Flexible Spending Account and COBRA Programs Administration

May 25, 2001
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RFP #SH052501
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Table of Contents

I. Overview of the RFP Process ..............................................................1
II. Background Discussion and Goals of the University .........................2
III. Scope of Services ..............................................................................4
IV. Basis of Selection .............................................................................10
V. Contents of the Proposal .....................................................................11
VI. Information about this RFP
   A. Procurement Schedule ...............................................................13
   B. Issuance of RFP and Questions ..................................................13
   C. Preproposal Conference ..............................................................14
   D. Proposal Deadline .......................................................................14
   E. Oral Presentations and Negotiations ............................................15
   F. Communications ..........................................................................15
   G. Formation of the Agreement with the Selected Firm ....................16
   H. Provisions Deemed Included in the Proposal ...............................17
   I. Rejection of Proposals ..................................................................18
   J. Virginia Freedom of Information Act ..........................................19

Attachment 1 - Mandatory Contractual Provisions .................................20
Attachment 2 - Preferred Contractual Provisions ..................................24
Attachment 3 - Procedure for Resolution of Contractual Claims ............31
This Request for Proposal (RFP) has been posted on Procurement Services web site for your convenience. Addenda and attachments are posted if issued. It is the firm’s responsibility to ensure that the entire RFP package has been reviewed prior to the firm's submittal of a proposal. We encourage you to check the web site frequently for any changes prior to the submittal date. To receive a hard copy of the RFP or addenda (which will be identical to those posted on the web site unless otherwise noted), contact Becky Sims, Contracts Administrator, at (804) 924-4530 or email pur-rfp@virginia.edu. For additional public posting information consult Procurement Services web site at http://www.virginia.edu/procurement. For questions about the content of the RFP, contact the buyer listed in Section VI, Information about this RFP.

I. Overview of the RFP Process

The Rector and Visitors of the University of Virginia (University), a Virginia public corporation, seeks an experienced firm to provide administration for its Flexible Spending Account and COBRA Programs for University and University Medical Center employees to begin January 1, 2002. This RFP is part of a competitive procurement process which helps to serve the University's best interests. It also provides firms with a fair opportunity for their services to be considered. The process of competitive negotiation being used in this case should not be confused with the different process of competitive sealed bidding. The latter process is usually used where the goods or services being procured can be described precisely and price is generally the determinative factor. With competitive negotiation, however, price is not required to be the determinative factor, although it may be, and the University has the flexibility it needs to negotiate with firms to arrive at a mutually agreeable relationship.

For ease of reference, each firm receiving this RFP is referred to as a "firm" and the firm selected to provide services for the University is referred to as the "Selected Firm." This RFP states the instructions for submitting proposals, the procedure and criteria by which a firm may be selected, and the contractual terms by which the University proposes to govern the relationship between it and the Selected Firm.
It is the policy of the Commonwealth of Virginia and the University of Virginia to contribute to the establishment, preservation, and strengthening of small businesses and businesses owned by women and minorities, and to encourage their participation in State procurement activities. The Commonwealth and the University encourage firms to provide for the participation of small businesses and businesses owned by women and minorities through partnerships, joint ventures, subcontracts, or other contractual opportunities.

II. Background Discussion and Goals of the University

When Thomas Jefferson founded the University in 1819, he intended it to be nothing less than a world-class institution of higher learning. Jefferson’s spirit lives on – not only in the Rotunda and Academical Village he designed, and which remain treasures of American architecture, but in the University’s standing as a leader in education, research, and community service.

The nearly 20,000 students attending the University work within a true meritocracy and live by an Honor Code unique among American universities. Each student is exposed to the widest spectrum of disciplines – from arts and athletics to humanities and technology. Our students also enjoy a unique connection to the world beyond college through the University’s outstanding professional training, exemplified by its nationally ranked schools of Law, Business, and Medicine. The University as a whole has had a consistently high ranking not only among public schools, where it usually heads the list, but among all American universities, public and private.

Over 9,700 University faculty and staff are committed to serving both the local and national community. The University makes a real difference in the world, through its invaluable research, a hospital ranked among the nation’s finest, and graduates who have consistently been among the forefront of our nation’s shapers. At the University, our bright future is the direct result of our great history.
This RFP addresses: administration for the University’s Flexible Spending Account (the “FSA Program”) for University and University Medical Center employees; and administration for coverage authorized under the Consolidated Omnibus Budget Reconciliation Act statute known as COBRA (the “COBRA Program”) for former University and University Medical Center employees and dependents of University or University Medical Center employees.

A. The FSA Program will provide those eligible employees who have opted to enroll (“Participating FSA Employees”) with a choice between: 1) reimbursement of qualifying “Health Care” expenses not reimbursed by any other plan or program and for which the Participating FSA Employee did not take a tax deduction; 2) reimbursement for qualifying “Dependent Care” expenses for which the Participating FSA Employee did not take a tax credit; or 3) cash compensation. The Selected Firm will be required to see that the FSA Program is carried out for the exclusive benefit of persons entitled to participate in the FSA Program without unlawful discrimination among them. In calendar year 2000, approximately 700 employees were enrolled in the FSA Program at the University, and their monthly contributions equaled approximately $142,000. Approximately 12,000 employees are eligible for participation in the FSA Program.

