND GRANTS

1. **Entire Agreement:** This Agreement, whether in the form of a Contract, State Funded Grant, or Federally Funded Grant, represents the entire agreement between the parties on the subject matter. All prior agreements, representations, statements, negotiations, and understandings shall have no effect.
2. **Applicable Law:** This Agreement will be governed by the laws of the State of Vermont.
3. **Definitions:** For purposes of this Attachment, "Party" shall mean the Contractor, Grantee or Subrecipient, with whom the State of Vermont is executing this Agreement and consistent with the form of the Agreement.
4. **Appropriations:** If this Agreement extends into more than one fiscal year of the State (July 1 to June 30), and if appropriations are insufficient to support this Agreement, the State may cancel at the end of the fiscal year, or otherwise upon the expiration of existing appropriation authority. In the case that this Agreement is a Grant that is funded in whole or in part by federal funds, and in the event federal funds become unavailable or reduced, the State may suspend or cancel this Grant immediately, and the State shall have no obligation to pay Subrecipient from State revenues.
5. **No Employee Benefits For Party:** The Party understands that the State will not provide any individual retirement benefits, group life insurance, group health and dental insurance, vacation or sick leave, workers compensation or other benefits or services available to State employees, nor will the state withhold any state or federal taxes except as required under applicable tax laws, which shall be determined in advance of execution of the Agreement. The Party understands that all tax returns required by the Internal Revenue Code and the State of Vermont, including but not limited to income, withholding, sales and use, and rooms and meals, must be filed by the Party, and information as to Agreement income will be provided by the State of Vermont to the Internal Revenue Service and the Vermont Department of Taxes.
6. **Independence, Liability:** The Party will act in an independent capacity and not as officers or employees of the State.

The Party shall defend the State and its officers and employees against all claims or suits arising in whole or in part from any act or omission of the Party or of any agent of the Party. The State shall notify the Party in the event of any such claim or suit, and the Party shall immediately retain counsel and otherwise provide a complete defense against the entire claim or suit.

After a final judgment or settlement the Party may request recoupment of specific defense costs and may file suit in Washington Superior Court requesting recoupment. The Party shall be entitled to recoup costs only upon a showing that such costs were entirely unrelated to the defense of any claim arising from an act or omission of the Party.

The Party shall indemnify the State and its officers and employees in the event that the State, its officers or employees become legally obligated to pay any damages or losses arising from any act or omission of the Party.

7. **Insurance:** Before commencing work on this Agreement the Party must provide certificates of insurance to show that the following minimum coverages are in effect. It is the responsibility of the Party to maintain current certificates of insurance on file with the state through the term of the Agreement. No warranty is made that the coverages and limits listed herein are adequate to cover and protect the interests of the Party for the Party's operations. These are solely minimums that have been established to protect the interests of the State.

Workers Compensation: With respect to all operations performed, the Party shall carry workers' compensation insurance in accordance with the laws of the State of Vermont.

General Liability and Property Damage: With respect to all operations performed under the contract, the Party shall carry general liability insurance having all major divisions of coverage including, but not limited to:

Premises - Operations

Products and Completed Operations

Personal Injury Liability
Contractual Liability

The policy shall be on an occurrence form and limits shall not be less than:

\$1,000,000 Per Occurrence
\$1,000,000 General Aggregate
\$1,000,000 Products/Completed Operations Aggregate
\$ 50,000 Fire/ Legal/Liability

Party shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this Agreement.

Automotive Liability: The Party shall carry automotive liability insurance covering all motor vehicles, including hired and non-owned coverage, used in connection with the Agreement. Limits of coverage shall not be less than: \$1,000,000 combined single limit.

Party shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this Agreement.

8. **Reliance by the State on Representations:** All payments by the State under this Agreement will be made in reliance upon the accuracy of all prior representations by the Party, including but not limited to bills, invoices, progress reports and other proofs of work.
9. **Requirement to Have a Single Audit:** In the case that this Agreement is a Grant that is funded in whole or in part by federal funds, and if this Subrecipient expends \$500,000 or more in federal assistance during its fiscal year, the Subrecipient is required to have a single audit conducted in accordance with the Single Audit Act, except when it elects to have a program specific audit.

The Subrecipient may elect to have a program specific audit if it expends funds under only one federal program and the federal program's laws, regulating or grant agreements do not require a financial statement audit of the Party.

A Subrecipient is exempt if the Party expends less than \$500,000 in total federal assistance in one year.

