

STATE OF MARYLAND

OFFICE OF THE STATE TREASURER

**Louis L. Goldstein Treasury Building
80 Calvert Street, Room 109
Annapolis, Maryland 21401**

REQUEST FOR PROPOSALS

FOR

**INSURANCE BROKER SERVICES FOR
BONDS AND RELATED CRIME COVERAGES**

RFP # BONDS-07102008

Due Date: July 31, 2008

Issued: July 10, 2008

NOTICE: Prospective Offerors who received this document from a source other than the Issuing Office should immediately contact the Issuing Office and provide their name and mailing address in order that amendments to the RFP or other communications can be sent to them. Any prospective Offeror who fails to notify the Issuing Office with this information assumes complete responsibility in the event that they do not receive the solicitation from the Issuing Office prior to the closing date.

STATE OF MARYLAND

NOTICE TO VENDORS/CONTRACTORS

In order to help us improve the quality of State proposals and solicitations, and to make our procurement process more responsive and business friendly, we ask that you take a few minutes to provide comments and suggestions regarding the enclosed solicitation. Please return your comments with your proposals. If you have chosen not to bid on this contract, please fax this completed form to: 410-974-3530 to the attention of Anne Jewell.

RFP #BONDS-07102008

Title: Maryland State Treasurer's Office Request for Proposals for Insurance Broker Services for Bonds and Related Crime Coverages

1. If you have responded with a "no bid", please indicate the reason(s) below:

- Other commitments preclude our participation at this time.
- The subject of the solicitation is not something we ordinarily provide.
- We are inexperienced in the work/commodities required.
- Specifications are unclear, too restrictive, etc. (Explain in REMARKS section.)
- The scope of work is beyond our present capacity.
- Doing business with Maryland government is simply too complicated. (Explain in REMARKS section.)
- We cannot be competitive. (Explain in REMARKS section.)
- Time allotted for completion of the bid/proposals is insufficient.
- Start-up time is insufficient.
- Bonding/Insurance requirements are restrictive. (Explain in REMARKS section.)
- Bid/Proposals requirements (other than specifications) are unreasonable or too risky. (Explain in REMARKS section.)
- MBE requirements. (Explain in REMARKS section.)
- Prior State of Maryland contract experience was unprofitable or otherwise unsatisfactory. (Explain in REMARKS section.)
- Payment schedule too slow.
- Other: _____

2. If you have submitted a bid or proposal, but wish to offer suggestions or express concerns, please use the REMARKS section below. (Use reverse or attach additional pages as needed.)

REMARKS: _____

Vendor Name: _____ Date: _____
Contact Person: _____ Phone: (____) _____

Address: _____

KEY INFORMATION SUMMARY SHEET

**Maryland State Treasurer's Office
Request for Proposals for
Insurance Broker Services for
Bonds and Related Crime Coverages**

RFP #BONDS-07102008

Procurement Officer: Anne Jewell
Tel.: (410)260-7903
Fax: (410)974-3530
E-mail: procurement@treasurer.state.md.us

Submit Proposals to: Maryland State Treasurer's Office
Attn: Procurement Officer
Louis L. Goldstein Treasury Building
80 Calvert Street, Room 109
Annapolis, Maryland 21401

Solicitation Issue Date: July 10, 2008

Deadline for Receipt of Questions: July 17, 2008 at 2:00 p.m. Eastern Daylight Time

Proposal Due Date and Time: July 31, 2008 at 2:00 p.m. Eastern Daylight Time

Tentative Contract Awards: August 5, 2008

NOTICE: Prospective Offerors who received this document from a source other than the Issuing Office should immediately contact the Issuing Office and provide their name and mailing address in order that amendments to the RFP or other communications can be sent to them. Any prospective Offeror who fails to notify the Issuing Office with this information assumes complete responsibility in the event that they do not receive the solicitation from the Issuing Office prior to the closing date.

TABLE OF CONTENTS

	Page
I. Procurement Objective	
1.01 Summary Statement	1
1.02 Issuing Office and Procurement Officer	1
1.03 Procurement Method.....	1
1.04 Contract Officer	2
1.05 Use of e-Maryland Marketplace.....	2
1.06 Schedule of Events.....	2
1.07 Questions and Inquiries.....	2
1.08 Submission Deadline.....	2
1.09 False Statements.....	3
1.10 Duration of Offer	3
1.11 Electronic Distribution.....	3
II. General Information	
2.01 Purpose.....	4
2.02 Revisions to the RFP.....	4
2.03 Cancellation of the RFP; Rejection of All Proposals.....	4
2.04 Insurance Market Contact.....	4
2.05 Proposal Acceptance; Discussions.....	4
2.06 Oral Presentation.....	5
2.07 Incurred Expenses.....	5
2.08 Proposal Form.....	5
2.09 Multiple Proposals	5
2.10 Access to Public Records Act Notice.....	5
2.11 Protests.....	5
2.12 Proposal Opening.....	6
2.13 Minority Business Enterprises	6
2.14 Acceptance of Terms and Conditions	6
2.15 No Guarantee of Work.....	6
2.16 Bid/Proposal Affidavit.....	7
2.17 Contract Affidavit.....	7
2.18 Order of Precedence.....	7
III. Scope of Services and Requirements	
3.01 Introduction.....	8
3.02 Broker Services	8
3.03 Minimum Qualifications	10
3.04 Auditing.....	10
3.05 Summary of Coverages Required	10
Category A – Bond/Surety Coverages	10
Category B – Employee Dishonesty Coverages	12
Category C – Commercial Crime Coverages.....	15

	<u>Page</u>
3.06 General Terms for all Bonds and Policies.....	16
3.07 Term	16
3.08 Compensation.....	16
IV. Proposal Format	
4.01 Transmittal Letter	18
4.02 Two-Volume Submission	18
4.03 Volume I - Technical Proposal	18
4.04 Volume II - Pricing Proposals.....	20
4.05 Disclosures.....	21
V. Evaluation and Selection Procedure	
5.01 Evaluation and Selection Committee	22
5.02 Qualifying Proposals.....	22
5.03 Technical Evaluation.....	22
5.04 Pricing Evaluation.....	22
5.05 Evaluation Criteria	22
5.06 Responsibility.....	23
5.07 Best and Final Offer	23
5.08 Final Evaluation and Recommendation for Award.....	23
5.09 Debriefing of Unsuccessful Offerors	24
Appendices	
A. Price Proposal Form and Instructions	25
B. Bid/Proposal Affidavit (complete and submit with offer).....	28
C. Contract Affidavit (complete and submit after contract award).....	34
D. Form of Standard Contract.....	35

SECTION I. PROCUREMENT OBJECTIVE

1.01 Summary Statement

The purpose of this procurement is to select an insurance broker/brokers to represent the State for coverage needs for bonds and related crime coverages. The selected broker/brokers will market, manage and service insurance policies and related documents. Brokers are encouraged to submit a proposal on any and/or all categories.

1.02 Issuing Office and Procurement Officer

Maryland State Treasurer's Office
Louis L. Goldstein Treasury Building
80 Calvert Street, Room 109
Annapolis, Maryland 21401

Procurement Officer: Anne Jewell
Tel.: (410) 260-7903
E-mail: procurement@treasurer.state.md.us

The sole point of contact for purposes of this procurement is the Procurement Officer. The Procurement Officer may designate others to act on her behalf. The Office may change the Procurement Officer or the limits of her authority at its discretion.

This RFP is available on the State Treasurer's website in PDF format at www.treasurer.state.md.us, by clicking "Procurement Information" and then clicking "RFP for Insurance Broker Services for Bonds and Related Crime Coverages, and on eMaryland Marketplace at www.emarylandmarketplace.com.

1.03 Procurement Method

This contract will be awarded in accordance with the competitive sealed proposals process under COMAR 21.05.03.

1.04 Contract Officer

The Contract Officer monitors the daily activities of the contract and provides technical guidance to the Contractor. The State Contract Officer is:

Laura C. McWeeney, Director of Insurance
Maryland State Treasurer's Office
Louis L. Goldstein Treasury Building
80 Calvert Street, Room 109
Annapolis, Maryland 21401

Tel: (410)260-7929
E-mail: lmcweeney@treasurer.state.md.us

1.05 Use of eMaryland Marketplace

In order to receive a contract award, a vendor must be registered on eMaryland Marketplace. Vendor registration information can be found on the eMaryland Marketplace website at www.emarylandmarketplace.com.

1.06 Schedule of Events

<u>Event</u>	<u>Date</u>
Notice in "eMaryland Marketplace"	July 10, 2008
RFP Release Date	July 10, 2008
Deadline for Receipt of Questions	July 17, 2008
Proposal Due Date	July 31, 2008
Tentative Date of Contract Award	August 5, 2008

1.07 Questions and Inquiries

All questions and inquiries should be directed to the Procurement Officer identified in Section I., 1.02 above. Questions must be submitted in writing by mail or via email and received by the Issuing Office by 2:00 p.m. Eastern Daylight Time on Thursday, July 17, 2008. If the questions or inquiries pertain to a specific section of the RFP, the page and section number(s) must be referenced.

Oral questions will not be permitted.

1.08 Submission Deadline

To be considered, a written original and 5 copies (total of 6) of the proposal for any and/or all categories must arrive at the Issuing Office by 2:00 p.m. Eastern Daylight Time on Thursday, July 31, 2008. Additionally, an electronic copy of the proposal is requested on a compact disk to be submitted to the Procurement Officer. Requests for extension of this date or time will not be granted. Offerors mailing proposals should allow sufficient mail and internal delivery time to

ensure timely receipt at the Issuing Office. Proposals or unsolicited amendments to proposals arriving after the closing date and time will not be considered. Proposals submitted by electronic means only (facsimile or e-mail) will not satisfy the submission deadline and will not be considered.

