

State of Vermont

Department of Buildings and General Services

Purchasing and Contract Administration

Middlesex, VT 05633-7601

www.bgs.state.vt.us/pca

[phone] 802-828-2211

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Agency of Administration

SEALED BID

REQUEST FOR PROPOSAL

Workers' Compensation Prescription Drug Program

DATE: December 26, 2006

QUESTIONS DUE BY: January 11, 2007

DUE DATE and BID OPENING: January 25, 2007

TIME OF BID OPENING: 3:00 PM

LOCATION OF BID OPENING: 1078 US Route 2, Middlesex

PLEASE BE ADVISED THAT ALL NOTIFICATIONS, RELEASES AND AMENDMENTS ASSOCIATED WITH THIS RFP WILL BE POSTED AT www.bgs.state.vt.us/pca/bids. THE STATE WILL MAKE NO ATTEMPT TO CONTACT VENDORS WITH UPDATED INFORMATION. IT WILL BE THE RESPONSIBILITY OF EACH VENDOR TO PERIODICALLY CHECK THIS SITE FOR THE LATEST DETAILS.

PURCHASING AGENT: Deborah Damore
TELEPHONE: (802) 828-5784
E-MAIL: deborah.damore@state.vt.us
FAX: (802) 828-2222

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1. **OVERVIEW**

- 1.1. **SCOPE:** The Vermont Purchasing and Contract Administration Division is seeking to establish a purchasing agreement with a company that can implement a pharmacy discount and utilization review service for the State of Vermont’s Workers’ Compensation program. The State of Vermont Risk Management Division will utilize this contract.

BACKGROUND: The State of Vermont began self-insuring and self-administering its workers’ compensation exposure on February 1, 1990. All workers’ compensation claims filed by state employees injured on the job are handled by the State’s Risk Management Division (RMD). RMD’s workers’ compensation section includes four teams, each consisting of a medical case manager (MCM) and a claims adjuster (Adjuster) who work together to manage the claims and ensure appropriate and quality medical care for the injured workers.

Currently all medical billing (including pharmacy items) is submitted to RMD where the claims staff reviews the invoices for approval and then forwards them to a bill-paying contractor for processing. The bill-payer processes the payment, creates an explanation of benefits (EOB), and mails the check and EOB to the pharmacy/provider. There are no pharmacy discounts in place at this time.

The reason for considering implementing a pharmacy program for the state’s workers’ compensation claimants is to help control the cost of prescription drugs by providing claimants with convenient access to a network of preferred pharmacies that offer discounts while also managing outcomes and decreasing inappropriate utilization.

- 1.2. **CONTRACT PERIOD:** Contracts arising from this request for proposal will be for a period of **24 months** with an option to renew for **2** additional 12 **-month** periods. Proposed start date will be March 1, 2007.
- 1.3. **SINGLE POINT OF CONTACT:** All communications concerning this Request for Proposal (RFP) are to be addressed in writing to the attention of: Deborah Damore, State of Vermont, Purchasing and Contract Administration Division, 1078 US Route 2 - Middlesex, Montpelier, VT 05633-7601. Deborah Damore is the sole contact for this proposal. Attempts by bidders to contact any other party could result in the rejection of their proposal.
- 1.4. **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 **January 11, 2007**. Questions may be e-mailed to deborah.damore@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 www.bgs.state.vt.us/pca/bids. 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.
- 1.5. **BIDDERS CONFERENCE:** A bidders’ conference is not scheduled at this time.
- 1.6. **CONTRACT VALUE/QUANTITY:** RMD receives approximately 1000 workers’ compensation claims per year of which an average of 192 are indemnity and 544 are medical only claims, The average annual number of pharmacy bills processed is 1100, and the average annual pharmacy costs are \$104,000.

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The annual value and quantities are estimated only based on prior usage and may be increased or decreased to meet actual requirements.

1.7. METHOD OF AWARD:

- 1.7.1. **CONTRACT AWARD:** Awards will be made under the provisions of VSA Title 29 Chapter 49 § 903. The State may award one or more contracts and reserves the right to make additional awards to other vendors who submitted proposals at any time during the first year of the contract if such award is deemed to be in the best interest of the State. Preference shall be given to resident bidders of the State and products raised or manufactured in the State all other things being equal.
- 1.7.2. **EVALUATION CRITERIA:** The Risk Management Division will establish a Proposal Review Committee which will evaluate all proposals. Proposals will be screened for general acceptability and compliance with the RFP requirements. If there is insufficient information to evaluate a specific feature, it will be assumed that the feature will not be supplied. It is in the vendor’s best interest to be as thorough as possible in responding to this RFP.