The Subrecipient will complete the Certification of Audit Requirement annually within 45 days after its fiscal year end. If a single audit is required, the sub-recipient will submit a copy of the audit report to the primary pass-through Party and any other pass-through Party that requests it within 9 months. If a single audit is not required, the Subrecipient will submit the Schedule of Federal Expenditures within 45 days. These forms will be mailed to the Subrecipient by the Department of Finance and Management near the end of its fiscal year. These forms are also available on the Finance & Management Web page at: <http://finance.vermont.gov/forms>

10. **Records Available for Audit:** The Party will maintain all books, documents, payroll papers, accounting records and other evidence pertaining to costs incurred under this agreement and make them available at reasonable times during the period of the Agreement and for three years thereafter for inspection by any authorized representatives of the State or Federal Government. If any litigation, claim, or audit is started before the expiration of the three year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved. The State, by any authorized representative, shall have the right at all reasonable times to inspect or otherwise evaluate the work performed or being performed under this Agreement.
11. **Fair Employment Practices and Americans with Disabilities Act:** Party agrees to comply with the requirement of Title 21V.S.A. Chapter 5, Subchapter 6, relating to fair employment practices, to the full extent applicable. Party shall also ensure, to the full extent required by the Americans with Disabilities Act of 1990, as amended, that qualified individuals with disabilities receive equitable access to the services, programs, and activities provided by the Party under this Agreement. Party further agrees to include this provision in all subcontracts.
12. **Set Off:** The State may set off any sums which the Party owes the State against any sums due the Party under this Agreement; provided, however, that any set off of amounts due the State of Vermont as taxes shall be in accordance with the procedures more specifically provided hereinafter.

13. Taxes Due to the State:

- a. Party understands and acknowledges responsibility, if applicable, for compliance with State tax laws, including income tax withholding for employees performing services within the State, payment of use tax on property used within the State, corporate and/or personal income tax on income earned within the State.
- b. Party certifies under the pains and penalties of perjury that, as of the date the Agreement is signed, the Party is in good standing with respect to, or in full compliance with, a plan to pay any and all taxes due the State of Vermont.
- c. Party understands that final payment under this Agreement may be withheld if the Commissioner of Taxes determines that the Party is not in good standing with respect to or in full compliance with a plan to pay any and all taxes due to the State of Vermont.
- d. Party also understands the State may set off taxes (and related penalties, interest and fees) due to the State of Vermont, but only if the Party has failed to make an appeal within the time allowed by law, or an appeal has been taken and finally determined and the Party has no further legal recourse to contest the amounts due.

14. Child Support: (Applicable if the Party is a natural person, not a corporation or partnership.) Party states that, as of the date the Agreement is signed, he/she:

- a. is not under any obligation to pay child support; or
- b. is under such an obligation and is in good standing with respect to that obligation; or
- c. has agreed to a payment plan with the Vermont Office of Child Support Services and is in full compliance with that plan.

Party makes this statement with regard to support owed to any and all children residing in Vermont. In addition, if the Party is a resident of Vermont, Party makes this statement with regard to support owed to any and all children residing in any other state or territory of the United States.

15. Sub-Agreements: Party shall not assign, subcontract or subgrant the performance of his Agreement or any portion thereof to any other Party without the prior written approval of the State. Party also agrees to include in all subcontract or subgrant agreements a tax certification in accordance with paragraph 13 above.

16. No Gifts or Gratuities: Party shall not give title or possession of any thing of substantial value (including property, currency, travel and/or education programs) to any officer or employee of the State during the term of this Agreement.

17. Copies: All written reports prepared under this Agreement will be printed using both sides of the paper.

18. Certification Regarding Debarment: Party certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, neither Party nor Party's principals (officers, directors, owners, or partners) are presently debarred, suspended, proposed for debarment, declared ineligible or excluded from participation in federal programs or programs supported in whole or in part by federal funds.

(End of Standard Provisions)

RFP/PROJECT: HEALTH CARE FINANCING PLAN

DATE: March 2, 2012

CERTIFICATE OF COMPLIANCE

This form must be completed in its entirety and submitted as part of the response for the proposal to be considered valid.

TAXES: Pursuant to 32 V.S.A. § 3113, bidder hereby certifies, under the pains and penalties of perjury, that the company/individual is in good standing with respect to, or in full compliance with a plan to pay, any and all taxes due to the State of Vermont as of the date this statement is made. A person is in good standing if no taxes are due, if the liability for any tax that may be due is on appeal, or if the person is in compliance with a payment plan approved by the Commissioner of Taxes.