1.09 False Statements

Offerors are advised that section 11-205.1 of the State Finance and Procurement Article of the Annotated Code of Maryland provides as follows:

- (a) *In general.* - In connection with a procurement contract a person may not willfully:
 - (1) falsify, conceal, or suppress a material fact by any scheme or device;
 - (2) make a false or fraudulent statement or representation of a material fact; or
 - (3) use a false writing or document that contains a false or fraudulent statement or entry of a material fact.
- (b) *Aiding or conspiring with others.* – A person may not aid or conspire with another person to commit an act under subsection (a) of this section.
- (c) *Penalty.* – A person who violates any provision of this section is guilty of a felony and on conviction is subject to a fine not exceeding \$20,000 or imprisonment not exceeding 5 years or both.

1.10 Duration of Offer

Proposals submitted in response to this solicitation are irrevocable for 120 days following the closing date. This period may be extended at the Procurement Officer's request only by an offeror's written agreement.

1.11 Electronic Distribution

This RFP is available for distribution by e-mail. Potential offerors wishing to receive copies of the written document should contact the Procurement Officer identified in Section I.,1.02, above.

SECTION II. GENERAL INFORMATION

2.01 Purpose

The overall purpose of this RFP is to provide information to offerors interested in preparing and submitting a proposal to meet the State Treasurer's Office (the "STO") requirements for insurance broker services for bonds and related crime coverages as described in Category A – Bond/Surety Coverages, Category B – Employee Dishonesty Coverages, and Category C – Commercial Crime Coverages. Brokers are encouraged to submit a proposal for any and/or all categories. The term "offeror" as used in this RFP, includes any broker submitting a proposal.

2.02 Revisions to the RFP

The STO reserves the right to amend this RFP at any time prior to the proposal due date and time. If it becomes necessary to revise this RFP at any time prior to the proposal due date and time, amendments will be provided to all prospective offerors that were sent this RFP or otherwise are known by the Procurement Officer to have obtained this RFP. Written acknowledgment of the receipt of all amendments will be required. In addition, amendments to the RFP will be posted on the STO's Procurement Web Page at www.treasurer.state.md.us, (select "Procurement Information" and then "RFP for Insurance Broker Services for Bonds and Related Crime Coverages"), and through eMaryland Marketplace at www.emarylandmarketplace.com. Amendments made after the due date for proposals will be sent only to those offerors who submitted a timely proposal.

2.03 Cancellation of the RFP; Rejection of All Proposals

The STO may cancel this RFP, in whole or in part, or may reject all proposals submitted in response whenever this action is determined to be fiscally advantageous to the State or otherwise in its best interests.

2.04 Insurance Market Contact

At this time, offerors are not authorized to approach insurers or other underwriting sources on behalf of the State. The STO specifically requests that no insurance market contact be made on behalf of the State, and that no market reservations or commitments be made for any purpose with respect to any insurance or reinsurance to be provided for the State of Maryland. Selection of a broker will not preclude the State from securing proposals from direct writing insurance companies at any time, if the STO deems it is in the State's best interest to do so.

2.05 Proposal Acceptance; Discussions

The STO reserves the right to accept or reject any and all proposals, in whole or in part, received in response to this RFP, to waive or permit cure of minor irregularities, and to conduct discussions with all qualified offerors in any manner necessary to serve the best interests of the State of Maryland. The STO also reserves the right, in its sole discretion, to award a contract based upon the written proposals received without prior discussions or negotiations.

2.06 Oral Presentation

In support of their proposals, offerors may be required to make an oral presentation, or conduct a demonstration, or both, not more than two calendar weeks after the STO has requested an offeror to do so. Failure to be prepared to make an oral presentation or conduct a demonstration within this time period may prevent the offeror's proposal from receiving further consideration. The main point of contact proposed in the offeror's proposal must be present during these interviews.

2.07 Incurred Expenses

The State will not be responsible for any costs incurred by an offeror in preparing and submitting a proposal in response to this RFP, including costs incurred in making an oral presentation, if required.

2.08 Proposal Form

Proposals should be prepared simply and economically, providing a straightforward, concise, and quantified description of the offeror's proposal for meeting the service requirements of this procurement. Oral, telegraphic, facsimile, mailgram, or electronically transmitted proposals will not be accepted.

2.09 Multiple Proposals

Multiple and Alternate proposals will not be accepted.

2.10 Access to Public Records Act Notice

An offeror should give specific attention to the identification of those portions of its proposal that it considers confidential, proprietary commercial information or trade secrets, and provide justification why such materials, upon request, should not be disclosed by the State under the Access to Public Records Act, State Government Article, Title 10, Subtitle 6, Annotated Code of Maryland. A fee may be charged for copies and search and preparation time, in accordance with COMAR 25.01.04.09. The STO may require payment of such fees before releasing the requested information.

2.11 Protests

Any protestor dispute related respectively to this solicitation or the resulting contract shall be subject to the provisions of COMAR 21.10 (Administrative and Civil Remedies).

Any protest regarding this solicitation must be filed in writing with the Procurement Officer only. If the reason for the protest is apparent before the proposal opening, the protest must be filed before the proposal opening. In all other cases, the protest must be filed within 7 calendar days after the reason for the protest is known or should have been known.

The term "filed" means receipt by the Procurement Officer who has issued this solicitation.

The protest must be in writing and must contain (1) the name and address of the protester; (2) the appropriate identification of the solicitation and, if a contract has been awarded, the contract number if it is known; (3) a statement of the reasons for the protest; and (4) any supporting exhibits, evidence, or documents to substantiate any claims unless the documents are not available within the filing time, in which case the date by which the supporting documents are expected to be available is to be noted.

2.12 Proposal Opening

Proposals will not be opened publicly. When the contract is awarded, those portions of proposals available under Maryland laws regarding access to public information will be made available upon written request to the Procurement Officer.

2.13 Minority Business Enterprises

A minority business enterprise subcontractor participation goal has not been established for this solicitation. The STO encourages minority business enterprises to respond to this RFP. *See* minority business enterprises as defined in Section 14-301 (f) of the Procurement Article, and socially and economically disadvantaged individuals is defined in Section 14-301 (i)(1) of the State Finance and Procurement Article of the Annotated Code of Maryland. If the Offeror is not a minority business enterprise, they are encouraged to submit a proposal with subcontractor participation by socially and economically disadvantaged individuals and/or minority business enterprises.

A directory of certified MBEs is maintained by the Maryland State Department of Transportation Office of Minority Business Enterprise, P.O. Box 8755, B.W.I. Airport, Maryland 21240-0755. The phone number is 410-865-1244. The directory is available online at www.mdot.state.md.us. Select the “Minority/Disadvantaged Business Enterprise” label.

2.14 Acceptance of Terms and Conditions

By submitting a Proposal in response to this RFP, the offeror (a) accepts all of the terms and conditions set forth in this RFP, and (b) represents that it is not in arrears in the payment of any obligation due and owing the State or any department or unit thereof, including but not limited to the payment of taxes and employee benefits (the “State Obligations”). If selected for award, the offeror agrees (a) that it will comply with all federal, State and local laws applicable to its activities and obligations under the contract, (b) that it shall not become in arrears under any State Obligation during the term of the contract, and (c) to all terms and conditions set forth in the form of contract included as Appendix D to this RFP.

2.15 No Guarantee of Work

No Contractor is guaranteed any minimum amount of work or compensation. The STO can not make assurances funds will be appropriated and otherwise made available for payment of broker service fees.

2.16 Bid/Proposal Affidavit

All proposals submitted by an offeror must be accompanied by a completed Bid/Proposal Affidavit. A copy of this Affidavit is included as Appendix B to this RFP.

2.17 Contract Affidavit

All offerors are advised that if a contract is awarded as a result of this solicitation, the successful offeror will be required to complete a Contract Affidavit. A copy of this Affidavit is included for informational purposes as Appendix C to this RFP. This Affidavit need not be submitted with an offeror's proposal.

2.18 Order of Precedence

The contract between the parties will be embodied in the contract documents which will consist of the following, listed in their order of precedence:

1. the Contract and Contract modifications executed by both parties;
2. the RFP; and
3. the Contractor's proposal.

Modifications to the order of precedence provision of this solicitation will not be accepted. If any terms and conditions inconsistent with the requirements of the solicitation are proposed, those terms and conditions must be stated in the proposal.

III. SCOPE OF SERVICES AND REQUIREMENTS

3.01 Introduction

This Insurance Broker Services RFP is to select a broker/brokers to represent the State for coverage needs for bonds and related crime coverages as described in Section III, 3.05, Category A – Bond/Surety Coverages, Category B – Employee Dishonesty Coverages, and Category C – Commercial Crime Coverages. Brokers are encouraged to submit a proposal for any and/or all categories.

The selected broker/brokers will market the accounts, present the STO with competitive quotes with recommendations, place and service the coverages, including any additions or replacements thereto. Related coverages and services may be added at any time during the contract period.

3.02 Broker Services

Upon request of the STO, the broker shall:

- Market and obtain quotations, evaluate and report on an insurer's financial status, including producing the most current audited financial statement for the insurer, place and service the desired insurance coverages.
- Provide loss runs for each policy a minimum of 60 days before expiration, including any prior year with open losses.
- Act as an advocate for the STO in communications with the insurers and intermediaries, including negotiations of the lowest possible fees.
- Offer creative solutions and innovative suggestions for the STO to consider.
- Submit an annual stewardship report for each category to the STO outlining intended activities on behalf of the State for the upcoming year, including the status of all items in the prior years' reports. Reports are due two weeks after the end of each calendar year.
- Review and verify bonds, policies and related insurance documents received from insurers for accuracy.
- Act as a liaison with insurers on loss control inspections and recommendations.
- In addition to the original paper copies, provide electronic copies of all bonds, policies and related insurance documents.
- Prepare certificates of insurance (electronically) and endorsements as requested.