B. The COBRA Program will provide those eligible employees and/or their dependents who have been terminated from the University of Virginia Health Plan (the “Health Plan”), or eligible postdoctoral fellows and/or their dependents who have been terminated from the University’s Postdoctoral Fellow Insurance Plan (the “Post-doc Insurance Plan”), with the opportunity to extend their health coverage through enrollment in continuation coverage authorized by COBRA for up to 36 months. Such eligible employees, fellows, and dependents who have enrolled to receive such coverage will be referred to as “COBRA Participants”. The Selected Firm will be required to see that the COBRA Program is carried out for the exclusive benefit of persons entitled to participate in the COBRA Program without unlawful discrimination among them. The Health Plan has approximately 11,250 employees enrolled, approximately 24,000 total participants, and has had approximately 1,750 terminations in the last 12 months. The Post-doc Insurance Plan has approximately 81 post-docs
enrolled, approximately 115 total participants, and has had approximately 41 terminations in the last 12 months.

In support of its mission and in an effort to maintain the highest quality services for its customers, the University seeks an experienced firm to provide administration for its FSA Program and COBRA Program. The University reserves the right to award to different Selected Firms to respectively administer the FSA Program and the COBRA Program

III. Scope of Services

It is the University's intent to enter into an Agreement with the Selected Firm for administration of its FSA Program and/or COBRA Program to include those services necessary to help the University achieve its goals as outlined in this section (the “Services”). In order to achieve this goal, the Selected Firm will be required to provide those Services outlined in this section. The University reserves the right to select a single Selected Firm to provide Services for both the FSA Program and the COBRA Program, or it may select two Selected Firms -- with one Selected Firm to provide Services for the FSA Program, and one Selected Firm to provide Services for the COBRA Program. The “Plan Year” for the FSA and COBRA Programs will run from January 1st through December 31st of each year during the term of any Agreement(s) resulting from this RFP. The University intends to make the Selected Firm’s Services initially available to University employees effective January 1, 2002, and will publicize the Selected Firm’s Services commencing with open enrollment scheduled for October 2001. The Selected Firm will agree to provide the maximum degree of support to the University in providing the Services and in achieving the timing of this implementation goal. Accordingly, the Selected Firm will respond to requests from the University promptly and responsively.

A. FSA Program

Specifically with respect to FSA Program Services, the Selected Firm will:

1. Provide an account representative who is knowledgeable about all aspects of the FSA Program and is always accessible by phone or page during regular
working hours to address emergency and non-emergency issues posed by the University’s Benefits Division personnel.

2. Provide the University’s Human Resources Department with access to expertise within the Selected Firm that can effectively address all legislative and legal questions regarding FSA Program accounts and pertinent tax laws.

3. Administer both Health Care and Dependent Care spending accounts.

4. Use an annual minimum/maximum of $240/$3,000 for the Health Care account and $240/$5,000 for the Dependent Care account. Each married Participating FSA Employee filing separately may use an annual maximum of $2,500.

5. Administer the FSA Program per the Plan Document to be provided by the University.

6. Receive employees’ election forms via electronic transfer and establish spending accounts in the Selected Firm’s system for each Participating FSA Employee.

7. Mail confirmation notices and information on allowable expenses to the homes of Participating FSA Employees.

8. Send claim forms to each Participating FSA Employee that can be used to request reimbursement from their spending account. A new reimbursement request form will be enclosed with each reimbursement check.


10. Perform all claims processing functions, including: verification of proper documentation of the expense; screening for duplicate payment; calculation of reimbursement due; and payment directly to the Participating FSA Employee.

11. If a claim is denied, immediately mail the Participating FSA Employee a letter explaining why the claim was denied. If a Participating FSA Employee submits a reimbursement request for more than one expense and only one of the expenses is denied, the Participating FSA Employee will be reimbursed for all approved eligible expenses, and the denied expense will be placed in a hold status.
12. Provide a quarterly statement to all Participating FSA Employees showing funds contributed to the accounts, claims paid, claims received but not yet paid, and the balance remaining in the account.

13. Produce additional account statements in April of each year for all Participating FSA Employees submitting claims during the grace period.

14. Mail a notice by November 1st of each year reminding Participating FSA Employees that the Plan Year is coming to a close and that expenses must be incurred during the Plan Year to zero out their account. The Selected Firm will also mail notices monthly to Participating FSA Employees who have balances during the 90-day extended filing period.

15. Mail account statements to Participating FSA Employees’ home addresses.

16. Pay claims weekly.

17. Notify the University via electronic mail by 11:00 a.m. on the day of payment of the total amount on the check run so that the University can transfer funds to the designated bank account on the same day.

18. Allow Participating FSA Employees to have their reimbursements direct-deposited into a checking or savings account. If a Participating FSA Employee does not choose the direct-deposit option, the reimbursement checks will be mailed to the Participating FSA Employee’s home.

19. Mail checks or deposit payments the day the payments are issued.

20. Automatically deposit any Dependent Care amounts that are unpaid due to expenses exceeding the amount in the account at the time of the claim as money accumulates in the Dependent Care account without resubmission of the unpaid claim.