The committee will evaluate all proposals based on the following criteria and make its recommendation to the Commissioner of Buildings and General Services who will give final approval of the selection.

- A. Experience and Background:** Contractor should have experience in implementing a workers’ compensation pharmacy program. The following factors will be taken into consideration:
- Standing in the industry/references
 - Ability to deliver quality and timely service
- B. Program Specifications:** Questions regarding your company’s organizational, network, and program management, and utilization information should be addressed within your proposal. These questions can be found in Section 2 of this proposal: **Detailed Requirements**
- C. Cost:** The cost of services that make up the proposal will be evaluated to determine the most complete and cost-effective options. All proposals will be evaluated and defined on a comparative basis with other proposals and examined to determine which alternative provides the lowest overall cost and best meets the needs of RMD.
- D. Optional Specifications:** In addition to the forgoing, the committee will be evaluating all proposals for optional programs. Each vendor is free to offer additional services as yet undefined. These services should be clearly identified and the cost for each must be separately identified. It is presumed that these are optional at our choosing and not required to be purchased as part of the larger package.
- 1.8. **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, as well as 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.

1.9. ATTACHMENTS:

- 1.9.1. Purchasing and Contract Administration Terms and Conditions dated November 1, 2004

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1.9.2. Vermont Tax Certificate and Insurance Certificate

1.9.3. Purchasing Card Questionnaire

1.9.4. Offshore Outsourcing Questionnaire

1.10. **DELIVERY:** All equipment pricing is to include F.O.B. delivery to the ordering facility. No request for extra delivery cost will be honored. All equipment shall be delivered assembled, serviced, oiled and ready for immediate use, unless otherwise requested by the purchasing agency. Liability for product delivery remains with the contractor until properly delivered and signed for in accordance with the Division of Purchasing and Contract Administrations terms and conditions.

1.11. **QUALITY:** All products provided under these agreements will be new and unused, unless otherwise stated. Factory seconds or remanufactured products will not be accepted unless specifically requested by the purchasing agency. All products provided by the contractor must meet all federal, state and local standards for quality and safety requirements. Products not meeting these standards will be deemed unacceptable and returned to the contractor for credit at no charge to the State.

1.12. **EQUIPMENT WARRANTY:** The manufacturer shall include with their proposals a written warranty for each piece of equipment that they intend to furnish. Warranties are to be based on commercial use. A minimum of one (1) year commercial use warranty is required. It is desirable that the bidder offer more than one (1) year.

1.13. **TECHNICAL SUPPORT/TRAINING:** Please explain what training you will provide to the RMD claims staff and indicate how system issues between contractor and RMD will be conducted in the initiation phase and for problems occurring during the contract period.

1.14. **SUPPORT DOCUMENTATION:** All awarded contractors must provide copies of their equipment catalog(s) to all agencies, departments, individuals facilities, and/or political sub-divisions who make such requests. Bidders shall provide one copy each of the repair manual and the parts catalog with each equipment order.

1.15. **AVAILABILITY:** Program must be in place and functioning by March 1, 2007.

1.16. **METHOD OF ORDERING:** Purchase orders must be used to order items available under this contract. If verbal orders are given a confirming purchase order must be issued.

1.17. **PRICING: DELIVERABLES & TIME TABLE:** Pricing must be in effect beginning with the effective start date and continuing through the contract term.

1.18. **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.

1.19. **REMITTANCE OF PAYMENT:** Specify the address to which payments will be sent.

1.20. **USAGE REPORTING:** Specific usage report requirements will be developed once the contract has been awarded. Detailed requirements section requests samples.

2. DETAILED REQUIREMENTS: Proposals should address each of the following:

- 2.1. Describe the products and services your organization offers in Vermont, New York, and New Hampshire.
- 2.2. Provide the percentage of your network penetration in Vermont, New York, and New Hampshire.