INSURANCE: Bidder certifies that the company/individual is in compliance with, or is prepared to comply with, the insurance requirements as detailed in Section 7 of Attachment C: Standard State Contract Provisions. Certificates of insurance must be provided prior to issuance of a contract and/or purchase order. If the certificate(s) of insurance is/are not received by the Office of Purchasing & Contracting within five (5) days of notification of award, the State of Vermont reserves the right to select another vendor. Please reference the RFP and/or RFQ # when submitting the certificate of insurance.

CONTRACT TERMS: The undersigned hereby acknowledges and agrees to Attachment C: Standard State Contract Provisions.

TERMS OF SALE: The undersigned agrees to furnish the products or services listed at the prices quoted. The Terms of Sales are Net 30 days from receipt of service or invoice, whichever is later. Percentage discounts may be offered for prompt payments of invoices, however such discounts must be in effect for a period of 30 days or more in order to be considered in making awards.

FORM OF PAYMENT: Would you accept the Visa Purchasing Card as a form of payment? ☐ Yes ☐ No

Insurance Certificate(s): Attached _____

Will provide upon notification of award _____

Delivery Offered: _____ days after notice of award

Terms of Sale: _____
(If Discount)

Quotation Valid for: _____ days

Date: _____

Name of Company: _____

Contact Name: _____

Address: _____

Fax Number: _____

E-mail: _____

By: _____
Signature (Bid Not Valid Unless Signed)

Name: _____
(Type or Print)

All returned quotes and related documents must be identified with our request for quote number.

WORKERS' COMPENSATION; STATE CONTRACTS COMPLIANCE REQUIREMENT

**Self Reporting
Form 1 of 2**

This form must be completed in its entirety and submitted as part of the response for the proposal to be considered valid.

The Department of Buildings and General Services in accordance with Act 54, Section 32 of the Acts of 2009 and for total projects costs exceeding \$250,000.00, requires bidders comply with the following provisions and requirements.

Bidder is required to self report the following information relating to past violations, convictions, suspensions, and any other information related to past performance relative to coding and classification for worker's compensation. The state is requiring information on any violations that occurred in the previous 12 months.

Summary of Detailed Information	Date of Notification	Outcome

WORKERS' COMPENSATION STATE CONTRACTS COMPLIANCE REQUIREMENT: Bidder hereby certifies that the company/individual is in compliance with the requirements as detailed in Act 54, Section 32 of the Acts of 2009.

Date: _____

Name of Company: _____

Contact Name: _____

Address: _____

Title: _____

Phone Number: _____

E-mail: _____

Fax Number: _____

By: _____

Name: _____

Signature (Bid Not Valid Unless Signed)*

(Type or Print)

*Form must be signed by individual authorized to sign on the bidder's behalf.

WORKERS' COMPENSATION; STATE CONTRACTS COMPLIANCE REQUIREMENT

Subcontractor Reporting
Form 2 of 2

This form must be completed in its entirety and submitted as part of the response for the proposal to be considered valid.

The Department of Buildings and General Services in accordance with Act 54, Section 32 of the Acts of 2009 and for total projects costs exceeding \$250,000.00 requires bidders to comply with the following provisions and requirements.

Bidder is required to provide a list of subcontractors on the job along with lists of subcontractor's subcontractors and by whom those subcontractors are insured for workers' compensation purposes. Include additional pages if necessary. This is not a requirement for subcontractor's providing supplies only and no labor to the overall contract or project.

Subcontractor	Insured By		Subcontractor's Sub	Insured By

Date: _____

Name of Company: _____

Contact Name: _____

Address: _____

Title: _____

Phone Number: _____

E-mail: _____

Fax Number: _____

By: _____

Name: _____

Signature (Bid Not Valid Unless Signed)*

(Type or Print)

*Form must be signed by individual authorized to sign on the bidder's behalf.

Offshore Outsourcing Questionnaire

Vendors must indicate whether or not any services are or will be performed in a country other than the United States. Indicate N/A if not applicable.

Services:

Proposed Service to be Outsourced	Bid Total	Offshore Dollars	Represents what % of total Contract Dollars	Outsourced Work Location (Country)	Subcontractor

If any or all of the services are or will be outsourced offshore, Vendors are required to provide a cost estimate of what the cost would be to provide the same services onshore and/or in Vermont.

Proposed Service to be Outsourced	Bid Total if provided Onshore	Bid Total if provided in Vermont	Cost Impact	Onshore Work Location	Subcontractor

Name of Bidder:

Signature of Bidder:

Date