- Assist the STO if it requests that other related coverages be added during the term of the contract. The STO will not be charged a broker services fee for quotes for new coverage unless and until the coverage is purchased. If a renewal quote is offered and a decision is made not to renew the coverage for any reason, no broker fee will be paid. This is an unusual occurrence.
- Develop a strategy for the upcoming renewal to be presented in writing to the STO a minimum of 90 days before expiration. Include and identify any intended intermediaries used in the quote process.
- Coordinate the collection of underwriting data for the bonds and policies placed on behalf of the State, including complete loss statistics and other underwriting data. The loss data should include a brief description of losses valued over \$25,000.
- Provide renewal quotes on all bonds and policies. Where there are an adequate number of markets to do so, provide multiple quotes (a minimum of two) for competitive purposes. In the event that this requirement is not possible or recommended, the broker must submit a letter of explanation/recommendation to the Contract Officer for acceptance or denial of the recommendation. For those carriers who decline to offer a quote on coverage, documentation from the carrier indicating why they chose not to quote is required.
- Carriers may contact a broker to quote on a policy. All qualified carriers will be considered for quotes by the broker. All contacts from qualified and non-qualified carriers must be documented and the broker must provide information to the STO on the results.
- Provide risk management and professional services directly or indirectly, and other recommendations as requested by the STO, including, but not limited to, minimizing loss potential, property or liability inspections and transfer of risk techniques.
- When requested by the STO, provide detailed rating worksheets on insurance proposals, either a full set or a sampling that reflects the pricing detail used is required.
- Assist the STO with training classes for State agency personnel.
- Disclose coverage additions and coverage restrictions on all renewal quotes.
- Provide answers to the STO and obtain clarification from insurers, underwriters or adjusters regarding coverage or claims questions.
- Provide a binder of insurance for coverages placed prior to the expiration of the proceeding bond or policy.

3.03 Minimum Qualifications

To be considered for these Contracts, the broker:

1. Must have a minimum of 10 years experience in the commercial property/casualty/surety business.
2. Provide evidence of Professional Errors and Omissions Liability insurance (current certificate of insurance) with a limit of liability of at least \$5,000,000 and maintain such insurance at all times during the term of the Contract. Such insurance shall be with an insurance company with a Best's or equivalent Rating of "A" or greater and licensed to do business in Maryland.
3. Offeror must provide its most current audited financial statement with its proposal.

3.04 Auditing

Offeror must have its financial statements audited annually by an independent certified public accounting firm and receive an unqualified opinion from the Auditor. Offeror must provide the STO with the following:

- a copy of its most current audited annual financial statement upon request.

3.05 Summary of Coverages Required

Brokers are encouraged to submit a proposal for any and/or all categories.

CATEGORY A – BOND/ SURETY COVERAGES

Summary of Needs (full details to be provided to the selected broker):

- I. Customs Bond for the University of Maryland, College Park
Effective January 3, 2009**
The University is an importer of goods into the United States and is required to maintain a customs bond. The current bond carrier is Fidelity & Deposit Company of Maryland and has a limit of \$50,000.
- II. Public Official Bond for Peter Franchot, Comptroller of Maryland
Effective January 22, 2011**
The current bond carrier is Fidelity & Deposit Company of Maryland and has a limit of \$200,000.
- III. Public Official Bond for Nancy K. Kopp in her capacity as State Treasurer
Effective February 1, 2011**
The current bond carrier is Fidelity & Deposit Company of Maryland and has a limit of \$1,000,000.

- IV. Public Official Bond for Nancy K. Kopp in her capacity as Custodian of the Unemployment Insurance Fund
Effective February 1, 2011**
The current bond carrier is Fidelity & Deposit Company of Maryland and has a limit of \$25,000.
- V. Public Official Bond for Carroll Irving Pinder, Jr., Director of the Maryland Board of Physicians Quality Assurance
Effective April 3, 2009**
The current bond carrier is Hartford Fire Insurance Company and has a limit of \$10,000.
- VI. Public Official Bond for Robert G. Hennessy, M.D., Chair of the Maryland Board of Physicians Quality Assurance
Effective June 30, 2009**
The current bond carrier is Travelers Casualty & Surety Company of America and has a limit of \$10,000.
- VII. Public Official Bond for Ralph S. Tyler, Insurance Commissioner for Maryland Insurance Administration
Effective May 11, 2011**
The current bond carrier is Fidelity & Deposit Company of Maryland and has a limit of \$200,000.
- VIII. Public Official Bond for Elizabeth Sammis, Deputy Insurance Commissioner for Maryland Insurance Administration
Effective December 3, 2011**
The current bond is through Fidelity & Deposit Company of Maryland and has a limit of \$200,000.
- IX. Public Official Bond for Bruce A. Myers, Legislative Auditor for the Maryland General Assembly
Effective October 15, 2008**
The current bond carrier is Travelers Casualty & Surety Company of America and has a limit of \$200,000.
- X. Surety Bond for Patients' Funds at Deer's Head Hospital Center
Effective December 18, 2008**
The current bond carrier is St. Paul Travelers Casualty Insurance Company and has a limit of \$70,000.
- XI. Surety Bond for Patients' Funds at Western Maryland Hospital Center
Effective December 18, 2008**
The current bond carrier is St. Paul Travelers Casualty Insurance Company and has a limit of \$70,000.

**XII. Surety Bond for Postal Unit at Towson University
Effective August 1, 2009**

The current bond carrier is St. Paul Travelers Casualty Insurance Company and has a limit of \$30,000.

CATEGORY B – EMPLOYEE DISHONESTY COVERAGES

Summary of Needs (full details to be provided to the selected broker):

**I. Maryland Department of Housing & Community Development (DHCD)
Effective March 1, 2009**

Scope of Operations:

In conjunction with a contract with the United States Department of Housing and Urban Development (HUD), DHCD is required to maintain commercial crime insurance.

A. Summary of Coverage and Limits:

1.	Public Employee Dishonesty	\$13,000,000	Per Occurrence
	Deductible	\$ 1,000,000	Per Occurrence
2.	Investigative Costs	\$ 250,000	Per Occurrence
	Deductible	\$ 0	Per Occurrence

B. Previous Carriers and Losses Incurred:

3/1/2005-2006	Travelers Insurance Company	\$0
3/1/2006-2007	Travelers Insurance Company	\$0
3/1/2007-2008	Travelers Insurance Company	\$0
3/1/2008-2009	Travelers Insurance Company	\$0

**II. College Savings Plans of Maryland
Effective April 1, 2009**

Scope of Operations:

The College Savings Plans of Maryland is an independent State agency that provides two plans to help Maryland families save for future college expenses and reduce dependence on student loans and other forms of debt. The two plans are:

- The Maryland Prepaid College Trust
- The Maryland College Investment Plan

Both plans are administered by the College Savings Plans of Maryland Board, which includes 10 members, half of whom are State officials and the other half of whom are public members appointed by Maryland's Governor.

A. Summary of Coverage and Limits:			
1.	Public Employee Dishonesty, including Faithful Performance of Duty	\$1,000,000	Per Occurrence
	Deductible	\$ 10,000	Per Occurrence
2.	Investigative Costs	\$ 100,000	Per Occurrence
	Deductible	\$ 1,000	Per Occurrence
B. Previous Carriers and Losses Incurred:			
4/1/2005-2006	Hartford Fire Insurance		\$0
4/1/2006-2007	Travelers Casualty & Surety Co.		\$0
4/1/2007-2008	Travelers Casualty & Surety Co.		\$0
4/1/2008-2009	Travelers Casualty & Surety Co.		\$0

III. The Maryland Judiciary: Clerks and Commissioners of District, Circuit, Appellate and Orphans Courts of Maryland Effective July 1, 2009

Scope of Operations:

The Maryland Judiciary includes several courts. The courts and their primary functions are listed below:

The District Courts hear misdemeanors, specified felonies, peace order petitions, small claims, and other civil cases involving limited dollar amounts, among others.

The Circuit Courts generally handle more serious criminal cases, major civil cases, and most cases appealed from District Court, among others.

The Appellate Courts review a trial court's actions and decisions in given cases and decide whether the trial judge properly followed the law and legal precedent. The Court of Appeals is the highest court, and the Court of Special Appeals is the intermediate appellate court.

The Orphans' Court is a specialized court that handles wills, estates and other probate matters and limited aspects of guardianship.

Maryland law requires that the Clerks of any Court and Court Commissioners be covered by a bond for the faithful performance of the duties of office. Court Commissioners exercise power with respect to warrants of arrest and bail or collateral, other terms of pretrial release pending a hearing, or incarceration

pending a hearing. Court Clerks' duties include participation in the preparation of the budget, oversight as to expenditures, oversight as to methods for the collection of revenue and the deposit of the same to the appropriate funds of the State, as well as general supervisory responsibility.

B. Summary of Coverage and Limits:

1.	Public Employee Dishonesty including Faithful Performance of Duty	\$1,000,000	Per Occurrence
	Deductible	\$ 100,000	Per Occurrence
2.	Computer Fraud	\$ 1,000,000	Per Occurrence
	Deductible	\$ 100,000	Per Occurrence

C. Previous Carriers and Losses Incurred:

7/1/2002 – 7/1/2005	Travelers Casualty & Surety	\$0
7/1/2005 – 7/1/2008	Travelers Casualty & Surety	\$0

**IV. State Retirement and Pension System of Maryland
Effective July 1, 2009**

Scope of Operations:

The State Retirement and Pension System of Maryland is responsible for properly administering retirement, disability and death benefits on behalf of over 350,000 active and former State employees, teachers, State police, judges, law enforcement officers, correctional officers, legislators, as well as local government employees and fire fighters whose employers have elected to participate in the System.

A. Summary of Coverage and Limits:

1.	Public Employee Dishonesty including Faithful Performance of Duty	\$500,000	Per Occurrence
	Deductible	\$ 7,500	Per Occurrence
2.	Forgery or Alteration	\$500,000	Per Occurrence
	Deductible	\$ 7,500	Per Occurrence
3.	Computer Fraud	\$ 500,000	Per Occurrence
	Deductible	\$ 7,500	Per Occurrence
4.	Wire Funds Transfer Fraud	\$500,000	Per Occurrence
	Deductible	\$ 7,500	Per Occurrence

B. Previous Carriers and Losses Incurred:

7/1/2002 - 7/1/2005	Hartford Fire Insurance Co.	\$0
7/1/2005 - 7/1/2006	Hartford Fire Insurance Co.	\$0

7/1/2006 - 7/1/2007	Great American Insurance Co.	\$0
7/1/2007 - 7/1/2008	Great American Insurance Co.	\$0

CATEGORY C – COMMERCIAL CRIME COVERAGES

Summary of Needs (full details to be provided to the selected broker):

**I. Maryland Transit Administration (MTA)
Effective March 10, 2010**

Scope of Operations:

The MTA has one central revenue handling facility known as the "Revenue Room", which is responsible for receiving, counting, storing and preparing bank deposits from all revenue generated from MTA's bus operating systems. Revenue collected from bus fare boxes is stored in receiver vaults. It is picked up each weekday morning by an MTA armored truck and delivered to the Revenue Room to be counted and deposited in the bank the next business day.