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- 2.3. Injured state employees utilize pharmacies located mostly in Vermont, New York, and New Hampshire. Provide a list of all pharmacies currently included in your network in each of these three states. Briefly describe your contractual obligations with these pharmacy providers.
- 2.4. Do you have staff pharmacists that serve in a consulting capacity to communicate with our office and our employees? If so, provide their name(s) and professional summary
- 2.5. Describe your ability to provide telephonic customer service to RMD staff, pharmacies, and claimants.
- 2.6. Describe your internet service capabilities for pharmacies, claimants and RMD.
- 2.7. Describe your program options for providing prescriptions benefits to injured workers. Include whether your system issues identification cards or is card-less. If your organization issues cards, where do they send them from and how long does it take to process card requests? Are there any fees associated with this service? Do you offer a mail-order prescription service? If so, please provide details of how that service works.
- 2.8. How do you determine a workers’ compensation formulary or determine what prescriptions are appropriate for the treatment of any particular injury?
- 2.9. Describe your generic drug substitution program including any steps you take to promote generic drug use whenever possible.
- 2.10. Describe the procedures for capturing first fill prescriptions.
- 2.11. Does your company assume responsibility for cost of prescriptions filled on non-compensable claims?
- 2.12. How do you prevent prescriptions from being released to injured workers whose claims have been denied?
- 2.13. What information or data would you need from RMD on each claim to ensure the proper dispensing of prescriptions? How do the pharmacies contact you for authorization of prescriptions?
- 2.14. How would you handle claimants who are currently receiving workers’ compensation benefits as of the effective date of this program? What transition will have to be made to avoid interruption of pharmacy benefits?
- 2.15. Please outline your company’s utilization strategy. How does your company address what is deemed to be inappropriate prescribed medication and over utilization or potential abuse of prescribed medication. How does your company address adverse drug interactions?
- 2.16. Does your company have the ability to process bills from both hard copy and EDI? If so, are there any charges associated with this process? Please detail.
- 2.17. How do you manage prescriptions when a claimant has multiple open workers’ compensation claims? How do you identify which claim file the prescription is affiliated with?
- 2.18. What is the frequency and timing of your billing?
- 2.19. How and when are your network pharmacies paid? What percentage of your network pharmacies do not receive payment within your agreed upon time frame? To what do you attribute those delays? If payment is delayed to a pharmacy, what is the pharmacy instructed to do?

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- 2.20. Detail your procedure for handling out-of-network bills. What is the percentage of success your company has in transitioning claimants from out-of-network providers to network providers?
- 2.21. Describe your information systems platform.
- 2.22. Describe your electronic data interface capabilities and any experiences you have had with current or former customers. RMD currently requires that payment details be submitted in a text file. However, should RMD change information systems, a modification or new format may be required at that time. Describe the frequency and type of data transfer you would need from RMD and your ability to transfer payment and billing information. What methods do you use to make sure that your data transmissions are secure?
- 2.23. Provide a proposed schedule with timelines and detailed plan for how you would implement this program.
- 2.24. Give a summary (providing samples) of all reports provided, and the frequency of those reports.

3. **GENERAL INFORMATION:**

3.1. **PURCHASING CARD:** The State implemented a VISA Purchasing Card Program. The Visa card can be used for purchasing and paying for small dollar, non-contract items with a total value of \$2,500.00 or less per transaction. Where appropriate, the State has elected to use the card as a form of payment for items under contract. The Visa Purchasing Card can be used with any vendor that accepts Visa as a form of payment. Vendors are required to respond to the attached Purchasing Card Questionnaire.

4. **VENDOR RESPONSE CONTENT AND FORMAT:** The instructions and format for the submission of proposal information are designed to ensure the provision of data considered essential to the understanding and comprehensive evaluation of the bidder's proposal. There is no intent to limit the content of the proposals, nor in any way to inhibit a presentation in other than the vendor's favor. The vendor may include such additional information or data as may be appropriate, or offer alternate solutions but should not exclude any portion requested in this document. All proposals should contain the following information.

- 4.1. **IDENTITY OF PREPARER(S).** A statement identifying individuals who were involved in the preparation of the proposal as well as a single point of contact for clarification of information must be included.
- 4.2. **BACKGROUND AND EXPERIENCE.** Provide a full description of the experience you have had in providing discount prescription drugs to Workers’ Compensation Insurance providers. How long has your company provided pharmacy management services? Please list the workers’ compensation insurance carriers/payers are you currently providing pharmacy management services for in Vermont and state how long you have been providing the services for each company? What percentage of your business is workers’ compensation?
- 4.3. **REFERENCES.** Provide the names, addresses, and phone numbers of at least three insurance carriers with whom you have transacted similar business in the last 12 months. You must include contact names who can talk knowledgeably about performance.