21. Use a 90-day extended filing period at the end of each Plan Year to submit for reimbursement.

22. Process claims simultaneously for different Plan Years. All reporting will be broken out by each Plan Year.
23. Provide COBRA forms in offering the continuation option to terminating Health Care Participating FSA Employees.

24. Provide the University with an administrator’s manual detailing the Selected Firm’s administrative procedures in operating the FSA Program.

25. Accept information from at least two University payroll systems (University and Medical Center) and seamlessly transfer Participating FSA Employees from one payroll system to the other throughout the course of the Plan Year. For example, when a Participating FSA Employee changes jobs anywhere within the University, their account should consistently contain accurate election amounts, year-to date (YTD) deposits, and YTD withdrawals before and after the transfer. Accordingly, no termination date will appear in the account due to a transfer within the University’s payroll systems.

26. Provide a designated representative that the University may contact. The Selected Firm’s representative must be physically located in the same claims office that will be paying the Health Care and Dependent Care claims and in the same accounts payable office that will be billing the University monthly.

27. Provide a toll-free number to Participating FSA Employees that is available 24 hours per day and provides direct telephone access to the Participating FSA Employee’s Health Care and/or Dependent Care account information.

28. Provide a toll-free number to Participating FSA Employees who want to speak with a customer service representative (not a recording) that is available at least 12 hours per day.

29. Provide account access regarding Participating FSA Employees to the Selected Firm’s customer service representatives so they can answer questions from Participating FSA Employees regarding paid, pending, and denied claims.

30. Produce hard copies of these documents:
   a. Check Register Report
   b. Aggregate Report (Transaction Summary Report)
   c. Reimbursement Reconciliation Report
d. Payroll Deduction Report (Contribution Report)
e. Financial Summary Report
f. Claims Batch Report
31. Provide participation reports for both Health Care and Dependent Care spending accounts.
32. Set up a bank account that will be used only for the University’s claims and pay banking charges for this account.
33. Reconcile the bank account monthly and annually.
34. Perform discrimination testing for the FSA Program.

B. COBRA Program
Specifically with respect to COBRA Program Services, the Selected Firm will:
1. Provide an account representative who is knowledgeable about all aspects of the COBRA Program and is always accessible by phone or page during regular working hours to address emergency and non-emergency issues posed by the University’s Benefits Division personnel.
2. Provide the University’s Human Resources Department with access to expertise within the Selected Firm that can effectively address all legislative and legal questions regarding the COBRA Program and related issues.
3. Receive termination information electronically and/or by hard copy from the University’s Third Party Administrator.
4. Generate specific “Qualifying Event Notices” to all “Qualified Beneficiaries” and mail them to the homes of COBRA Participants.
5. Generate initial billing letters and subsequent monthly bills and mail them to the homes of COBRA Participants.
6. Generate COBRA Expiration Notices prior to the end of: 18; 29; or 36 months (as appropriate); and mail them to the homes of COBRA Participants.
7. Track all dates required for proper compliance including postmark dates.
8. Maintain proper documentation of COBRA activity, including a Certificate of Mailing list for all Qualifying Event Notifications.

9. Send: enrollment; termination; address change; payment; and other information electronically and/or by hard copy daily to the University’s Third Party Administrator.

10. Collect and track payments from COBRA Participants; regularly send payments for those enrolled in the Health Plan to the University with a premium remittance report; send payment for those enrolled in the Post-doc Insurance Plan to the University’s Third Party Administrator with a premium remittance report.

11. Mail notices as necessary regarding unpaid insignificant amounts and payment deadlines to the homes of COBRA Participants.

12. Accept COBRA applications from prospective COBRA Participants.

13. If a payment is not accepted, immediately mail the COBRA Participant a letter, returning the payment and explaining why it was not accepted.

14. Provide the University with an administrator’s manual detailing the Selected Firm’s administrative procedures in operating the COBRA Program.

15. Provide a toll-free number for COBRA Participants who want to speak with a customer service representative that is available at least eight hours per day.

16. Produce hard copies of these monthly documents to be sent to both the University and the University’s Third-Party Administrator:
   a. Qualifying Event Notifications
   b. Termination of COBRA rights letter
   c. COBRA Expirations
   d. COBRA Participant Status Report

17. For the Post-doc Insurance Plan only, receive enrollment information electronically and/or by hard copy, generate initial COBRA rights notification letters, and mail them to the homes of COBRA Participants in the Post-doc Insurance Plan.
IV. Basis of Selection

A. The University will evaluate proposals and, if a firm is to be selected, select the firm on the basis of:

1. The firm's plan to assist the University to meet its goals for administration of the FSA Program and/or COBRA Program as discussed in Section II, Background Discussion and Goals of the University, and Section III, Scope of Services;

2. The firm's relevant experience, qualifications and success in providing the Services outlined in this RFP;

3. The firm's references from institutions of higher education, teaching hospitals, and clients which are comparable to the University;

4. The firm's financial proposal including but not limited to discounts, service charges and other charges;

5. The quality of the proposal, specifically, responsiveness to requirements and adequacy of information provided;

6. The contractual terms which would govern the relationship between the University and the Selected Firm; and

7. Any other factors relevant to the firm's capacity and willingness to satisfy the University.

Note: The University reserves the right to award the Agreement for all or part of the Services to one or more firms.