A. Summary of Coverage and Limits:

1.	Theft of Money and Securities		
	a.	Inside the Premises	\$5,000,000 Per Occurrence
		Deductible	\$ 25,000 Per Occurrence
	b.	Outside the Premises	\$ 400,000 Per Occurrence
		Deductible	\$ 25,000 Per Occurrence
2.	Forgery or Alteration	\$ 250,000	Per Occurrence
	Deductible	\$ 25,000	Per Occurrence

B. Previous Carriers and Losses Incurred:

3/10/2004-2007	Fidelity & Deposit Co. of Maryland	\$0
3/10/2007-2010	Fidelity & Deposit Co. of Maryland	\$0

**II. Maryland Transportation Authority (MdTA)
Effective December 1, 2008**

Scope of Operations:

The MdTA owns, operates and maintains seven toll facilities in the State of Maryland, including five bridges and two tunnels. Day to day maintenance of the facilities is provided by Authority staff. Large scale maintenance projects, e.g. resurfacing are performed by qualified contractors.

A. Summary of Coverage and Limits:

1.	Public Employee Dishonesty	\$750,000	Per Occurrence
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	including Faithful Performance of Duty Deductible	\$ 50,000	Per Occurrence
2.	Forgery or Alteration Deductible	\$ 750,000 \$ 50,000	Per Occurrence Per Occurrence
3.	Computer Fraud Deductible	\$ 750,000 \$ 50,000	Per Occurrence Per Occurrence
4.	Money & Securities on Premises Deductible	\$ 750,000 \$ 50,000	Per Occurrence Per Occurrence
5.	Money & Securities - Messenger Deductible	\$ 750,000 \$ 50,000	Per Occurrence Per Occurrence

B. Previous Carriers and Losses Incurred:

12/1/2003 – 12/1/2004	Federal Insurance / Chubb	\$0
12/1/2004 – 12/1/2005	Travelers Casualty & Surety	\$0
12/1/2005 – 12/1/2006	Travelers Casualty & Surety	\$0
12/1/2006 – 12/1/2007	Travelers Casualty & Surety	\$0
12/1/2007 – 12/1/2008	Travelers Casualty & Surety	\$0

3.06 General Terms for all Bonds and Policies

- Policy Cancellation: 90 day cancellation clause required from carrier for non-renewal.
- The policy and any endorsement may not be modified except by mutual agreement and written instrument.

3.07 Term

The term of these Contracts for Insurance Broker Services for Bonds and Related Crime Coverages will be August 6, 2008 to August 6, 2012, with up to two consecutive one-year renewal options, exercisable at the sole discretion of the STO. Broker Services provided under each Contract shall continue for any bonds or related crime coverages placed within the term of each Contract until the expiration of the bonds or related crime coverages.

3.08 Compensation

Payments to the selected offeror shall be made no later than 30 days after receipt by the STO of an original invoice(s) from the offeror. Payments of policy premiums may be paid in less than 30 days to comply with coverage dates. Each invoice for services rendered must reflect the offeror's federal tax identification number. Charges for late payment of invoices, other than as

prescribed by Title 15, Subtitle 1 of the State Finance and Procurement Article, Annotated Code of Maryland, as from time to time amended, are prohibited.

The selected broker must agree to accept only the annual broker services fee. The selected broker must agree to return to the State of Maryland any and all commission income, overrides, contingencies or bonuses earned as a result of the State's policy(s). If for any reason a policy cannot be written net of commission, any earned commission will be deducted by the STO from the broker fee and any excess will be returned to the State.

Broker services fees are all inclusive. Travel expenses and express mail or other administrative expenses will not be paid. The STO will not be charged a broker services fee for quotes for new coverage unless and until the coverage is purchased. If a renewal quote is offered, and a decision is made not to renew the coverage for any reason, no broker fee will be paid.

By submitting a response to this solicitation, the offeror agrees to accept any payments from the State by electronic funds transfer unless the State Comptroller's Office grants an exemption. The selected offeror shall register using form COT/GAD X-10 Vendor Electronic Funds (EFT) Registration Request Form. Any request for exemption must be submitted to the State Comptroller's Office for approval at the address specified on the COT/GAD X-10 form and must include the business identification information as stated on the form and include the reason for the exemption. The COT/GAD X-10 Vendor Electronic Funds (EFT) Registration Request Form may be downloaded from: www.comp.state.md.us, select "Compnet," then "General Accounting Division," and then "Electronic Funds Transfer, Form X-10."

SECTION IV. PROPOSAL FORMAT

4.01 Transmittal Letter

A brief transmittal letter prepared on the offeror's business stationery should accompany the original and required copies of the two-volume proposal. The letter must be signed by an individual authorized to bind the selected offeror to all statements, including services and prices, contained in the proposals. The transmittal letter should also indicate that, if selected, the offeror will execute a contract materially the same as Appendix D.

4.02 Two -Volume Submission

The selection procedure for this procurement requires that the initial technical evaluation of each portion of the proposal be completed before consideration of an offeror's pricing proposals. Consequently, each proposal must be submitted in two volumes as indicated below.

4.03 Volume I - Technical Proposal

This volume shall be labeled "Maryland State Treasurer's Office Request for Proposals for Insurance Broker Services for Bonds and Related Crime Coverages - Technical." This volume shall contain the transmittal letter (Section IV., 4.01) and the completed proposal affidavit (Appendix B). The proposals must include responses to the Minimum Qualifications in Section III, 3.03. Offerors submitting a proposal for broker services for any and/or all categories need to clearly designate Category A, B, and C and address the information requested in Sections 1. through 7.

1. General Information

- A. Name of firm;
- B. Mailing address of the office from which the proposal is being submitted;
- C. Name of individual who will represent firm as primary contact person on matters relating to the proposal;
- D. Telephone number and telefax number;
- E. Professional Errors and Omissions Liability carrier's current Best's or equivalent rating from a carrier licensed to do business in Maryland.

2. Proposed Personnel

- A. Identify the professional staff and other resources that will be assigned to this account. Quantify their availability to work on the account, their roles and responsibilities, and their expertise in the relevant coverage.
- B. Provide information on how you expect to assign the broker services listed in Section III., 3.02 to the firm's personnel assigned to the contract.

3. Firm's Broker Services Experience

- A. Provide a list of a minimum of three bond/related crime coverage broker services customers for other public entities, (preferably State), which are similar to the State of Maryland for which your firm served as a primary broker since January 1, 2004.
- B. Select two of the customers listed above and discuss how the experience gained from working for these customers relates to the services requested by the STO. Be sure to indicate any unusual or exceptional problems, conditions, or situations that your firm faced and solved.

4. Firm Capabilities

- A. Indicate how the offeror meets the Minimum Qualifications cited in Section III., 3.03.
- B. Describe your firm, including when organized, corporate structure, and type of ownership.

5. Client References

- A. Provide three client references. The list must include references related to broker services that are similar to the broker services requested in this RFP.
- B. Furnish name, title, agency and telephone number for each reference.

The State reserves the right to contact any previous client whether or not provided as a reference.

6. Rationale for Appointment

This section of the proposal should be used by each offeror to present the case for its appointment as a broker. The section may include any additional material the offeror may choose to submit.

7. Economic Benefits to the State of Maryland

Each proposal submitted in response to this solicitation must describe the benefits that will accrue to the Maryland economy as a direct result of the offeror's performance of the contract resulting from the solicitation. Economic benefits include:

- A. The Contract dollars to be recycled into Maryland's economy in support of the Contract, through the use of Maryland subcontractors, suppliers, and joint venture partners. Offerors should be as specific as possible and provide a breakdown of expenditures in this category. Do not provide actual dollars for each category. Include percent of the total budget requested.
- B. The numbers and types of jobs for Maryland residents resulting from the contract. Indicate job classifications, number of employees in each classification, and the aggregate payroll to which the Contractor has committed at both prime, and if applicable, subcontract levels. Do not provide actual dollars for each category. Include percent of the total budget requested.
- C. Tax revenues to be generated for Maryland and its political subdivisions as a result of this Contract. Indicate the tax category (sales tax, payroll taxes, inventory taxes, and estimated personal income taxes for new employee). Provide a forecast of the total tax revenues resulting from the Contract. Do not provide actual dollars for each category. Include percent of the total budget requested.
- D. Subcontract dollars committed to Maryland Small Business and Minority Business Enterprises. Do not provide actual dollars for each category. Include percent of the total budget requested.
- E. In addition to the factors listed above, the offeror should explain any other economic benefits to the State of Maryland that would result from the offeror's proposal.

4.04 Volume II - Pricing Proposals

These volumes shall be labeled "Maryland State Treasurer's Office RFP for Insurance Broker Services for Bonds and Related Crime Coverages, Appendix A-1 – Price (Category A)" and/or "Maryland State Treasurer's Office RFP for Insurance Broker Services for Bonds and Related Crime Coverages, Appendix A-2 – Price (Categories B and C)." The price proposal for Appendix A-1, Category A (Bonds/Surety Coverages), is an annual flat fee for broker services for all coverages. The price proposal for Appendix A-2, Category B (Employee Dishonesty Coverages) and C (Commercial Crime Coverages), will include the annual fee for broker services per policy. For purposes of evaluating the price proposals, the Evaluation Committee will evaluate the fees for broker services only.

The broker services fees are all inclusive. Travel expenses or express mail or other administrative expenses will not be paid.

