

# STATE OF UTAH



## **SOLICITATION NO. NO9026-1**

Step Two - Multi-Step Bid for Excess Property and Liability Insurance

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RESPONSES ARE DUE PRIOR TO:

May 14, 2009 3:00:00 PM MDT

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RESPONSES MAY BE SUBMITTED ELECTRONICALLY TO:

[www.bidsync.com](http://www.bidsync.com)

RESPONSES MAY BE MAILED OR DELIVERED TO:

State of Utah  
Division of Purchasing  
3150 State Office Building, Capitol Hill  
Salt Lake City, Utah 84114-1061

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## Bid NO9026-1 Step Two - Multi-Step Bid for Excess Property and Liability Insurance

Bid Number NO9026-1  
 Bid Title Step Two - Multi-Step Bid for Excess Property and Liability Insurance

Bid Start Date In Held  
 Bid End Date May 14, 2009 3:00:00 PM MDT  
 Question & Answer End Date Apr 15, 2009 3:00:00 PM MDT

Bid Contact Nancy Orton  
 Purchasing Agent  
 Administrative Services

Contract Duration 1 year  
 Contract Renewal 4 annual renewals  
 Prices Good for See Specifications

Bid Comments This is Step Two of a Two Step Process for Excess Property and Liability Insurance  
 -----  
 Please see the attached Multi-Step Bid document.  
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 Questions concerning this solicitation should be submitted via the BidSync electronic system.  
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 If you have any trouble submitting your response or attaching documents in the BidSync site, please contact Vendor Customer Support at (801) 765-9245.

### Item Response Form

Item NO9026-1-1-01 - Provide Excess Property and Liability Insurance and Associated Broker Services  
 Quantity 1 contract  
 Prices are not requested for this item.  
 Delivery Location State of Utah  
N/A  
 \*  
 \* UT \*  
 Qty 1

#### Description

The purpose of this multi-step bid process is to enter into a contract with a qualified firm to provide excess liability and or excess property insurance. It is anticipated that this bid may result in a contract award to one contractor for excess liability insurance and one contractor for excess property insurance. A contractor could be awarded contracts for both types of insurance coverage. Per the attached documentation.



# State of Utah Invitation to Bid

Legal Company Name (include d/b/a if applicable) <input type="text"/>		Federal Tax Identification Number <input type="text"/>		State of Utah Sales Tax ID Number <input type="text"/>	
Ordering Address <input type="text"/>		City <input type="text"/>		State <input type="text"/>	Zip Code <input type="text"/>
Remittance Address (if different from ordering address) <input type="text"/>		City <input type="text"/>		State <input type="text"/>	Zip Code <input type="text"/>
Type: <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Proprietorship <input type="checkbox"/> Government			Company Contact Person <input type="text"/>		
Telephone Number (include area code) <input type="text"/>	Fax Number (include area code) <input type="text"/>	Email Address <input type="text"/>			
Discount Terms (for bid purposes, bid discounts less than 30 days will not be considered) ttt			Days Required for Delivery After Receipt of Order (see attached for any required minimums) ttt		
Brand/Trade Name <input type="text"/>			Price Guarantee Period (see attached specifications for any required minimums) <input type="text"/>		
Minimum Order <input type="text"/>			Company's Internet Web Address <input type="text"/>		
The undersigned certifies that the goods or services offered are produced, mined, grown, manufactured, or performed in Utah. Yes <input type="checkbox"/> No <input type="checkbox"/> . If no, enter where produced, etc. <input type="text"/>					
Offeror=s Authorized Representative=s Signature <input type="text"/>			Date <input type="text"/>		
Type or Print Name <input type="text"/>			Position or Title <input type="text"/>		