V. Contents of the Proposal

Proposals should include information outlined in this section. Copies of proposals must be sent to the Issuing Office, Procurement Services, Carruthers Hall, and not to any other office or department whatsoever at the University of Virginia. Firms may submit: a proposal addressing Services for the FSA Program or COBRA Program individually; or a proposal addressing Services for both the FSA Program and COBRA Program.
A. Services
1. Describe how the firm plans to administer the University’s FSA Program and/or COBRA Program which is the primary goal of this RFP.
2. Provide a plan of operation to achieve the objectives set forth in Section III, Scope of Services.
3. Describe how the firm plans to work with the University to provide the Services.

B. Firm Information, Personnel, References
1. Provide a brief history of the firm and its experience in administration of flexible spending account and/or COBRA programs similar to the University’s.
2. Provide information on those individuals assigned to work with the University including a description of their experience in implementation and administration of similar flexible spending account and/or COBRA programs.
3. Provide a list of all of the firm’s clients comparable to the University indicating the length of service of each account. The University may contact and/or visit any of these accounts.
4. Provide a list of all clients lost within the last three years which includes:
   a. A contact name and telephone number
   b. Length of service at the account
   c. Reason for the loss
5. A copy of the firm’s most recent audited financial statements.

C. Financial Proposal
1. Describe the fees/premiums that will be charged for the Services. Ensure that fees/premiums are provided for all Services’ categories proposed by the firm.
2. Describe how the University will benefit from any cost savings by accepting the firm’s proposal.
D. Contractual Arrangements

1. Provide the University with any form or contract the University may be requested to sign.

2. State the firm's acceptance of Attachment 1, Mandatory Contractual Provisions.

3. State the firm's acceptance, with any proposed modifications, of Attachment 2, Preferred Contractual Provisions.

E. Site Visits

It may be necessary or desirable for the University's evaluation team of less than ten people to travel to a site chosen jointly by the firm and the University to view its operation. Each firm will indicate whether it will reimburse the University for the reasonable and actual expenses (travel, lodging, meals, etc.) incurred by the University for its travel.

F. Minority Business

Specify whether the firm is a minority firm. The Commonwealth of Virginia’s definition of a minority firm is a firm that is at least 51% owned, operated, and controlled by a minority; or in cases of a publicly-owned business, at least 51% of the stock must be owned by a minority. Such minorities include, but are not limited to, African Americans, Hispanic Americans, Asian Americans, Native Americans, Eskimos, and Aleuts. If the firm is not a minority firm, describe the firm’s partnering relationships with minority firms and how it plans to support the University’s goal to award 5% of its business to minority firms.

G. Other Information

Provide any other information which the University should consider in evaluating the firm's proposal.
VI. Information about this RFP

A. Procurement Schedule

Here is a brief schedule for this procurement, specifying the important dates and milestones:

Issue Date of RFP: 05/25/01
Preproposal Conference: 06/06/01
Deadline for Receipt of Proposals: 06/25/01
Oral Presentations/Negotiations: 07/10/01 – 07/11/01
Contract Award: 08/31/01

B. Issuance of RFP and Questions

The Issuing Office for this RFP is:
Procurement Services
University of Virginia
1001 North Emmet Street
P.O. Box 400202
Charlottesville, Virginia 22904-4202

Attention: Steve Heldreth, Senior Purchasing Analyst
Telephone: (804) 924-4217*
Fax: (804) 982-2690*
TDD: (804) 982-HEAR*
Email: heldreth@virginia.edu

*Area code changes to 434 as of June 1, 2001

Any questions concerning this RFP will be directed to Steve Heldreth as listed above and not to any other person at the University. The University will determine whether any addenda should be issued as a result of any question or other matters raised.

C. Preproposal Conference

A conference for firms receiving this RFP will be held on Wednesday, June 6, 2001 at 2:00 p.m. in Carruthers Hall Conference Room #6, Charlottesville, Virginia (map viewed at this web site: http://www.virginia.edu/Map/). Attendance at this
conference is advised if your firm wishes to raise any questions in connection with this RFP. The University intends to present general information which may be helpful in the preparation of proposals and to offer firms the opportunity to ask questions concerning this RFP. No firm may have more than two representatives present at the Preproposal Conference.

Firms planning to attend the Preproposal Conference should notify Becky Sims, (434) 924-1346, no later than 2:00 p.m. EDT on Monday, June 4, 2001 of the names and titles of the individuals who will attend.

D. Proposal Deadline
All proposals must be received at the Issuing Office by 3:00 p.m., Monday, June 25, 2001. Four copies of each proposal must be provided in individual, bound volumes.

E. Oral Presentations and Negotiations
An oral presentation by two or more firms may be required after written proposals are received by the University. If the University requires such a presentation, the Issuing Office will schedule a time and place. Each firm should be prepared to discuss and substantiate any of the areas of the proposal it submitted, its own qualifications for the services required and any other area of interest relative to its proposal. Oral presentations and negotiations with two or more firms are scheduled for July 10, 2001 and July 11, 2001.