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- 4.4. **NARRATIVE:** Provide a point by point narrative that states how they will meet the requirements of this Request for Proposal as defined in the detailed specifications.
- 4.5. **ACKNOWLEDGMENT OF TERMS:** A statement acknowledging Purchasing and Contract Administration Terms and Conditions. (These will be considered when making an award).
- 4.6. **PRICING:** Include a detailed explanation of any and all costs associated with your services. In addition to the prescription charges, what additional fees would you charge? List any and all additional fees including, but not limited to, denied or rejected prescriptions, dispensing and administrative fees, taxes, card distribution, special mailings, internet access, special reports, training, etc.? What is the average percentage of savings we could expect to see between the amount billed and your proposed charges? Provide sample pricing on the following medications:
- NDC # / Medication
00173047800 / IMITREX STATDOSE REFILL
00008914902 / SYNVISIC
00378912498 / FENTANYL
59011010510 / OXYCONTIN
60951070570 / OXYCODONE HYDROCHLORIDE
00024542131 / AMBIEN
00310027110 / SEROQUEL
00597003001 / MOBIC
00172392770 / DIAZEPAM
00025152531 / CELEBREX
- 4.7. **VERMONT TAX CERTIFICATE AND INSURANCE CERTIFICATE:** This form must be completed and submitted as part of the response for the proposal to be considered valid.
- 4.8. **PURCHASING CARD:** Respond to the purchasing card questions in 3.1 by completing the attached questionnaire.
- 4.9. **OFFSHORE OUTSOURCING QUESTIONNAIRE:** All bidders are to complete the attached questionnaire.

5. **PROPOSAL SUBMISSION:**

- 5.1. **CLOSING DATE:** The closing date for the receipt of proposals is 3:00 PM, **January 25, 2007**. Bid must be delivered to: Vermont Purchasing and Contract Administration Division, 1078 US Route 2 - Middlesex, Montpelier, VT 05633-7601 prior to that time. Proposals or unsolicited amendments submitted after that time will not be accepted and will be returned to the vendor.
- 5.2. The bid opening will be held at 1078 US Route 2, Middlesex, VT and is open to the public. Submit an original (clearly marked as such) and two (2) copies.

6. **SEALED BID INSTRUCTIONS:**

All bids must be sealed and must be addressed to the State of Vermont, Purchasing and Contract Administration Division, 1078 US Route 2 - Middlesex, Montpelier, VT 05633-7601. **BID ENVELOPES MUST BE CLEARLY MARKED ‘SEALED BID’ AND SHOW THE REQUISITION NUMBER AND/OR PROPOSAL TITLE, OPENING DATE AND NAME OF BIDDER.**

- 6.1. All bidders are hereby notified that sealed bids must be in the office of the Vermont Purchasing and Contract Administration Division by the time of the bid opening. Bids not in possession of

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the Purchasing and Contract Administration Division at the time of the bid opening will not be considered, and returned to the vendor.

- 6.2. Purchasing and Contract Administration Division may, for cause, change the date and/or time of bid openings or issue an addendum. If a change is made, the State will make a reasonable effort to inform all bidders by posting at: www.bgs.state.vt.us/pca/bids.
- 6.3. All bids will be publicly opened. Any interested party may attend bid openings. Bid results may be requested in writing and are available once an award has been made.
- 6.4. DELIVERY METHODS:
 - 6.4.1. U.S. MAIL: Bidders are cautioned that it is their responsibility to originate the mailing of bids in sufficient time to insure receipt by the Purchasing and Contract Administration Division prior to the time of the bid opening.
 - 6.4.2. EXPRESS DELIVERY: If bids are being sent via an express delivery service, be certain that the RFP designation is clearly shown on the outside of the delivery envelope or box.
 - 6.4.3. HAND DELIVERY: Hand carried bids shall be delivered to a representative of the Division prior to the bid opening.
 - 6.4.4. ELECTRONIC: Electronic bids will not be accepted.
 - 6.4.5. FAX BIDS: Will not be accepted for this RFP.

Offshore Outsourcing Questionnaire

Vendors must indicate whether or not any services are or will be outsourced under the terms of any agreement with the State of Vermont. Indicate N/A if not applicable.

Services:

Proposed Service to be Outsourced	Bid Total or Contract Estimate	Represents what % of total Contract Dollars	Outsourced 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 or Contract Estimate if provided Onshore	Bid Total or Contract Estimate if provided in Vermont	Cost Impact	Onshore Work Location	Subcontractor

Name of Bidder:

Signature of Bidder:

Date:



State of Vermont

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Agency of Administration

DATE: **December 26, 2006**

REQUEST FOR PROPOSAL
Workers' Compensation Prescription Drug Program

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

The undersigned agrees to furnish the products or services listed at the prices quoted and, unless otherwise stated by the vendor, the Terms of Sale 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.