## INVITATION TO BID - INSTRUCTIONS AND GENERAL PROVISIONS

**1. SUBMITTING THE BID:** (a) The Utah Division of Purchasing and General Services (DIVISION) prefers that bids be submitted electronically. Electronic bids may be submitted through a secure mailbox at BidSync (formerly RFP Depot, LLC) [www.bidsync.com](http://www.bidsync.com) until the date and time as indicated in this document. It is the sole responsibility of the supplier to ensure their bid reaches BidSync before the closing date and time. There is no cost to the supplier to submit Utah's electronic bids via BidSync. (b) Electronic bids may require the uploading of electronic attachments. The submission of attachments containing embedded documents is prohibited. All documents should be attached as separate files. (c) If the supplier chooses to submit the bid directly to the DIVISION in writing: The bid must be signed in ink, sealed in a properly addressed envelope, and delivered to the Division of Purchasing, 3150 State Office Building, Capitol Hill, Salt Lake City, UT 84114-1061 by the "Due Date and Time." The "Bid Number" and "Due Date" must appear on the outside of the envelope. All prices and notations must be in ink or typewritten. Each item must be priced separately. Unit price shall be shown and a total price shall be entered for each item bid. Errors may be crossed out and corrections printed in ink or typewritten adjacent and must be initialed in ink by person signing bid. Unit price will govern, if there is an error in the extension. Written bids will be considered only if it is submitted on the forms provided by the DIVISION. (d) Bids, modifications, or corrections received after the closing time on the "Due Date" will be considered late and handled in accordance with the Utah Procurement Rules, section R33-3-109. (e) Facsimile transmission of bids to DIVISION will not be considered.

**2. BID PREPARATION:** (a) Delivery time is critical and must be adhered to as specified. (b) Wherever in this document an item is defined by using a trade name of a manufacturer and/or model number, it is intended that the words, "or equivalent" apply. "Or equivalent" means any other brand that is equal in use, quality, economy and performance to the brand listed as determined by the DIVISION. If the supplier lists a trade name and/or catalog number in the bid, the DIVISION will assume the item meets the specifications unless the bid clearly states it is an alternate, and describes specifically how it differs from the item specified. All bids must include complete manufacturer's descriptive literature if quoting an equivalent product. All products are to be of new, unused condition, unless otherwise requested in this solicitation. (c) By submitting the bid the supplier certifies that all of the information provided is accurate, that they are willing and able to furnish the item(s) specified, and that prices quoted are correct. (d) This bid may not be withdrawn for a period of 60 days from bid due date.

**3. FREIGHT COST:** (a) Where "Freight Cost" is listed as a separate line item, suppliers are to provide product line item pricing FOB Origin Less Freight. On the line item for "Freight Cost" suppliers are to indicate the total freight cost FOB Destination Freight Prepaid, and complete the "Freight Information" document. The DIVISION will analyze freight charges separately from the item cost and determine how the shipment will be routed (either by the supplier, or by the State's carrier). (b) Where there is not a line item for "Freight Cost", suppliers are to provide line item pricing FOB Destination Freight Prepaid. Unless otherwise indicated on the contract/purchase order, shipping terms will be FOB Destination Freight Prepaid.

**4. SOLICITATION AMENDMENTS:** All changes to this solicitation will be made through written addendum only. Answers to questions submitted through RFP Depot shall be considered addenda to the solicitation documents. Bidders are cautioned not to consider verbal modifications.

**5. PROTECTED INFORMATION:** Suppliers are required to mark any specific information contained in their bid which they are claiming as protected and not to be disclosed to the public or used for purposes other than the evaluation of the bid. Each request for non-disclosure must be made by completing the "Confidentiality Claim Form" located at: <http://www.purchasing.utah.gov/contract/documents/confidentialityclaimform.doc> with a specific justification explaining why the information is to be protected. Pricing and service elements of any bid will not be considered proprietary. All material becomes the property of the DIVISION and may be returned only at the DIVISION's option. Bids submitted may to be reviewed and evaluated by any persons at the discretion of the DIVISION.

**6. SAMPLES:** Samples of item(s) specified in this bid, when required by DIVISION, must to be furnished free of charge to DIVISION. Any item not destroyed by tests may, upon request made at the time the sample is furnished, be returned at the bidder's expense.

**7. AWARD OF CONTRACT:** (a) The contract will to be awarded with reasonable promptness, by written notice, to the lowest responsible bidder that meets the specifications. Consideration will to be given to the quality of the product(s) to be supplied, conformity to the specifications, the purpose for which required, delivery time required, discount terms and other criteria set forth in this invitation to bid. (b) The bids are opened

publicly. The name of each bidder and the amount of the bid is recorded. Each bid, and the record, is open to public inspection. (c) The DIVISION may accept any item or group of items, or overall low bid. The DIVISION has the right to cancel this invitation to bid at any time prior to the award of contract. (d) The DIVISION can reject any or all bids, and it can waive any informality, or technicality in any bid received, if the DIVISION believes it would serve the best interest of the State. (e) Before, or after, the award of a contract the DIVISION has the right to inspect the bidder's premises and all business records to determine the holder's ability to meet contract requirements. (f) DIVISION does not guarantee to make any purchase under awarded contract (s). Estimated quantities are for bidding purposes only, and not to be interpreted as a guarantee to purchase any amount. (g) Utah has a reciprocal preference law which will to be applied against bidders bidding products or services produced in states which discriminate against Utah products. For details see Section 63G-6-404 and 63G-6-405, Utah Code Annotated. (h) Bid tabulations and awards are posted <http://purchasing.utah.gov/vendor/bidtab.html> (i) Multiple contracts may be awarded if the DIVISION determines it would be in its best interest.