F. Communications Between the University and the firms Regarding This Request for Proposal
Informal Communications

From the date of receipt of this Request for Proposal by each firm until a binding contractual agreement exists with the Selected Firm and all other firms have been notified, or when the University rejects all proposals, informal communications regarding this procurement will cease. Informal communications will include but not be limited to:

1. Requests from the firms to any department at the University, with the exception of Procurement Services for information, comments, speculation, etc.;
2. Requests from any department at the University, or any employee of the University, with the exception of Procurement Services for information, comments, speculation, etc.

Formal Communications

From the date of receipt of this Request for Proposal by each firm until a binding contractual agreement exists with the Selected Firm and all other firms have been notified, or when the University rejects all proposals, all communications between the University and the firms will be formal, or as provided for in this Request for Proposal, or as requested by Procurement Services. Formal communications will include but not be limited to:

1. Preproposal Conference
2. Oral presentations
3. Site visits, Interviews, etc.

Any failure to adhere to the provisions set forth in Informal Communications and the Formal Communications sections above may result in the rejection of any firm's proposal or cancellation of this RFP.

G. Formation of the Agreement with the Selected Firm

All proposals received will be carefully evaluated by the University. The University will then select two or more firms deemed to be fully qualified and best suited among those
submitting proposals, on the basis of evaluation criteria described in this RFP. The University will then conduct negotiations with each of these firms. After negotiations have been conducted, the University will select the firm (or firms) which, in its opinion, has made the best proposal. The University will award the agreement to the Selected Firm by either of these methods:

1. Accept the proposal as written by issuing a written notice to the Selected Firm which refers to this RFP and accepts all or part of the proposal submitted in response to it and/or any addenda submitted during the negotiation process; or

2. Execute a mutually satisfactory written agreement based on this RFP, the proposal submitted, and the negotiations concerning these.

3. If the University determines in writing and in its sole discretion that only one firm is fully qualified, or that one firm is clearly more highly qualified than the others under consideration, it may decide to negotiate and award an agreement to that firm.

Because the University may use alternative (1) above, each firm must include in its written proposal all requirements, terms or conditions it may have, and should not assume that an opportunity will exist to add such matters after the proposal is submitted.

Firms should also note that, as described in Section H, Provisions Deemed Included in the Proposal, certain matters will automatically be deemed part of the proposal.

H. Provisions Deemed Included in the Proposal

The University will consider each proposal to include not only the matters expressly stated in the proposal as requested in Section V, Contents of the Proposal, but also other provisions which consist of two different types: those which are "mandatory" and cannot be changed by a firm in its proposal; and those which are "preferred" by the
University, but which a firm may wish to alter by expressly and specifically so stating in its proposal.

The University includes mandatory provisions so that all proposals will be governed by the same basic contractual terms. The University encourages any firm which feels that a mandatory provision is unreasonable to contact the University before proposals are due so the University can consider amending the provision. The University includes preferred provisions so that any difference between the firm and the University's preferred contractual provisions can be considered during the University's evaluation of proposals.

1. Mandatory Provisions

   Each proposal received by the University in response to this RFP will automatically be deemed to include the firm's agreement to the provisions of (a) and (b) below. Although such provisions will govern the firm's proposals as submitted, the University and one or more firms may later mutually agree to amend such provisions, such as when additional time is needed to consider proposals, or when contractual negotiations or performance indicate that such amendments are appropriate.

   a. The proposal constitutes an offer by the firm which will remain open and irrevocable for a period of 120 days from the deadline for submitting proposals as stated in Section C, Proposal Deadline.

   b. If selected by the University, the provisions governing the firm's performance will include all the provisions of Attachment 1, Mandatory Contractual Provisions.


   Unless a firm expressly and specifically provides otherwise in its written proposal, the proposal received by the University in response to this RFP will automatically be deemed to include the firm's agreement to these provisions:
a. The firm consents to the University contacting and obtaining any
information relevant to this RFP from the references and others
identified by the firm in its proposal, as well as from any other persons,
firms, or organizations which the University wishes to contact; and

b. If selected by the University, the provisions governing the firm's
performance will include all the provisions of Attachment 2, Preferred
Contractual Provisions.

I. Rejection of Proposals
The University reserves the right to reject any or all proposals received.
Nonacceptance of a firm's proposal will mean that one or more proposals were deemed
more advantageous to the University or that all proposals were rejected. Firms whose
proposals are not accepted will be notified after a binding contractual agreement
between the University and the Selected Firm exists, or when the University rejects all
proposals.

J. Virginia Freedom of Information Act
Except as provided below, once an award is announced, all proposals submitted in
response to this RFP will be open to the inspection of any interested person, firm or
corporation, in accordance with the Virginia Freedom of Information Act. Trade
secrets or proprietary information submitted by firms as part of its proposal will not be
subject to public disclosure under the Virginia Freedom of Information Act; however,
the firm must invoke the protections of this section prior to or upon submission of its
proposal, and must identify the specific data or other materials to be protected and state
the reasons why protection is necessary. Firms may not request that its entire proposal
be treated as proprietary information.
Attachment 1
Mandatory Contractual Provisions

A. Nondiscrimination
During the performance of this Agreement, the Selected Firm will comply with the contract provisions contained in Section 11-51 (1) & (2) of the Code of Virginia or any successor provisions which may be applicable to this Agreement.