4.05 Disclosures

Disclose any relationships with persons or entities that may create a conflict of interest, or the appearance of a conflict of interest. Disclose specific details of any pending legal proceedings (criminal or civil), or regulatory or disciplinary actions by any state or federal regulatory agency, involving the firm or members of the firm; or any convictions, judgments or settlements resulting from such proceedings or actions within the past five years.

SECTION V. EVALUATION AND SELECTION PROCEDURE

5.01 Evaluation and Selection Committee

All qualifying proposals received by the submission deadline will be evaluated by an Evaluation and Selection Committee appointed by the Treasurer or Treasurer's designee.

5.02 Qualifying Proposals

The Procurement Officer first will review each proposal for completeness of response to requirements contained in Section IV, "Proposal Format," 4.03- Volume I – Maryland State Treasurer's Office RFP for Insurance Broker Services for Bonds and Related Crime Coverages - Technical Proposal. Failure to respond to the appropriate questions or in the manner required may disqualify an offeror's proposal from consideration by the Committee.

5.03 Technical Evaluation

After the Procurement Officer selects the qualifying proposals, the Committee will conduct an initial evaluation of the technical merit of each qualifying proposal. This evaluation will be made solely on the basis of the evaluation criteria set forth in 5.05, below, and may include information obtained during oral interviews, if any.

5.04 Pricing Evaluation

Following completion of the initial technical evaluation, the Committee will conduct an initial evaluation of the pricing of each proposal and will establish a financial ranking of all proposals.

5.05 Evaluation Criteria

Only proposals determined to be qualifying proposals pursuant to subsection 5.02 above will be evaluated by the Committee.

For the technical evaluation, the Committee will take into consideration the information related to the questions in Section IV. in order of importance (greatest first):

1. Proposed Personnel;
2. Firm's Broker Services Experience;
3. Firm Capabilities;
4. Client References;
5. Rationale for Appointment;
6. Economic Benefits to the State of Maryland.

5.06 Responsibility

1. General

- (a) The procurement regulations in COMAR Title 21 define a “responsible” Offeror as one “...who has the capability in all respects to perform fully the contract requirements, and the integrity and reliability that shall assure good faith performance.”
- (b) COMAR, Title 21, also requires that the Procurement Officer determine before awarding a contract to an offeror whether the offeror is responsible. The determination of responsibility is based on the subjective judgment of the Procurement Officer about whether the offeror meets the definition of a “responsible” offeror.
- (c) In addition, the unreasonable failure of an offeror to supply information promptly in connection with the determination of responsibility shall be grounds for a determination that the offeror is not responsible.

2. Discussions

The STO reserves the right to discuss and negotiate with qualified offerors or potentially qualified offerors, (i.e., which are reasonably susceptible of being selected for award). Discussions or negotiations will be conducted with all qualified offerors. The STO, however, is not obligated to conduct any discussions or negotiations. Each offeror should be aware that the STO can select a proposal without first discussing the matter with the selected offeror.

5.07 Best and Final Offer

When deemed in the best interest of the State, the Procurement Officer may permit qualified offerors to revise their initial proposal by submitting a best and final offer. The Procurement Officer shall notify each qualified offeror of the scope of the requested best and final offer, and shall establish a date and time for the submission. The Procurement Officer may require more than one series of best and final offers and discussions, if determined that it is in the State’s best interest to do so. If more than one best and final offer is requested, an offeror’s immediate previous offer shall be construed as its best and final offer unless the offeror submits a timely notice of withdrawal or another best and final offer. The Procurement Officer may consult with and seek the recommendation of the Evaluation Committee during the best and final offer process.

5.08 Final Evaluation and Recommendation for Award

Following oral presentations, and reference checks, if any, the Committee will perform its final evaluations and will make a recommendation to the Procurement Officer for award of the contract to that responsible offeror or offerors whose proposals are determined to be the most

advantageous to the State based on the results of the final technical and pricing evaluations. Technical merit will be given more weight than price in determining the Committee's final ranking. Contract award, if any, is subject to the approval of the State Treasurer or the Treasurer's designee upon the recommendation of the Procurement Officer.

5.09 Debriefing of Unsuccessful Offerors

Unsuccessful offerors shall be debriefed upon their written request, provided the request is made within a reasonable period of time after receiving notice of a final determination of award from the Procurement Officer. Request for debriefings shall be honored by the STO at the earliest feasible time after the request has been received. Debriefings shall be held in accordance with COMAR 21.05.03.06.

APPENDIX A

A-1 - Category A and A-2 – Category B and C

PRICE PROPOSAL FORM INSTRUCTIONS

1. Offerors must submit their price proposal on the Price Proposal Form for Insurance Broker Services on Appendix A-1 and/or A-2, in accordance with these instructions and as specified on the form. The price proposal/proposals must be separately sealed as directed in Section 4.04.
2. Appendix A-1 and/or A-2 are to be completed and signed by an individual who is authorized to bind the firm to all rates offered.
3. All data and information included on Appendix A-1 and/or A-2 are for price evaluation purposes. The State reserves the right, at its sole discretion, to purchase more or less, or not to purchase any services for which offers are solicited under this RFP.
4. On Appendix A-1 and/or A-2, price must be recorded with dollars and cents, e.g., \$24.15. Fractional prices are not acceptable (e.g., \$24.15333).
5. Nothing shall be entered on any Price Proposal Form that alters or proposes conditions or contingencies on the proposed prices.

APPENDIX A-1
CATEGORY A
BONDS/SURETY COVERAGES

Price Proposal for the RFP for Insurance Broker Services for Bonds and Related Crime Coverages, RFP #Bonds-07102008.

Firm Name

Address

City, State, Zip

ANNUAL FLAT broker fee (all inclusive) for broker services for all of the Category A Bonds/Surety Coverages Contract effective August 6, 2008, and for all subsequent annual terms.

Category A:

- I. Customs Bond for University of Maryland, College Park
- II. Public Official Bond (“POB”) for Comptroller
- III. POB for Treasurer
- IV. POB for Treasurer (Custodian of the Unemployment Insurance Fund)
- V. POB for Director of the Maryland Board of Physicians
- VI. POB for Chairman of the Maryland Board of Physicians
- VII. POB for Insurance Commissioner for Maryland Insurance Administration
- VIII. POB for Deputy Insurance Commissioner for Maryland Insurance Administration
- IX. POB for Legislative Auditor for the Maryland General Assembly
- X. Surety Bond for Patient’s Funds at Deer’s Head Hospital Center
- XI. Surety Bond for Patient’s Funds at Western Maryland Hospital Center
- XII. Surety Bond for Postal Unit at Towson University

TOTAL ANNUAL FLAT BROKER FEE: \$ _____

Signature of Authorized Official

Name and Title of Authorized Official

APPENDIX A -2
CATEGORY B – EMPLOYEE DISHONESTY COVERAGES AND
CATEGORY C - COMMERCIAL CRIME COVERAGES

Price Proposal for the RFP for Insurance Broker Services for Bonds and Related Crime Coverages, RFP #BONDS-07102008

Firm Name

Address

City, State, Zip

Broker fee for broker services for Category B (Employee Dishonesty) and Category C (Commercial Crime) Contracts effective August 6, 2008, and for all subsequent **policy terms**. This broker fee is per policy.

Category B:

- I. Department of Housing and Community Development \$ _____
- II. College Savings Plans of Maryland \$ _____
- III. Maryland Judiciary \$ _____
- IV. State Retirement and Pension System of Maryland \$ _____

Category C:

- I. Maryland Transit Administration \$ _____
- II. Maryland Transportation Authority \$ _____

Notice: If a multi-year policy can be obtained, the broker will be paid the broker services fee at the beginning of each policy, upon receipt of an invoice from the broker.

Signature of Authorized Official

Name and Title of Authorized Official

APPENDIX B
BID/PROPOSAL AFFIDAVIT

A. AUTHORIZED REPRESENTATIVE

I HEREBY AFFIRM THAT:

I am the (title) _____ and the duly authorized representative of (business) _____ and that I possess the legal authority to make this Affidavit on behalf of myself and the business for which I am acting.

B. CERTIFICATION REGARDING COMMERCIAL NONDISCRIMINATION

The undersigned bidder hereby certifies and agrees that the following information is correct:

In preparing its bid on this project, the bidder has considered all proposals submitted from qualified, potential subcontractors and suppliers, and has not engaged in "discrimination" as defined in §19-103 of the State Finance and Procurement Article of the Annotated Code of Maryland. "Discrimination" means any disadvantage, difference, distinction, or preference in the solicitation, selection, hiring, or commercial treatment of a vendor, subcontractor, or commercial customer on the basis of race, color, religion, ancestry, or national origin, sex, age, marital status, sexual orientation, or on the basis of disability or any otherwise unlawful use of characteristics regarding the vendors, supplier's or commercial customer's employees or owners. "Discrimination" also includes retaliating against any person or other entity for reporting any incident of "discrimination". Without limiting any other provision of the solicitation on this project, it is understood that, if the certification is false, such false certification constitutes grounds for the State to reject the bid submitted by the bidder on this project, and terminate any contract awarded based on the bid. As part of its bid or proposal, the bidder herewith submits a list of all instances within the past 4 years where there has been a final adjudicated determination in a legal or administrative proceeding in the state of Maryland that the bidder discriminated against subcontractors, vendors, suppliers, or commercial customers, and a description of the status or resolution of that determination, including any remedial action taken. Bidder agrees to comply in all respects with the State's Commercial Nondiscrimination Policy as described under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland.