**8. DIVISION APPROVAL:** Purchase orders placed, or contracts written, with the State of Utah, as a result of this bid, will not be legally binding without the written approval of the director of the DIVISION.

**9. DEBARMENT:** The CONTRACTOR certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (contract) by any governmental department or agency. If the CONTRACTOR cannot certify this statement, attach a written explanation for review by the DIVISION.

**10. ENERGY CONSERVATION AND RECYCLED PRODUCTS:** The contractor is encouraged to offer Energy Star certified products or products that meet FEMP (Federal Energy Management Program) standards for energy consumption. The State of Utah also encourages contractors to offer products that are produced with recycled materials, where appropriate, unless otherwise requested in this solicitation.

**11. GOVERNING LAWS AND REGULATIONS:** All State purchases are subject to the Utah Procurement Code, Title 63 Chapter 56 U.C.A. 1953, as amended, and the Procurement Rules as adopted by the Utah State Procurement Policy Board. These are available on the Internet at [www.purchasing.utah.gov](http://www.purchasing.utah.gov).

**12. SALES TAX ID NUMBER:** Utah Code Annotated (UCA) 59-12-106 requires anyone filing a bid with the state for the sale of tangible personal property or any other taxable transaction under UCA 59-12-103(1) to include their Utah sales tax license number with their bid. For information regarding a Utah sales tax license see the Utah State Tax Commission's website at [www.tax.utah.gov/sales](http://www.tax.utah.gov/sales). The Tax Commission is located at 210 North 1950 West, Salt Lake City, UT 84134, and can be reached by phone at (801) 297-2200.

(Revision: 22 October 2008 - ITB Instructions)

**Multi-Step Bid – Step Two**  
***Excess Property and Liability Insurance***  
**Solicitation # NO9026-1**

**PURPOSE OF MULTI-STEP BID PROCESS**

The purpose of this multi-step bid process is to enter into a contract with a qualified firm to provide excess liability and or excess property insurance. It is anticipated that this bid may result in a contract award to one contractor for excess liability insurance and one contractor for excess property insurance. A contractor could be awarded contracts for both types of insurance coverage.

**BACKGROUND**

The State of Utah Division of Risk Management is seeking bids for excess liability, property insurance, and for a faithful performance bond for entities it covers, beginning July 1, 2009. Covered entities include state agencies, state colleges and universities, forty school districts and 59 charter schools. Property values to be covered exceed \$23 billion.

All insurers must be Best's rated A-VIII or better to be acceptable.

The state will select the final bid determined to be in its best interest according to criteria outlined in Rule 33-9-102. The state reserves the right to negotiate final terms with the selected bidder.

**ISSUING OFFICE AND BID REFERENCE NUMBER**

The State of Utah Division of Purchasing is the issuing office for this document and all subsequent addenda relating to it, on behalf of Department of Administrative Services Risk Management Division. The reference number for the transaction is Solicitation # NO9026-1. This number must be referred to on all bids, correspondence, and documentation relating to the bid.

**SUBMITTING YOUR BID**

Bids must be received by the posted due date and time. Bids received after the deadline will be late and ineligible for consideration.

The preferred method of receiving your bid is electronically through BidSync (formerly RFP Depot). However, if you choose to submit hard copies, one original and five (5) identical copies of your bid must be received at the State of Utah Division of Purchasing, 3150 State Office Building, Capitol Hill, Salt Lake City, Utah 84114, prior to the closing date and time specified. Bids received after the deadline will be late and ineligible for consideration.

If submitting your bid electronically through BidSync, please allow sufficient time to

complete the online forms and upload documents. The solicitation will end at the closing time listed in the solicitation. If you are in the middle of uploading documents at the closing time, the system will stop the process and your bid will not be received.

Electronic bids may require the uploading of electronic attachments. BidSync's site will accept a wide variety of document types as attachments. However, the submission of documents containing embedded documents (zip files), wma, mov and mp3 files are prohibited. All documents should be attached as separate files.

### **LENGTH OF CONTRACT**

The Contract resulting from this bid will be for a period of one (1) year. The contract may be extended beyond the original contract period for up to four (4) additional years, at the State's discretion and by mutual agreement.