B. Conflict of Interests
The Selected Firm represents to the University that its entering into this Agreement with the University does not entail any violation of the Virginia State and Local Government Conflict of Interests Act.

C. Assignment
Neither party to this Agreement will have the right to assign this Agreement in whole or in part without the prior written consent of the other.

D. Amendments
No amendment of this Agreement will be effective unless it is reduced to writing and executed by the University's Director of Procurement Services and by the individual signing the Selected Firm's proposal or by other individuals named by either party as specified in Section E, Notices below. If the Selected Firm deviates from the terms of this Agreement without a written amendment, it does so at its own risk.

E. Notices
All notices will be given in writing and deemed given when delivered to, or deposited in the U.S. Postal Service mail, certified mail return receipt requested, and addressed to the other party as shown below.
If to the University:
Eric N. Denby, C. P. M.
Director of Procurement Services
Carruthers Hall
University of Virginia
1001 North Emmet Street
P.O. Box 400202
Charlottesville, Virginia 22904-4202

If to the Selected Firm:
The person signing the Selected Firm's proposal in response to the University's RFP, at the
Selected Firm's address indicated in such proposal; or to such other person or address as either
may designate for itself in writing and provide to the other.

F. Independent Contractor
Selected Firm is not an employee of the University, but is engaged as an independent
contractor. The Selected Firm will indemnify and hold harmless the Commonwealth of Virginia,
the University, and its employees and agents, with respect to all withholding, Social Security,
unemployment compensation and all other taxes or amounts of any kind relating to the Selected
Firm's performance of this Agreement. Nothing in this Agreement will be construed as authority
for the Selected Firm to make commitments which will bind the University, or to otherwise act
on behalf of the University, except as the University may expressly authorize in writing.

G. Worker's Compensation and Employers Liability
The Selected Firm will comply with all federal or state laws and regulations pertaining to
Worker's Compensation Requirements for insured or self-insured programs.

H. Drug-Free Workplace
The Selected Firm, its agents and employees are prohibited, under the terms of this Agreement
and the Commonwealth of Virginia, Department of Personnel and Training Policy Number 1.02
executed by Governor Lawrence Douglas Wilder on July 1, 1991, from manufacturing,
distributing, dispensing, possessing, or using any unlawful or unauthorized drugs or alcohol while on University property.

During the performance of this Agreement, the Selected Firm agrees to 1) provide a drug-free workplace for the Selected Firm's employees; 2) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Selected Firm's workplace and specifying the actions that will be taken against employees for violations of such prohibition; 3) state in all solicitations or advertisements for employees placed by or on behalf of the Selected Firm that it maintains a drug-free workplace; and 4) include the provisions of the foregoing clauses in every subcontract or purchase order of over $10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific agreement awarded to a Selected Firm, the employees of whom are prohibited from engaging in the unlawful manufacturing, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the agreement.

I. Information Technology Access Act

In accordance with §2.1-811 of the Code of Virginia, the following will apply to all information technology Agreements:

NON-VISUAL ACCESS TO TECHNOLOGY: All information technology (the "Technology") which is purchased or upgraded by the University will comply with the following non-visual access standards from the date of purchase or upgrade until the expiration of the Agreement:
• Effective, interactive control and use of the Technology will be readily achievable by non-visual means;

• Technology equipped for non-visual access will be compatible with information technology used by other individuals with whom any blind or visually impaired user of the Technology interacts;

• Non-visual access technology will be integrated into any networks used to share communications among employees, program participants or the public; and

• Technology for non-visual access will have the capability of providing equivalent access by non-visual means to telecommunications or other interconnected network services used by persons who are not blind or visually impaired.

Compliance with the foregoing non-visual access standards will not be required if the Director of Procurement Services, University of Virginia determines that 1) the Technology is not available with non-visual access because the essential elements of the Technology are visual and 2) non-visual equivalence is not available.

Installation of hardware, software, or peripheral devices used for non-visual access is not required when the Technology is being used exclusively by individuals who are not blind or visually impaired, but applications programs and underlying operating systems (including the format of the data) used for the manipulation and presentation of information will permit the installation and effective use of non-visual access software and peripheral devices.

If requested, the Agreement must provide a detailed explanation of how compliance with the foregoing non-visual access standards is achieved and a validation of concept demonstration.
Attachment 2
Prepared Contractual Provisions

A. Services
During the term of this Agreement, the Selected Firm will provide for the University the services offered to the University by the firm in its proposal and/or any addenda to its proposal and as specified by the University when it selected the firm.

B. Term of Agreement
The term of this Agreement will be for five years, with an option for renewal by the University, if agreeable to the Selected Firm on the same terms and conditions, for two additional one-year terms. The Selected Firm and the University will mutually agree at least 180 days prior to each renewal option whether to renew the terms of the Agreement.

C. Contract Administrator
The University will identify a Contract Administrator for any Agreement which results from this RFP. The individual will be the point of contact at the University for day-to-day operations, but cannot approve amendments to the Agreement or price changes.