C. AFFIRMATION REGARDING BRIBERY CONVICTIONS

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business (as is defined in Section 16-101(b) of the State Finance and Procurement Article of the Annotated Code of Maryland), or any of its officers, directors, partners, or any of its employees directly involved in obtaining or performing contracts with public bodies (as is defined in Section 16-101(f) of the State Finance and Procurement Article of the Annotated Code of Maryland), has been convicted of, or has had probation before judgment imposed pursuant to Criminal Procedure Article, §6-220, Annotated Code of Maryland, or has pleaded nolo contendere to a charge of, bribery, attempted bribery, or conspiracy to bribe in violation of Maryland law, or of the law of any other state or federal law, except as follows (indicate the reasons why the affirmation cannot be given and list any conviction, plea, or imposition of probation before judgment with the date, court, official or administrative body, the sentence or disposition, the name(s) of person(s) involved, and their current positions and responsibilities with the business):

_____.

D. AFFIRMATION REGARDING OTHER CONVICTIONS

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, or any of its officers, directors, partners, controlling stockholders, or any of its employees directly involved in the business's contracting activities including obtaining or performing contracts with public bodies, has:

(1) Been convicted under state or federal statute of:

(a) A criminal offense incident to obtaining, attempting to obtain, or performing a public or private contract; or

(b) Fraud, embezzlement, theft, forgery, falsification or destruction of records or receiving stolen property;

(2) Been convicted of any criminal violation of a state or federal antitrust statute;

(3) Been convicted under the provisions of Title 18 of the United States Code for violation of the Racketeer Influenced and Corrupt Organization Act, 18 U.S.C. §1961 et seq., or the Mail Fraud Act, 18 U.S.C. §1341 et seq., for acts in connection with the submission of bids or proposals for a public or private contract;

(4) Been convicted of a violation of the State Minority Business Enterprise Law, §14-308 of the State Finance and Procurement Article of the Annotated Code of Maryland;

(5) Been convicted of a violation of §11-205.1 of the State Finance and Procurement Article of the Annotated Code of Maryland;

(6) Been convicted of conspiracy to commit any act or omission that would constitute grounds for conviction or liability under any law or statute described in subsections (1)—(5) above;

(7) Been found civilly liable under a state or federal antitrust statute for acts or omissions in connection with the submission of bids or proposals for a public or private contract; [or]

(8) Been found in a final adjudicated decision to have violated the Commercial Nondiscrimination Policy under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland with regard to a public or private contract; or

(9) Admitted in writing or under oath, during the course of an official investigation or other proceedings, acts or omissions that would constitute grounds for conviction or liability under any law or statute described in §§B and C(1)—(8) above, except as follows (indicate reasons why the affirmations cannot be given, and list any conviction, plea, or imposition of probation before judgment with the date, court, official or administrative body, the sentence or disposition, the name(s) of the person(s) involved and their current positions and responsibilities with the business, and the status of any debarment):

E. AFFIRMATION REGARDING DEBARMENT

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, or any of its officers, directors, partners, or any of its employees directly involved in obtaining or performing contracts with public bodies, has ever been suspended or debarred (including being issued a limited denial of participation) by any public entity, except as follows (list each debarment or suspension providing the dates of the suspension or debarment, the name of the public entity and the status of the proceedings, the name(s) of the person(s) involved and their current positions and responsibilities with the business, the grounds of the debarment or suspension, and the details of each person's involvement in any activity that formed the grounds of the debarment or suspension):

F. AFFIRMATION REGARDING DEBARMENT OF RELATED ENTITIES

I FURTHER AFFIRM THAT:

(1) The business was not established and it does not operate in a manner designed to evade the application of or defeat the purpose of debarment pursuant to Sections 16-101, et seq., of the State Finance and Procurement Article of the Annotated Code of Maryland; and

(2) The business is not a successor, assignee, subsidiary, or affiliate of a suspended or debarred business, except as follows (you must indicate the reasons why the affirmations cannot be given without qualification):

G. SUB-CONTRACT AFFIRMATION

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, has knowingly entered into a contract with a public body under which a person debarred or suspended under Title 16 of the State Finance and Procurement Article of the Annotated Code of Maryland will provide, directly or indirectly, supplies, services, architectural services, construction related services, leases of real property, or construction.

H. AFFIRMATION REGARDING COLLUSION

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business has:

(1) Agreed, conspired, connived, or colluded to produce a deceptive show of competition in the compilation of the accompanying bid or offer that is being submitted;

(2) In any manner, directly or indirectly, entered into any agreement of any kind to fix the bid price or price proposal of the bidder or offeror or of any competitor, or otherwise taken any action in restraint of free competitive bidding in connection with the contract for which the accompanying bid or offer is submitted.

I. FINANCIAL DISCLOSURE AFFIRMATION

I FURTHER AFFIRM THAT:

I am aware of, and the above business will comply with, the provisions of Section 13-221 of the State Finance and Procurement Article of the Annotated Code of Maryland, which require that every business that enters into contracts, leases, or other agreements with the State of Maryland or its agencies during a calendar year under which the business is to receive in the aggregate \$100,000 or more shall, within 30 days of the time when the aggregate value of the contracts, leases, or other agreements reaches \$100,000, file with the Secretary of State of Maryland certain specified information to include disclosure of beneficial ownership of the business.

J. POLITICAL CONTRIBUTION DISCLOSURE AFFIRMATION

I FURTHER AFFIRM THAT:

I am aware of, and the above business will comply with, Election Law Article, §§14-101—14-108, Annotated Code of Maryland, which requires that every person that enters into contracts, leases, or other agreements with the State of Maryland, including its agencies or a political subdivision of the State, during a calendar year in which the person receives in the aggregate \$100,000 or more shall file with the State Administrative Board of Election Laws a statement disclosing contributions in excess of \$500 made during the reporting period to a candidate for elective office in any primary or general election.

K. DRUG AND ALCOHOL FREE WORKPLACE

I CERTIFY THAT:

- (1) Terms defined in COMAR 21.11.08 shall have the same meanings when used in this certification.
- (2) By submission of its bid or offer, the business, if other than an individual, certifies and agrees that, with respect to its employees to be employed under a contract resulting from this solicitation, the business shall:
 - (a) Maintain a workplace free of drug and alcohol abuse during the term of the contract;
 - (b) Publish a statement notifying its employees that the unlawful manufacture, distribution, dispensing, possession, or use of drugs, and the abuse of drugs or alcohol is prohibited in the business' workplace and specifying the actions that will be taken against employees for violation of these prohibitions;
 - (c) Prohibit its employees from working under the influence of drugs or alcohol;
 - (d) Not hire or assign to work on the contract anyone whom the business knows, or in the exercise of due diligence should know, currently abuses drugs or alcohol and is not actively engaged in a bona fide drug or alcohol abuse assistance or rehabilitation program;
 - (e) Promptly inform the appropriate law enforcement agency of every drug-related crime that occurs in its workplace if the business has observed the violation or otherwise has reliable information that a violation has occurred;
 - (f) Establish drug and alcohol abuse awareness programs to inform its employees about:

- (i) The dangers of drug and alcohol abuse in the workplace;
 - (ii) The business' policy of maintaining a drug and alcohol free workplace;
 - (iii) Any available drug and alcohol counseling, rehabilitation, and employee assistance programs; and
 - (iv) The penalties that may be imposed upon employees who abuse drugs and alcohol in the workplace;
- (g) Provide all employees engaged in the performance of the contract with a copy of the statement required by §J(2)(b), above;
- (h) Notify its employees in the statement required by §J(2)(b), above, that as a condition of continued employment on the contract, the employee shall:
- (i) Abide by the terms of the statement; and
 - (ii) Notify the employer of any criminal drug or alcohol abuse conviction for an offense occurring in the workplace not later than 5 days after a conviction;
- (i) Notify the procurement officer within 10 days after receiving notice under §J(2)(h)(ii), above, or otherwise receiving actual notice of a conviction;
- (j) Within 30 days after receiving notice under §J(2)(h)(ii), above, or otherwise receiving actual notice of a conviction, impose either of the following sanctions or remedial measures on any employee who is convicted of a drug or alcohol abuse offense occurring in the workplace:
- (i) Take appropriate personnel action against an employee, up to and including termination; or
 - (ii) Require an employee to satisfactorily participate in a bona fide drug or alcohol abuse assistance or rehabilitation program; and
- (k) Make a good faith effort to maintain a drug and alcohol free workplace through implementation of §J(2)(a)—(j), above.
- (3) If the business is an individual, the individual shall certify and agree as set forth in §J(4), below, that the individual shall not engage in the unlawful manufacture, distribution, dispensing, possession, or use of drugs or the abuse of drugs or alcohol in the performance of the contract.
- (4) I acknowledge and agree that:
- (a) The award of the contract is conditional upon compliance with COMAR 21.11.08 and this certification;
 - (b) The violation of the provisions of COMAR 21.11.08 or this certification shall be cause to suspend payments under, or terminate the contract for default under COMAR 21.07.01.11 or 21.07.03.15, as applicable; and
 - (c) The violation of the provisions of COMAR 21.11.08 or this certification in connection with the contract may, in the exercise of the discretion of the Board of Public Works, result in suspension and debarment of the business under COMAR 21.08.06.

L. CERTIFICATION OF CORPORATION REGISTRATION AND TAX PAYMENT

I FURTHER AFFIRM THAT:

(1) The business named above is a (domestic ___) (foreign ___) corporation registered in accordance with the Corporations and Associations Article, Annotated Code of Maryland, and that it is in good standing and has filed all of its annual reports, together with filing fees, with the Maryland State Department of Assessments and Taxation, and that the name and address of its resident agent filed with the State Department of Assessments and Taxation is: Name: Address: _____ .

(2) Except as validly contested, the business has paid, or has arranged for payment of, all taxes due the State of Maryland and has filed all required returns and reports with the Comptroller of the Treasury, the State Department of Assessments and Taxation, and the Department of Labor, Licensing, and Regulation, as applicable, and will have paid all withholding taxes due the State of Maryland prior to final settlement.

M. CONTINGENT FEES

I FURTHER AFFIRM THAT:

The business has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee or agent working for the business, to solicit or secure the Contract, and that the business has not paid or agreed to pay any person, partnership, corporation, or other entity, other than a bona fide employee or agent, any fee or any other consideration contingent on the making of the Contract.

N. ACKNOWLEDGEMENT

I ACKNOWLEDGE THAT this Affidavit is to be furnished to the Procurement Officer and may be distributed to units of: (1) the State of Maryland; (2) counties or other subdivisions of the State of Maryland; (3) other states; and (4) the federal government. I further acknowledge that this Affidavit is subject to applicable laws of the United States and the State of Maryland, both criminal and civil, and that nothing in this Affidavit or any contract resulting from the submission of this bid or proposal shall be construed to supersede, amend, modify or waive, on behalf of the State of Maryland, or any unit of the State of Maryland having jurisdiction, the exercise of any statutory right or remedy conferred by the Constitution and the laws of Maryland with respect to any misrepresentation made or any violation of the obligations, terms and convenants undertaken by the above business with respect to (1) this Affidavit, (2) the contract, and (3) other Affidavits comprising part of the contract.