### **PRICE GUARANTEE PERIOD**

All pricing must be guaranteed for one (1) year. Following the guarantee period, any request for price adjustment must be for an equal guarantee period, and must be made at least 30 days prior to the effective date. Requests for price adjustment must include sufficient documentation supporting the request. Any adjustment or amendment to the contract will not be effective unless approved by the State Director of Purchasing. The State will be given the immediate benefit of any decrease in the market, or allowable discount.

### **STANDARD CONTRACT TERMS AND CONDITIONS**

Any contract resulting from this bid will include the State's standard terms and conditions.

### **QUESTIONS**

All questions must be submitted through BidSync. Answers will be given via the BidSync site.

### **DISCUSSIONS WITH BIDDERS**

A discussion between the State Purchasing agent and a bidder to clarify their technical bid may be required at the sole discretion of the State after submittal of technical bids. However, the State may award a contract without discussion with the Bidder. If a bidder is required to meet with the State for clarification, any expenses incurred by the bidder will be at the bidder's expense.

### **PROTECTED INFORMATION**

The Government Records Access and Management Act (GRAMA), Utah Code Ann.,

Subsection 63-2-304, provides in part that:

*the following records are protected if properly classified by a government entity:*

*(1) trade secrets as defined in Section 13-24-2 if the person submitting the trade secret has provided the governmental entity with the information specified in Section 63-2-308 (Business Confidentiality Claims);*

*(2) commercial information or non-individual financial information obtained from a person if:*

*(a) disclosure of the information could reasonably be expected to result in unfair competitive injury to the person submitting the information or would impair the ability of the governmental entity to obtain necessary information in the future;*

*(b) the person submitting the information has a greater interest in prohibiting access than the public in obtaining access; and*

*(c) the person submitting the information has provided the governmental entity with the information specified in Section 63-2-308;*

\* \* \* \* \*

*(6) records the disclosure of which would impair governmental procurement proceedings or give an unfair advantage to any person proposing to enter into a contract or agreement with a governmental entity, except that this Subsection (6) does not restrict the right of a person to see bids submitted to or by a governmental entity after bidding has closed; ....*

GRAMA provides that trade secrets, commercial information or non-individual financial information may be protected by submitting a Claim of Business Confidentiality.

To protect information under a Claim of Business Confidentiality, the offeror must:

1. provide a written Claim of Business Confidentiality *at the time the information (proposal) is provided to the state*, and
2. include a concise statement of reasons supporting the claim of business confidentiality (Subsection 63-2-308(1)).

A Claim of Business Confidentiality may be appropriate for information such as client lists and non-public financial statements. Pricing and service elements may not be protected. An entire proposal may not be protected under a Claim of Business Confidentiality. The claim of business confidentiality must be submitted with your proposal on the form which may be accessed at:

<http://www.purchasing.utah.gov/contract/documents/confidentialityclaimform.doc>

To ensure the information is protected, the Division of Purchasing asks the offeror to clearly identify in the Executive Summary and in the body of the proposal any specific information for which an offeror claims business confidentiality protection as "PROTECTED".

All materials submitted become the property of the state of Utah. Materials may be evaluated by anyone designated by the state as part of the proposal evaluation committee. Materials submitted may be returned only at the State's option.

## **GENERAL REQUIREMENTS**

*Please See Attachment B and C*

## **BID FORMAT**

**Bid Form.** The State's Invitation to Bid form completed and signed.

**Executive Summary.** The executive summary is to briefly describe the bid. This summary should highlight the major features of the bid. It must indicate any requirements that cannot be met by the bidder. Proprietary information requests should be identified in this section.

**Detailed Response.** This section should constitute the major portion of the bid and must contain at least the following information:

- A. Specific details about the company to provide insurance, i.e. Best's rating, expertise, experience, etc.
- B. Details of coverage and services
- C. A specific bid response to each insurance coverage required.

## **BID EVALUATION CRITERIA**

The selection will be made using the following criteria:

- 50% Cost
- 40% Coverage and Services
- 10% Companies
  - Financial resources of underwriting companies
  - Service reputation of underwriting companies
  - Insurance experience and expertise of underwriting companies

## **MARKET ASSIGNMENT**

Please see attachment

**Solicitation Number NO9026**  
**Attachment B**  
**State of Utah Property, Equipment Breakdown, and Bond Bid Specifications**

I. General requirements

*A. Company Rating: All companies, except the Lloyds Market, used on any line must be rated in the superior or excellent categories, meaning A++, A+, A or A-, and be in a size category of VIII or larger in the most recent edition of Best=s rating guide.*