D. Waiver
No waiver of any right will be deemed a continuing waiver, and no failure on the part of either party to exercise wholly or in part any right will prevent a later exercise of such or any other right.

E. Indemnification
The Selected Firm will indemnify and hold harmless The Commonwealth of Virginia, The Rector and Visitors of the University of Virginia, and their agents, employees and officials from any and all costs, damage or loss, claims, liability, damages, expenses (including, without limitation, attorneys' fees and expenses) caused by or arising out of the performance or non performance
of the Agreement by the Selected Firm or its agents or subcontractors, including the provision of any services or products. The Selected Firm warrants that the products, goods and services provided the University may be used by the University without being in violation of any copyright, patent or similar property right or claim by others and will defend, indemnify and save the University (its employees and agents) from and against any such claim.

F. Governing Law
This Agreement will be governed in all respects by the laws of the Commonwealth of Virginia.

G. Termination
If the Selected Firm fails to provide quality services in a professional manner, solely as determined by the University, and, upon receipt of notice from the University, does not correct the deficiency, to the University's satisfaction within a reasonable period of time, not to exceed 30 calendar days unless otherwise agreed to by both parties, the University reserves the right to terminate this Agreement by giving written notice to the Selected Firm.

H. Non-Appropriation
Funding for any Agreement between the University and a Selected Firm is dependent at all times upon the appropriation of funds by the Virginia General Assembly and/or any other organization of the Commonwealth authorized to appropriate such funds. In the event that funding to support this Agreement is not appropriated, whether in whole or in part, then the Agreement may be terminated effective the last day for which appropriated funding is available.

I. Right of Audit
The University reserves the right to audit or cause to be audited the Selected Firm's books and accounts regarding the University's account at any time during the term of this Agreement and for five years thereafter.
J. Contractual Claims

This Agreement is subject to the University's policy on Contractual Claims which is provided as Attachment 3, Procedure for Resolution of Contractual Claims.

K. Insurance

Listed below is the insurance which the Selected Firm must maintain under any Agreement resulting from this RFP. Each Firm will propose insurance which meets or exceeds the needs of the University. No Agreement will be executed by the University until the Firm satisfies the insurance requirements of the University. The Selected Firm may be required to provide the University with a valid Certificate of Insurance before providing any goods or services to the University. The University reserves the right to approve any insurance proposed by the Selected Firm.

Commercial/Comprehensive General Liability:

The Selected Firm and any Subcontractor will provide a minimum Limit of Liability for bodily injury and property damage of $500,000 per person/occurrence with coverage for:

- [x] Premises/Operations
- [x] Premises Completed/Operations

Professional Liability:

The Selected Firm and any Subcontractor will provide a minimum Limit of Liability of $1,000,000 per claim for professional errors and omissions coverage.

Fidelity Bond:

The Selected Firm and any Subcontractor will maintain a Fidelity Bond in the amount of $1,000,00.
Automobile Insurance:
The Selected Firm and any Subcontractor will provide a minimum Limit of Liability for bodily
injury of $100,000/$300,000 per person/occurrence and property damage of $100,000 per
occurrence with the following coverages for vehicles operated by their employees.
\{x\} Any Automobile
\{x\} Owned and Non-Owned Automobiles

L. Favored Nations
The Selected Firm represents that the prices, terms, warranties, and benefits specified in its
proposal are comparable to or better than the equivalent terms being offered by the firm to any
present customer.

M. The University's Authorized Representatives
The only persons who are or will be authorized to speak or act for the University in any way
with respect to this Agreement are those whose positions or names have been specifically
designated in writing to Selected Firm by the University's Director of Procurement Services.

N. Purchasing Manual
This Agreement is subject to the provisions of the Commonwealth of Virginia "Purchasing
Manual for Institutions of Higher Education and Their Vendors" and any subsequent revisions,
which is available on Procurement Services web site at:
http://www.virginia.edu/procurement/departments/DeptInfo.html#Law

O. Copyrights
Unless expressly agreed to the contrary in writing, all documents, reports, writings, video
images, photographs or papers of any nature prepared by the Selected Firm (or its
subcontractors) in performing an Agreement will not be disclosed to any other person or entity
without the written permission of the University, and the University will own all copyrights
thereto.
P. Minority Business Reporting

The Selected Firm will identify and fairly consider minority firms for subcontracting opportunities when qualified minority firms are available to perform a given task in performing for the University under the resulting Agreement. The Selected Firm will submit a quarterly minority business report to the University by the 15th of the month following each calendar quarter, specifically the months of April, July, October, and January. The Selected Firm will submit the quarterly minority business reports to:

Contracts Administrator
University of Virginia
Procurement Services
Carruthers Hall, PO Box 400202
1001 North Emmet Street
Charlottesville, Virginia 22904-4202

The quarterly minority business reports will contain this information:

- Minority firms name, address and phone number with which the Selected Firm has contracted over the specified quarterly period.
- Contact person at the minority firm who has knowledge of the specified information.
- Type of goods and/or services provided over the specified period of time.
- Total amount paid to the minority firm as it relates to the University’s account.