I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

Date: _____

By: _____
(Authorized Representative and Affiant)

9/20/2006

APPENDIX C

CONTRACT AFFIDAVIT

A. AUTHORIZED REPRESENTATIVE

I HEREBY AFFIRM THAT:

I am the (title) _____ and the duly authorized representative of (business) _____ and that I possess the legal authority to make this Affidavit on behalf of myself and the business for which I am acting.

B. CERTIFICATION OF CORPORATION REGISTRATION AND TAX PAYMENT

I FURTHER AFFIRM THAT:

(1) The business named above is a (domestic___) (foreign___) corporation registered in accordance with the Corporations and Associations Article, Annotated Code of Maryland, and that it is in good standing and has filed all of its annual reports, together with filing fees, with the Maryland State Department of Assessments and Taxation, and that the name and address of its resident agent filed with the State Department of Assessments and Taxation is: Name: _____ Address: _____.

(2) Except as validly contested, the business has paid, or has arranged for payment of, all taxes due the State of Maryland and has filed all required returns and reports with the Comptroller of the Treasury, the State Department of Assessments and Taxation, and the Department of Labor, Licensing, and Regulation, as applicable, and will have paid all withholding taxes due the State of Maryland prior to final settlement.

C. CERTAIN AFFIRMATIONS VALID

I FURTHER AFFIRM THAT:

To the best of my knowledge, information, and belief, each of the affirmations, certifications, or acknowledgements contained in that certain Bid/Proposal Affidavit dated _____, 20___, and executed by me for the purpose of obtaining the contract to which this Exhibit is attached remains true and correct in all respects as if made as of the date of this Contract Affidavit and as if fully set forth herein.

I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

Date: _____

By: _____
(Authorized Representative and Affiant)

APPENDIX D

**(FORM OF)
CONTRACT FOR**

BETWEEN

MARYLAND STATE TREASURER'S OFFICE

and

CONTRACT

THIS CONTRACT is made as of the ____ day of _____, by and between _____ (the "Contractor"), and the **MARYLAND STATE TREASURER'S OFFICE**, 80 Calvert Street, Annapolis, Maryland 21401 (the "Office"), an office of the **STATE OF MARYLAND** (the "State").

IN CONSIDERATION OF the premises and the covenants herein contained, the parties agree as follows:

ARTICLE I - SCOPE OF SERVICES

The Office hereby engages the Contractor to perform the services set forth below:

- A. General Services. The Contractor shall provide Broker Services as described in:
1. Exhibit A: The Office Request for Proposals, RFP #Bonds-07102008 for _____;
 2. Exhibit B: Contractor's Technical Proposal dated _____;
 3. Exhibit C: Contractor's Price Proposal dated _____;
 4. Exhibit D: State Proposal and Contract Affidavits.

This agreement and Exhibits A through C shall constitute the scope of services provided under this Contract; provided, however, that the Office shall have the unilateral right to require changes in the scope of services provided so long as such changes are within the general scope of work to be performed. If there are any inconsistencies between this agreement and Exhibits A, B or C, or any of them, the terms of this document shall control.

- B. Specific Services. The Contractor agrees to provide the services as described in Exhibits A and B attached to this Contract.

ARTICLE II - TERM

The initial term of this Contract shall be from August 6, 2008 to August 6, 2012. In addition there shall be two additional one-year renewal options, which may be exercised at the sole discretion of the Treasurer of the State. Broker services shall continue for any policy placed within the term of the contract until the expiration of that policy.

ARTICLE III - CONSIDERATION, PAYMENT AND PERFORMANCE

- A. The using agency shall pay the fees set forth in the attached Contractor's Financial Proposal in Exhibit C, which shall not be adjusted during the term of the Contract.
- B. Payments to the Contractor may be withheld, without interest or penalty, when in the sole discretion of the Treasurer, the Contractor's performance of any of the services under this

Contract is unsatisfactory, or does not meet generally accepted industry standards. Notice of such withholding of payment and the reasons therefore shall be promptly provided to the Contractor, who shall be afforded an opportunity to cure any performance deficiencies.

- C. 1. All invoices for goods and services shall be submitted to:

Maryland State Treasurer's Office
Accounts Payable
Louis L. Goldstein Treasury Bldg.
80 Calvert Street, Room 109
Annapolis, MD 21401

2. Invoices must be submitted either:

- (a) For ongoing services, on a monthly basis for goods or services rendered in the preceding month; or
- (b) For one-time or periodic services, with 30 days of delivery or completion of the goods or services.

3. Except as provided in Article III. B. above, payments to the Contractor pursuant to this Contract shall be made no later than 30 days after receipt by Maryland State Treasurer's Office, Accounts Payable division of a proper invoice from the Contractor. Payments of policy premiums may be paid in less than 30 days to comply with coverage dates. Each invoice for services rendered must reflect the Contractor's federal tax identification number, which is _____, and shall clearly indicate the specific type of service provided. Charges for late payment of invoices, other than as prescribed by Title 15, Subtitle 1 of the State Finance and Procurement Article, Annotated Code of Maryland, as from time to time amended, are prohibited.

ARTICLE IV – GENERAL CONDITIONS

1. Changes

The Procurement Officer may make any change in the work within the general scope of the Contract at any time by written order designated to be a change order. If any change under this clause causes an increase or decrease in the Contractor's cost of, or the time required for the performance of any part of the work under this Contract, an equitable adjustment shall be made and the Contract modified in writing accordingly.

2. Liability

The Contractor agrees to assume full responsibility for any and all damage to the property of the State Treasurer's Office, both real and personal, which results from or arises in connection with, the performance of this Contract.

The Contractor hereby agrees to indemnify and save harmless the State Treasurer's Office against all claims, damages, costs, losses and liabilities whatsoever, for any and all injury to persons and property which may arise out of the performance of this Contract.

The Contractor agrees to maintain adequate insurance coverage in order to fulfill responsibility under this section.

3. Tax Exemption

The State Treasurer's Office is generally exempt from Federal Excise Taxes, Maryland Sales and Use Taxes, District of Columbia Sales Tax and Transportation Taxes. Exemption certificates shall be completed upon request. Where a Contractor is required to furnish and install material in the construction or improvement of real property in the performance of a Contract, the Contractor shall pay the Maryland Sales Tax and the exemption does not apply.

4. Non-Assignment

The Contractor shall not sell, transfer, or otherwise assign its obligations under this Contract or any portion thereof, or its rights, title or interest herein without prior written consent of the State Treasurer's Office.

5. Non-Hiring of Employees

No employee of the State of Maryland or any unit thereof, whose duties as such employee include matters relating to or affecting the subject matter of this Contract, shall, while so employed, become or be an employee of the party or parties hereby contracting with the State of Maryland or any unit thereof.

6. Disputes

This Contract shall be subject to the provisions of Title 15, Subtitle 2 of the State Finance and Procurement Article of the Annotated Code of Maryland (Dispute Resolution), and COMAR 21.10 (Administrative and Civil Remedies). Pending resolution of a claim, the Contractor shall proceed diligently with the performance of the Contract in accordance with the Procurement Officer's decision.

7. Maryland Law Prevails

The provisions of this Contract shall be governed by the Laws of Maryland.

8. Amendments

This Contract constitutes the entire agreement between the parties and all other communications prior to its execution, whether written or oral, with reference to the subject matter of this Contract are superseded by this agreement. Any amendment to this Contract must first be approved in writing by the Procurement Officer, subject to any additional approvals required by State law. No amendment to this Contract shall be binding unless so approved and unless it is in writing and signed by the party to be charged.

9. Nondiscrimination in Employment

The Contractor agrees: (a) not to discriminate in any manner against an employee or applicant for employment because of race, color, religion, creed, age, sex, marital status, national origin, ancestry, or physical or mental handicap unrelated in nature and extent so as reasonably to preclude the performance of such employment; (b) to include a provision similar to that contained in subsection (a), above, in any underlying subcontract except a subcontract for standard commercial supplies or raw materials; and (c) to post and to cause subcontractors to post in conspicuous places available to employees and applicants for employment, notices setting forth the substance of this clause.

10. Commercial Nondiscrimination Clause

A. As a condition of entering into this Agreement, Contractor represents and warrants that it will comply with the State's Commercial Nondiscrimination Policy, as described under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland. As part of such compliance, Contractor may not discriminate on the basis of race, color, religion, ancestry or national origin, sex, age, marital status, sexual orientation, or on the basis of disability or other unlawful forms of discrimination in the solicitation, selection, hiring, or commercial treatment of subcontractors, vendors, suppliers, or commercial customers, nor shall Contractor retaliate against any person for reporting instances of such discrimination. Contractor shall provide equal opportunity for subcontractors, vendors, and suppliers to participate in all of its public sector and private sector subcontracting and supply opportunities, provided that this clause does not prohibit or limit lawful efforts to remedy the effects of marketplace discrimination that have occurred or are occurring in the marketplace. Contractor understands that a material violation of this clause shall be considered a material breach of this Agreement and may result in termination of this Agreement, disqualification of Contractor from participating in State contracts, or other sanctions. This clause is not enforceable by or for the benefit of, and creates no obligation to, any third party.

B. As a condition of entering into this Agreement, upon the Maryland Human Relations Commission's request, and only after the filing of a complaint against Contractor under Title 19 of the State Finance and Procurement Article, as amended from time to time, Contractor agrees to provide within 60 days after the request a complete list of the names of all subcontractors, vendors, and suppliers that Contractor has used in the past 4 years on any of its contracts that were undertaken within the state of Maryland, including the total dollar amount paid by Contractor on each subcontract or supply contract. Contractor further agrees to cooperate in any

investigation conducted by the State pursuant to the State's Commercial Nondiscrimination Policy as set forth under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland, and to provide any documents relevant to any investigation that is requested by the State. Contractor understands that violation of this clause is a material breach of this Agreement and may result in contract termination, disqualification by the State from participating in State contracts, and other sanctions.