VERMONT TAX CERTIFICATE AND INSURANCE CERTIFICATE

To meet the requirements of Vermont Statute 32 V.S.A. subsection 3113, by law, no agency of the State may enter into extend or renew any contract for the provision of goods, services or real estate space with any person unless such person first certifies, under the pains and penalties of perjury, that he or she is in good standing with the Department of Taxes. 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, 32 V.S.A. subsection 3113. In signing this bid, the bidder 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.

Bidder further certifies that the company/individual is in compliance with the State's insurance requirements as detailed in section 21 of the Purchasing and Contract Administration Terms and Conditions. All necessary certificates must be received prior to issuance of Purchase Order. If the certificate of insurance is not received by the Division of Purchasing and Contract Administration within five (5) days, the State of Vermont reserves the right to select another vendor. Please reference this RFQ# when submitting the certificate of insurance.

Insurance Certificate: Attached _____ Will provide upon notification of award: _____ (within 5 days)

Delivery Offered _____ Days After Notice of Award

Terms of Sale _____

Quotation Valid for _____ Days _____

Date: _____

Name of Company: _____

Telephone Number: _____

Fed ID or SS Number: _____

Fax Number: _____

By: _____
Signature (Bid Not Valid Unless Signed)

Name: _____
(Type or Print)

This is NOT AN ORDER

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

State of Vermont**Department of Buildings and General Services**

Purchasing and Contract Administration

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www.bgs.state.vt.us/pca*Agency of Administration***PURCHASING AND CONTRACT ADMINISTRATION
TERMS AND CONDITIONS**

1. **Entire Agreement:** This contract represents the entire agreement between the parties on the subject matter. All prior agreements, representations, statements, negotiations, and understandings shall have no effect.
2. **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. The State reserves the right to accept or reject any and all bids, in whole or in part, with or without cause; to waive technicalities in submissions, to secure a project that is deemed to be in the best interest of the State. 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.
3. **Responses:** Responses must be submitted on and in accordance with forms or format provided by Purchasing and Contract Administration Division. Prices and information entered on the quote, except signature of vendor, should be typed or printed for legibility. ALL SUBMISSIONS MUST BE SIGNED.
4. **Prices:** Unless otherwise stated, prices are net and no charge for packing, shipping, or for any other purpose will be allowed over and above the price quoted. Prices quoted for printing are to include printing, binding, wrapping, and packaging. All prices are delivered F.O.B. destination, unless otherwise stated.
5. **Taxes:** Most Vermont 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. **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.
7. **Substitution:** Unless otherwise stated, vendors may offer substitutes to items identified by a manufacturer's number or brand. When offering a substitution, vendor must describe any differences and provide technical information that will assist in the evaluation. After an award is made, substitutions are not acceptable unless authorized in writing by the Purchasing and Contract Administration Division.
8. **Specification Change:** Any changes or variations in the specifications must be received in writing from the Purchasing and Contract Administration Division. Verbal instructions or written instructions from any other source are not to be considered.
9. **Method of Award:** Awards will be made under the provisions of VSA Title 29 Chapter 49 § 903. The State may award one or more contracts and reserves the right to make additional awards to other vendors who submitted proposals at any time during the first year of the contract if such award is deemed to be in the best interest of the State. Preference shall be given to resident bidders of the State and products raised or manufactured in the State all other things being equal.
10. **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.
11. **Cancellation:** The State specifically reserves the right to cancel the contract or any portion thereof providing, in the opinion of its Commissioner of Buildings and General Services, the services or materials supplied by the contractor are not satisfactory or consistent with the terms of the contract.