*B. In the Step Two bid request, each bid must include copies of the actual forms and endorsements which will comprise coverage if it is selected. Failure to comply with this requirement will seriously compromise any bid and can be the basis for rejecting it.*

*C. All three lines of coverage: property, boiler, and bond will be awarded to a single broker and bids will be evaluated as a package of coverages.*

*D. In accordance with Division of Purchasing Rules, the following factors will be considered in awarding the bid:*

1. Overall cost;
2. Coverages and services to be provided;
3. Quality of prior service rendered to the state;
4. Financial resources of underwriting companies;
5. Service facilities available in-state;
6. Service reputation of underwriting companies;
7. Insurance experience and expertise of underwriting companies;

*E. The state reserves the right to negotiate final terms with the selected brokers and carriers.*

*F. Period: Beginning July 1, 2009, and running for one year, with the option of up to four one year renewals.*

*G. Name of insured:*

1. The State of Utah, including any office, department, agency, authority, commission, board, institution, hospital, college, university or other instrumentality of the state as now or hereafter constituted, but not the following:

Utah State Retirement Board  
Workers= Compensation Fund of Utah

## Utah Transit Authority

2. All Utah public school districts and public educational service centers, including:

Northeastern Utah Regional Service Center  
 Southeastern Utah Service Center  
 Central Utah Educations Service Center  
 Southwest Education Development Center  
 Wasatch Front South Consortium

3. The following Utah public charter schools:

Academy for Math, Engineering & Science	North Davis Preparatory
American Leadership Academy	North Star Academy
American Preparatory Academy	Northern Utah Academy
Beehive Science & Technology Academy	Odyssey Charter School
C S Lewis Academy	Ogden Preparatory Academy
Canyon Rim Academy	Open Classroom
Channing Hall	Paradigm High School
City Academy	Pinnacle Canyon Academy
DaVinci Academy	Providence Hall
Dual Immersion Academy	Quest Academy
East Hollywood High	Ranches Academy
Edith Bowen Lab School	Reagan Academy
Entheos Academy	Renaissance Academy
Fast Forward	Rockwell Charter High School
Freedom Academy	Salt Lake Arts Academy
Gateway Preparatory Academy	Salt Lake School for the Performing Arts
George Washington Academy	Soldier Hollow
Guadalupe Schools	Spectrum Academy
In Tech Collegiate High School	Success Academy Washington County
Itineris Early College High School	Success Academy Iron County
John Hancock	Syracuse Arts Academy
Karl G. Maeser Prep Academy	Thomas Edison Charter School North
Lakeview Academy	Thomas Edison Charter School South
Legacy Preparatory Academy	Timpanogos Academy
Liberty Academy	Tuacahn High School for Performing Arts
Merit College Preparatory Academy	Utah County Academy of Sciences
Moab Charter School	Venture Academy
Monticello Academy	Walden School of Liberal Arts
Mountainville Academy	Wasatch Peak Academy
Navigator Pointe Academy	

4. Any other entity which may hereafter become covered by the Utah State Risk Management Fund.

## II. Property: Required Provisions

### A. Coverage will be evaluated according to its broadness in the following areas:

1. Types of property covered
2. Perils covered
3. Replacement cost coverage
4. Waivers of coinsurance clauses
5. Automatic coverage of newly acquired locations
6. Removal of vacancy limitations
7. Blanket coverage
8. Policy territory, worldwide for personal property
9. Extension of debris removal coverage to include cleaning up and restoring land.
10. Deletion of sprinkler warranties
11. 90 day Notice of Cancellation or non-renewal
12. Building ordinance coverage
13. Electronic data coverage
14. Subrogation waiver
15. Design error coverage for course of construction
16. Business interruption to include option of ordinary payroll
17. Automatic reinstatement of limits
18. Definition of loss occurrence to include a series of events or storms within 72 hours.
19. Joint loss endorsement to coordinate losses with boiler and machinery/equipment breakdown coverage

In general, coverage at least as broad as the attached current coverage is requested. Broader coverages will be a plus.

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In order not to forestall access to any markets which may have specific requirements, we won't specify absolute requirements for all aspects of forms. While coverage at least as broad as the current forms is generally requested by this bid, exceptions will be considered and are allowed, at the state's discretion, to obtain the overall best program.

*B. Limits Requested:*

1. Loss limit per building - for purposes of this bid a limit of \$500 million, per occurrence is requested. Any higher limits needed will be completed later by the selected broker.
2. Earthquake and flood - for purposes of this bid a quote for a \$250 million limit.
3. Terrorism – for purposes of this bid a quote for \$400 million certified and non-certified acts of terrorism.