11. Contingent Fee Prohibition

The contractor, architect, or engineer (as applicable) warrants that it has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee or agent working for the contractor, architect, or engineer, to solicit or secure this agreement, and that it has not paid or agreed to pay any person, partnership, corporation, or other entity, other than a bona fide employee or agent, any fee or any other consideration contingent on the making of this Contract.

12. Multi-Year Contracts Contingent Upon Appropriations

If the General Assembly fails to appropriate funds or if funds are not otherwise made available for continued performance for any fiscal period of this Contract succeeding the first fiscal period, this Contract shall be cancelled automatically as of the beginning of the fiscal year for which funds were not appropriated or otherwise made available; provided, however, that this will not affect either the State's rights or the Contractor's rights under any termination clause in this Contract. The effect of termination of the Contract hereunder will be to discharge both the Contractor and the State from future performance of the Contract, but not from their rights and obligations existing at the time of termination. The Contractor shall be reimbursed for the reasonable value of any non-recurring costs incurred but not amortized in the price of the Contract. The State shall notify the Contractor as soon as it has knowledge that funds may not be available for the continuation of this Contract for each succeeding fiscal period beyond the first.

13. Termination for Default

If the Contractor fails to fulfill its obligation under this Contract properly and on time, or otherwise violates any provision of the Contract, the State may terminate the Contract by written notice to the Contractor. The notice shall specify the acts or omissions relied upon as cause for termination. All finished or unfinished work provided by the Contractor shall, at the State's option, become the State's property. The State shall pay the Contractor's fair and equitable compensation for satisfactory performance prior to receipt of notice of termination, less the amount of damages caused by Contractor's breach. If the damages are more than the compensation payable to the Contractor, the Contractor will remain liable after termination and the State can affirmatively collect damages. Termination hereunder, including the determination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.11B.

14. Termination for Convenience

The performance of work under this Contract may be terminated by the State in accordance with this clause in whole, or from time to time in part, whenever the State shall determine that such termination is in the best interest of the State. The State will pay all reasonable costs associated with this Contract that the Contractor has incurred up to the date of termination and all reasonable costs associated with termination of the Contract. However, the Contractor shall not be reimbursed for any anticipatory profits that have not been earned up to the date of termination. Termination hereunder, including the determination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.12A(2).

15. Delays and Extensions of Time

The Contractor agrees to prosecute the work continuously and diligently and no charges or claims for damages shall be made by it for any delays or hindrances from any cause whatsoever during the progress of any portion of the work specified in this Contract.

Time extensions will be granted only for excusable delays that arise from unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including but not restricted to, acts of God, acts of the public enemy, acts of the State in either its sovereign or contractual capacity, acts of another Contractor in the performance of a Contract with the State, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, or delays of subcontractors or suppliers arising from unforeseeable causes beyond the control and without the fault or negligence of either the Contractor or the subcontractors or suppliers.

16. Variations in Estimated Quantities

No equitable adjustment shall be permitted in favor of either the State or the Contractor in the event that the quantity of any pay item in this Contract is an estimated quantity and the actual quantity of such pay item varies from the estimated quantity stated in the Contract.

17. Suspension of Work

The Procurement Officer unilaterally may order the Contractor in writing to suspend, delay, or interrupt all or any part of its performance for such period of time as the Procurement Officer may determine to be appropriate for the convenience of the State.

18. Pre-Existing Regulations

In accordance with the provisions of Section 11-206 of the State Finance and Procurement Article, Annotated Code of Maryland, the regulations set forth in Title 21 of the Code of Maryland Regulations (COMAR Title 21) in effect on the date of execution of this Contract are applicable to this Contract.

19. Financial Disclosure

The Contractor shall comply with the provisions of Section 13-221 of the State Finance and Procurement Article of the Annotated Code of Maryland, which requires that every business that enters into contracts, leases, or other agreements with the State of Maryland or its agencies during a calendar year under which the business is to receive in the aggregate \$100,000 or more, shall, within 30 days of the time when the aggregate value of these contracts, leases or other agreements reaches \$100,000, file with the Secretary of State of Maryland certain specified information to include disclosure of beneficial ownership of the business.

20. Political Contribution Disclosure

The Contractor shall comply with the Election Law Article § 14-101 – 14-108, Annotated Code of Maryland, which requires that every person that enters into contracts, leases, or other agreements with the State, a county or an incorporated municipality, or their agencies, during a calendar year in which the person receives in the aggregate \$100,000 or more, shall file with the State Administrative Board of Election Laws a statement disclosing contributions in excess of \$500 made during the reporting period to a candidate for elective office in any primary or general election. The statement shall be filed with the State Administrative Board of Election Laws: (1) before a purchase or execution of a lease or contract by the State, a county, an incorporated municipality, or their agencies, and shall cover the preceding two calendar years; and (2) if the contribution is made after the execution of a lease or contract, then twice a year, throughout the Contract term, on: (a) February 5, to cover the 6-month period ending January 31; and (b) August 5, to cover the 6-month period ending July 31.

21. Retention of Records

The Contractor shall retain and maintain all records and documents relating to this Contract for three years after final payment by the State hereunder or any applicable statute of limitations, whichever is longer, and shall make them available for inspection and audit by authorized representatives of the State, including the Procurement Officer or his designee, at all reasonable times.

22. Compliance With Laws

The Contractor hereby represents and warrants that:

- A. It is qualified to do business in the State of Maryland and that it will take such action as, from time to time, hereafter may be necessary to remain so qualified;
- B. It is not in arrears with respect to the payment of any monies due and owing the State of Maryland, or any department or unit thereof, including but not limited to the payment of taxes and employee benefits, and that it shall not become so in arrears during the term of this Contract;
- C. It shall comply with all federal, State and local laws, regulations and ordinances applicable to its activities and obligations under this Contract; and

- D. It shall obtain, at its expense, all licenses, permits, insurance, and governmental approvals, if any, necessary to the performance of its obligations under this Contract.

23. Liability for Loss of Data

In the event of loss of any data or records necessary for the performance of this Contract where such loss is due to the error or negligence of the Contractor, the Contractor shall be responsible, irrespective of cost to the Contractor, for recreating such lost data or records.

24. Cost and Price Certification

- A. The Contractor by submitting cost or price information certifies that, to the best of its knowledge, the information submitted is accurate, complete, and current as a mutually determined specified date prior to the conclusion of any price discussions or negotiations for:
 - (1) A negotiated Contract, if the total contract price is expected to exceed \$100,000, or a smaller amount set by the procurement officer; or
 - (2) A change order or contract modification, expected to exceed \$100,000, or a smaller amount set by the procurement officer.
- B. The price under this Contract and any change order or modification hereunder, including profit or fee, shall be adjusted to exclude any significant price increases occurring because the Contractor furnished cost or price information which, as of the date agreed upon between the parties, was inaccurate, incomplete, or not current.

25. Subcontracting; Assignment

The Contractor may not subcontract any portion of the services provided under this Contract without obtaining the prior written approval of the State, nor may the Contractor assign this Contract, or any of its rights or obligations hereunder, without the prior written approval of the State. Any such subcontract or assignment shall be subject to any terms and conditions that the Office deems necessary to protect the interest of the State. The Office shall not be responsible for the fulfillment of the Contractor's obligations to subcontractors.

26. Ownership of Documents and Materials

The Contractor agrees that all documents and materials including, but not limited to, reports, drawings, studies, specifications, estimates, maps, photographs, designs, graphics, mechanical, artwork, and computations prepared by or for it under the terms of this Contract shall at anytime during the performance of the services be made available to the State upon request by the State and shall become and remain the exclusive property of the State upon termination or completion of the services. The State shall have the right to use same without restriction or limitation and

without compensation to the Contractor other than that provided by this Contract. The State shall be the owner for purposes of copyright, patent or trademark registration.

27. Patents, Copyrights and Trade Secrets

- A. If the Contractor furnishes any design, device, material, process or other item, which is covered by a patent, or copyright or which is proprietary to or a trade secret of another, Contractor shall obtain the necessary permission or license to use such item.
- B. Contractor will defend or settle, at its own expense, any claim or suit against the State alleging that any such item furnished by Contractor infringes any patent, trademark, copyright, or trade secret. Contractor also will pay all damages and costs that by final judgment may be assessed against the State due to such infringement and all attorney fees and litigation expenses reasonably incurred by the State to defend against such a claim or suit. The obligations of this paragraph are in addition to those stated in paragraph C below.
- C. If any product(s) furnished by Contractor become, or in Contractor's opinion are likely to become, the subject of a claim of infringement, Contractor will, at its option: (1) procure for the State the right to continue using the applicable item; (2) replace the product with a non-infringing product substantially complying with the item's specifications; or (3) modify the item so it becomes non-infringing and performs in a substantially similar manner to the original item.

ARTICLE V - NOTICES

All notices required to be given by one party to the other hereunder shall be in writing and shall be addressed as follows:

If to the Office:

Procurement Officer
State Treasurer's Office
Louis L. Goldstein Treasury Building
80 Calvert Street
Annapolis, Maryland 21401

If to the Contractor:

All invoices and all correspondence and inquiries relating to invoices or payments shall be addressed to:

State Treasurer's Office
Attn: Accounts Payable
Louis L. Goldstein Treasury Building
80 Calvert Street
Annapolis, Maryland 21401

ARTICLE VI - ADMINISTRATION

The work to be accomplished under this Contract shall be performed under the direction of the Contract Officer, Laura C. McWeeney. All matters relating to the administration of this Contract shall be referred to the Procurement Officer for determination.

ARTICLE VII - REPRESENTATIONS

Each party to this agreement represents and warrants to the other that it has full right, power, and authority to execute this Contract.

IN WITNESS WHEREOF, the parties have executed this agreement as of the date hereinabove set forth.

ATTEST:

CONTRACTOR

WITNESS:

**MARYLAND STATE TREASURER'S
OFFICE**

Approved for form and legal sufficiency:

Assistant Attorney General