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12. **Delivery:** Liability for product delivery remains with the contractor until properly delivered and signed for in accordance with the Purchasing and Contract Administration Division's terms and conditions. Shipments shall be securely and properly packed, according to accepted commercial practices, without extra charge for packing cases or other containers. Such containers to remain the property of the State unless otherwise stated. Deliveries that do not conform to the specifications or are not in good condition upon receipt shall be replaced promptly by the contractor.
13. **Invoicing:** All invoices are to be rendered by the Contractor on the vendor's standard bill-head and forwarded directly to the institution or agency ordering materials or services.
14. **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.
15. **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.
16. **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.
17. **Applicable Law:** This contract will be governed by the laws of the State of Vermont.
18. **Appropriations:** If this contract extends into more than one fiscal year of the State (July 1 to June 30), and if appropriations are insufficient to support this contract, the State may cancel at the end of the fiscal year, or otherwise upon the expiration of exiting appropriation authority.
19. **No Employee Benefits For Contractor:** The contractor 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 contract. The Contractor 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 contractor, and information as to contract income will be provided by the State of Vermont to the Internal Revenue Service and the Vermont Department of Taxes.
20. **Independence, Liability:** The Contractor will act in an independent capacity and not as officers or employees of the State. The contractor shall indemnify, defend and hold harmless the State and its officers and employees from liability and any claims, suits, judgments, and damages arising as a result of the Contractor's acts and/or omissions in the performance of this contract.
21. **Insurance:** Before commencing work on this contract the contractor must provide certificates of insurance to show that the following minimum coverage's are in effect. It is the responsibility of the contractor to maintain current certificates of insurance on file with the state through the term of the contract.

Workers Compensation: With respect to all operations performed, the contractor 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 contractor shall carry general liability insurance having all major divisions of coverage including, but not limited to:

State of Vermont

Department of Buildings and General ServicesPurchasing and Contract Administration
Middlesex, VT 05633-7601[phone] 802-828-2211
[fax] 802-828-2222**www.bgs.state.vt.us/pca***Agency of Administration*

Premises - Operation
Independent Contractors' Protective
Products and completed Operations
Personal Injury Liability
Contractual Liability

The Policy shall be of 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 products aggregate
\$50,000 Fire Legal Liability

Automotive Liability: The contractor shall carry automotive liability insurance covering all motor vehicles, no matter the ownership status, used in connection with the contract. Limits of coverage shall not be less than: **\$1,000,000** combined single limit. No warranty is made that the coverage and limits listed herein are adequate to cover and protect the interests of the contractor for the contractor's operations. These are solely minimum that have been set to protect the interests of the state.

22. **Reliance by the State on Representations:** All payments by the State under this contract will be made in reliance upon the accuracy of all prior representations by the contractor, including but not limited to bills, invoices, progress reports and other proofs of work.
23. **Records Available for Audit:** The Contractor will maintain all books, documents, payroll papers, accounting records and other evidence pertaining to costs incurred under this agreement and makes them available at reasonable times during the period of the contract 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 contract.
24. **Fair Employment Practices and Americans with Disabilities Act:** Contractor 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. Contractor shall also ensure, to the full extent required by the Americans with Disabilities Act of 1990, that qualified individuals with disabilities receive equitable access to the services, programs, and activities provided by the Contractor under this contract. Contractor further agrees to include this provision in all subcontracts.
25. **Set Off:** The State may set off any sums which the Contractor owes the State against any sums due the Contractor under this contract; 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.
26. **Taxes Due To the State:**
- Contractor 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.
 - Contractor certifies under the pains and penalties of perjury that, as of the date the contract is signed, the Contractor 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.
 - Contractor understands that final payment under this contract may be withheld if the Commissioner of Taxes determines that the Contractor 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.

State of Vermont**Department of Buildings and General Services**

Purchasing and Contract Administration
Middlesex, VT 05633-7601

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Agency of Administration

d. Contractor also understands the State may set off taxes (and related penalties, interest and fees) due to the State of Vermont, but only if the Contractor has failed to make an appeal within the time allowed by law, or an appeal has been taken and finally determined and the Contractor has no further legal recourse to contest the amounts due.

27. **Child Support:** (Applicable if the Contractor is a natural person, not a corporation or partnership.) Contractor states that, as of the date the contract 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.

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

28. **Subcontractors:** Contractor shall not assign or subcontract the performance of his agreement or any portion thereof to any other contractor without the prior written approval of the State. Contractor also agrees to include all subcontract agreements and a tax certification in accordance with paragraph 26 above.
29. **No Gifts or Gratuities:** Contractor shall not give title, or possession of anything of substantial value (including property, currency, travel and/or education programs) to any officer or employee of the State during the term of this contract.
30. **Copies:** All written reports prepared under this contract will be printed using both sides of the paper.

PURCHASING CARD QUESTIONNAIRE

Vendors are required to respond to the following questions.

1. Do you currently accept Visa?

Yes _____ No _____

2. Would you accept the Visa Purchasing Card as a form of payment?

Yes _____ No _____

3. Would any additional discount be offered for use of the Card as payment? If so, What?

Yes _____ No _____ If Yes, What: _____

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