*C. Additional insureds as required, including without notice to the company, contractors or sub-contractors at any tier relative to construction projects where an insured is required by contract to maintain coverage to protect the interests of such contractors or sub-contractors.*

*D. Deductibles requested:*

1. \$1,000,000 per occurrence
2. \$3,500,000 annual aggregate
3. \$1,000 Amaintenance@ deductible each occurrence not applying to annual aggregate.
4. \$10,000 Amaintenance@ deductible each occurrence after annual aggregate reached.
5. \$50,000 deductible each occurrence for course of construction

Deductibles offered will be an element of differentiation between bids.

III. Boiler and Machinery/Equipment Breakdown: Required Provisions

- A. As with property coverage, forms will be compared with each other for broadness. In general, coverage similar to or broader than the attached current policy is requested.*
- B. It is specifically required that regulatory inspections and certificate service be provided by the boiler carrier selected. Bids must include the cost of this service and include specific information about the facilities and personnel available.*
- C. Limits Requested:*  
*\$100 million per accident, including business interruption, and the other limits*

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*indicated in the attached policy, except a computer equipment limit of \$30 million.*

*D. Deductible Requested:*

*\$50,000 per accident*

*E. Named Insured, same as General Requirement H.*

IV. Bond: Required Provisions

*A. Name of Insured and Obligee, same as General Requirement H.*

*B. Coverage Form:*

*Faithful performance blanket bond similar to the attached current bond issued by Westchester Fire Insurance Company. Forms will be compared for broadness as with other coverages.*

*C. Limit Requested:*

*\$10 million.*

*D. Persons covered:*

*All officers, employees, servants, trustees, commissioners, members of a governing body, members of a board, members of a commission, or authorized volunteers, but not:*

The Utah State Treasurer  
Any school district treasurer  
Any service center treasurer  
Any charter school treasurer

ATreasurer@ here means Atreasurer@ by title, not Atreasurer@ by duty.

*E. Deductible:*

*\$500,000 per loss.*

**State Of Utah Division of Risk Management Property Program****Property Losses**

2004	\$1,977,488.89
2005	18,239,179.00
2006	3,578,744.16
2007	2,623,432.44
2008	3,069,462.36

**Total Premiums**

2004	\$4,801,282.15
2005	4,977,213.00
2006	5,352,000.00
2007	7,631,590.89
2008	7,939,629.14

## Attachment C - State of Utah Excess Liability Bid Specifications

### I. General requirements

*A. Company Rating: All companies, except the Lloyds Market, used on any line must be rated in the superior or excellent categories, meaning A++, A+, A or A-, and be in a size category of VIII or larger in the most recent edition of Best=s rating guide.*

*B. In the Step Two bid process, each bid must include copies of the actual forms and endorsements which will comprise coverage if it is selected. Failure to comply with this requirement will seriously compromise any bid and can be the basis for rejecting it.*

*C. Excess liability coverage will be awarded to a single broker. Broker does not need to bid on liability coverage in order to be considered for property coverage.*

*D. In accordance with Division of Purchasing Rules, the following factors will be considered in awarding the bid:*

1. Overall Cost
2. Coverages and Services to be Provided
3. Companies Including:
  - Financial resources of underwriting companies
  - Service reputation of underwriting companies
  - Insurance experience and expertise of underwriting companies

*E. The state reserves the right to negotiate final terms with the selected brokers and carriers.*

*F. Period: Beginning July 1, 2009, and running for one year, with the option of up to four one year renewals.*

*G. Name of insured:*

1. The State of Utah, including any office, department, agency, authority, commission, board, institution, hospital, college, university or other instrumentality of the state as now or hereafter constituted, but not the following:

Utah State Retirement Board  
Workers= Compensation Fund of Utah  
Utah Transit Authority

2. All Utah public school districts and public educational service centers, including:

Northeastern Utah Regional Service Center  
Southeastern Utah Service Center  
Central Utah Educations Service Center  
Southwest Education Development Center