Q. Confidentiality

Both parties acknowledge that in the negotiation and performance of this Agreement, confidential and proprietary information of each has been and will be made available to the other. The parties agree to use reasonable efforts to maintain the confidentiality of such material, but in no event lesser than was used with like material of the receiving party, and not to make any internal use of such material not required under this Agreement. Neither party will disclose the information to any third party without prior written authorization from the disclosing party, and will not use the information received by it, except to those of its employees, agents, and consultants whose duties justify the need for access to the information provided that such individuals are subject to obligations of secrecy and limited use commensurate in scope with this
Agreement. These obligations will apply to verbal information as well as specific portions of the information that are disclosed in writing or other tangible form and marked to indicate its confidential nature. These obligations will not apply to any of the information which:

1. Was known to the receiving party prior to receipt under this Agreement, as demonstrated by the receiving party's records; or

2. Was publicly known or available prior to receipt under this Agreement, or later becomes publicly known or available through no fault of the receiving party; or

3. Is disclosed to the receiving party without restrictions on disclosure by a third party having the legal right to disclose the same; or

4. Is disclosed to a third party by the disclosing party without an obligation of confidentiality, unless such information must be retained by that party for that party to fulfill its legal or contractual obligations under this Agreement; or

5. Is independently developed by an employee, consultant, or agent of the receiving party without access to the information as received under this Agreement; or

6. The receiving party is obligated to produce as required by law, lawfully issued subpoena, or a court order, provided that the disclosing party has been given notice thereof and an opportunity to waive its rights or to seek a protective order or other appropriate remedy.

Upon written request of a disclosing party, the receiving party will return all information disclosed in written or tangible form, and the receiving party will destroy all of its copies, excerpts, or notes make by it which contain any portions of the information unless otherwise provided for by the parties.

To the extent that particular information is subject to specific statutory confidentiality requirements, the requirements of such statute, rather than this section, shall be controlling.
R. Mailing List

The Selected Firm will not sell or give the lists of University personnel to third parties or otherwise use such personnel information except as needed to provide the Services listed in this Agreement.

S. Project Manager

The Selected Firm agrees to provide a named individual (“Project Manager”) to implement, perform, and manage provision of the Services. The University must approve the appointment of the Project Manager prior to execution of any Agreement with the Selected Firm resulting from this RFP. The Project Manager will be the University’s primary contact, although the Project Manager will be assisted by other members of the Selected Firm’s staff in completing key activities.

In the event that the Project Manager or any other individual responsible for the University’s account, is no longer employed by the Selected Firm, is unavailable for any reason, or is performing in an unsatisfactory manner as determined by the University’s Contract Administrator, Selected Firm will propose a replacement for that individual within a reasonable time frame, so as not to significantly delay the provision of the Services to the University. The University reserves the right to approve the replacement, or to cancel the Agreement. If a proposed replacement is accepted by the University, the replacement will provide the Services at rates no higher than the rates of the original individual and in accordance with all terms and conditions specified in this Agreement.
Attachment 3

Procedure for Resolution of Contractual Claims

Section 11-69 of the Virginia Public Procurement Act requires contractors with the University to submit any claims, whether for money or other relief, in writing no later than 60 days after final payment, however, written notice of the contractors intention to file such a claim will have been given at the time of the occurrence or beginning of the work upon which the claim is based.

The University's procedure for deciding such contractual claims is:

A. The Selected Firm must provide the written claim to:
   Assistant Director of Procurement Services
   University of Virginia
   1001 North Emmet Street
   P. O. Box 400202
   Charlottesville, Virginia  22904-4202

B. Although the Selected Firm may, if it chooses, attempt to resolve its claim by dealing with a University department other than the one stated in Section A above, the Selected Firm must submit any unresolved claim in writing no later than 60 days after final payment to the Assistant Director of Procurement Services if it wishes to pursue its claim.

C. Upon receiving the written claim, the Assistant Director of Procurement Services will review the written materials relating to the claim and decide whether to discuss the merits of the claim with the Selected Firm. If such discussion is to be held, the Assistant Director of Procurement Services will contact the Selected Firm and arrange such discussion. The manner of conducting such discussion will be as the Assistant Director and the Selected Firm mutually agree.
D. The Assistant Director of Procurement Services will mail his or her decision to the Selected Firm within 60 days after receipt of the claim. The decision will state the reason for granting or denying the claim.

E. The Selected Firm may appeal the decision to:

   Director of Procurement Services  
   University of Virginia  
   Carruthers Hall  
   1001 North Emmet Street  
   P.O. Box 400202  
   Charlottesville, Virginia  22904-4202

by providing a written statement explaining the basis of the appeal, within 15 days after the Selected Firm's receipt of the decision.

F. Upon receiving the written appeal, the Director of Procurement Services will review the written materials relating to the claim and decide whether to discuss the merits of the claim with the Selected Firm. If such discussion is to be held, the Director of Procurement Services will contact the Selected Firm and arrange such discussion. The manner of conducting such discussion will be as the Director of Procurement Services and the Selected Firm mutually agree.

G. The Director of Procurement Services will mail his or her decision to the Selected Firm within 60 days after the Director of Procurement Services receipt of the appeal. The decision will state the reasons for granting or denying the appeal.