## Wasatch Front South Consortium

## 3. The following Utah public charter schools:

Academy for Math, Engineering & Science	North Davis Preparatory
American Leadership Academy	North Star Academy
American Preparatory Academy	Northern Utah Academy
Beehive Science & Technology Academy	Odyssey Charter School
C S Lewis Academy	Ogden Preparatory Academy
Canyon Rim Academy	Open Classroom
Channing Hall	Paradigm High School
City Academy	Pinnacle Canyon Academy
DaVinci Academy	Providence Hall
Dual Immersion Academy	Quest Academy
East Hollywood High	Ranches Academy
Edith Bowen Lab School	Reagan Academy
Entheos Academy	Renaissance Academy
Fast Forward	Rockwell Charter High School
Freedom Academy	Salt Lake Arts Academy
Gateway Preparatory Academy	Salt Lake School for the Performing Arts
George Washington Academy	Soldier Hollow
Guadalupe Schools	Spectrum Academy
In Tech Collegiate High School	Success Academy Washington County
Itineris Early College High School	Success Academy Iron County
John Hancock	Syracuse Arts Academy
Karl G. Maeser Prep Academy	Thomas Edison Charter School North
Lakeview Academy	Thomas Edison Charter School South
Legacy Preparatory Academy	Timpanogos Academy
Liberty Academy	Tuacahn High School for Performing Arts
Merit College Preparatory Academy	Utah County Academy of Sciences
Moab Charter School	Venture Academy
Monticello Academy	Walden School of Liberal Arts
Mountainville Academy	Wasatch Peak Academy
Navigator Pointe Academy	

## 4. Any other entity which may hereafter become covered by the Utah State Risk Management Fund.

## II. Excess Liability: Required Provisions

### A. Coverage will be evaluated according to its broadness in the following areas:

1. Comprehensive General Liability including products
2. Employment practices liability (wrongful termination, sexual harassment, discrimination)
3. Civil Rights violations
4. Auto liability (in-state when immunity caps do not apply)
5. Auto liability (out of State)
6. Swimming pools, water slides, and diving boards
7. Fairs and festivals
8. State parks
9. Mines and underground operations
10. Stadiums
11. Health clinics operated by the Department of Health
12. Welfare and social services programs
13. Police force
14. Prisons
15. Libraries
16. Railroads operated by the State
17. Recreation centers operated by the State or schools
18. Health Department
19. Faulty preparation of maps, plans and surveys
20. Violation of antitrust statutes
21. Negligent ministerial acts

In general, coverage at least as broad as the attached current coverage is requested. Broader coverages will be a plus.

In order not to forestall access to any markets which may have specific requirements, we won't specify absolute requirements for all aspects of forms. While coverage at least as broad as the current forms is generally requested by this bid, exceptions will be considered and are allowed, at the state's discretion, to obtain the overall best program.

*B. Limits Requested:*

*\$10,000,000 limit excess of \$1,000,000*

State Of Utah Division of Risk Management Property Program  
Property Losses

Year	Losses in Excess of Claimant Deductible	Losses in Excess of \$1 Million Deductible	Losses in Excess of Aggregate Deductible	Aggregate Loss Amount
2004	\$1,977,488.89	-	-	2,500,000.00
2005	3,783,250.64	668,719.00	614,531.64	2,500,000.00
2006	18,239,179.00	14,553,527.40	1,185,651.60	2,500,000.00
2007	2,623,432.44	-	-	3,500,000.00
2008	3,069,462.36	-	-	3,500,000.00

**ATTACHMENT A: STATE OF UTAH STANDARD TERMS AND CONDITIONS**

1. **AUTHORITY:** Provisions of this contract are pursuant to the authority set forth in 63G-6, Utah Code Annotated, 1953, as amended, Utah State Procurement Rules (Utah Administrative Code Section R33), and related statutes which permit the State to purchase certain specified services, and other approved purchases for the State.
2. **CONTRACT JURISDICTION, CHOICE OF LAW, AND VENUE:** The provisions of this contract shall be governed by the laws of the State of Utah. The parties will submit to the jurisdiction of the courts of the State of Utah for any dispute arising out of this Contract or the breach thereof. Venue shall be in Salt Lake City, in the Third Judicial District Court for Salt Lake County.
3. **LAWS AND REGULATIONS:** The Contractor and any and all supplies, services, equipment, and construction furnished under this contract will comply fully with all applicable Federal and State laws and regulations.
4. **RECORDS ADMINISTRATION:** The Contractor shall maintain, or supervise the maintenance of all records necessary to properly account for the payments made to the Contractor for costs authorized by this contract. These records shall be retained by the Contractor for at least four years after the contract terminates, or until all audits initiated within the four years, have been completed, whichever is later. The Contractor agrees to allow State and Federal auditors, and State Agency Staff, access to all the records to this contract, for audit and inspection, and monitoring of services. Such access will be during normal business hours, or by appointment.
5. **CONFLICT OF INTEREST:** Contractor represents that none of its officers or employees are officers or employees of the State of Utah, unless disclosure has been made in accordance with 67-16-8, Utah Code Annotated, 1953, as amended.
6. **CONTRACTOR, AN INDEPENDENT CONTRACTOR:** The Contractor shall be an independent contractor, and as such, shall have no authorization, express or implied, to bind the State to any agreements, settlements, liability, or understanding whatsoever, and agrees not to perform any acts as agent for the State, except as herein expressly set forth. Compensation stated herein shall be the total amount payable to the Contractor by the State. The Contractor shall be responsible for the payment of all income tax and social security amounts due as a result of payments received from the State for these contract services. Persons employed by the State and acting under the direction of the State shall not be deemed to be employees or agents of the Contractor.
7. **INDEMNITY CLAUSE:** The Contractor agrees to indemnify, save harmless, and release the State of Utah, and all its officers, agents, volunteers, and employees from and against any and all loss, damages, injury, liability, suits, and proceedings arising out of the performance of this contract which are caused in whole or in part by the acts or negligence of the Contractor's officers, agents, volunteers, or employees, but not for claims arising from the State's sole negligence.
8. **EMPLOYMENT PRACTICES CLAUSE:** The Contractor agrees to abide by the provisions of Title VI and VII of the Civil Rights Act of 1964 (42USC 2000e) which prohibits discrimination against any employee or applicant for employment or any applicant or recipient of services, on the basis of race, religion, color, or national origin; and further agrees to abide by Executive Order No. 11246, as amended, which prohibits discrimination on the basis of sex; 45 CFR 90 which prohibits discrimination on the basis of age; and Section 504 of the Rehabilitation Act of 1973, or the Americans with Disabilities Act of 1990 which prohibits discrimination on the basis of disabilities. Also, the Contractor agrees to abide by Utah's Executive Order, dated March 17, 1993, which prohibits sexual harassment in the work place.
9. **SEPARABILITY CLAUSE:** A declaration by any court, or any other binding legal source, that any provision of this contract is illegal and void shall not affect the legality and enforceability of any other provision of this contract, unless the provisions are mutually dependent.
10. **RENEGOTIATION OR MODIFICATIONS:** This contract may be amended, modified, or supplemented only by written amendment to the contract, executed by authorized persons of the parties hereto, and attached to the original signed copy of the contract. Automatic renewals will not apply to this contract.
11. **DEBARMENT:** The Contractor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (contract), by any governmental department or agency. If the Contractor cannot certify this statement, attach a written explanation for review by the State. The Contractor must notify the State Director of Purchasing within 30 days if debarred by any governmental entity during the Contract period.
12. **TERMINATION:** Unless otherwise stated in the Special Terms and Conditions, this contract may be terminated, with cause by either party, in advance of the specified termination date, upon written notice being given by the other party. The party in violation will be given ten (10) working days after notification to correct and cease the violations, after which the contract may be terminated for cause. This contract may be terminated without cause, in advance of the specified expiration date, by either party, upon sixty (60) days prior written notice being given the other party. On termination of this contract, all accounts and payments will be processed according to the financial arrangements set forth herein for approved services rendered to date of termination.
13. **NONAPPROPRIATION OF FUNDS:** The Contractor acknowledges that the State cannot contract for the payment of funds not yet appropriated by the Utah State Legislature. If funding to the State is reduced due to an order by the Legislature or the Governor, or is required by State law, or if federal funding (when applicable) is not provided, the State may terminate this contract or proportionately reduce the services and purchase obligations and the amount due from the State upon 30 days written notice. In the case that funds are not appropriated or are reduced, the State will reimburse Contractor for products delivered or services performed through the date of cancellation or reduction, and the State will not be liable for any future commitments, penalties, or liquidated damages.
14. **SALES TAX EXEMPTION:** The State of Utah's sales and use tax exemption number is 11736850-010-STC. The tangible personal property or services being purchased are being paid from State funds and used in the exercise of that entity's essential functions. If the items being purchased are construction materials, they will be converted into real property by employees of this government entity, unless otherwise stated in the contract.

15. **WARRANTY:** The Contractor agrees to warrant and assume responsibility for all products (including hardware, firmware, and/or software products) that it licenses, contracts, or sells to the State of Utah under this contract for a period of one year, unless otherwise specified and mutually agreed upon elsewhere in this contract. The Contractor (seller) acknowledges that all warranties granted to the buyer by the Uniform Commercial Code of the State of Utah apply to this contract. Product liability disclaimers and/or warranty disclaimers from the seller are not applicable to this contract unless otherwise specified and mutually agreed upon elsewhere in this contract. In general, the Contractor warrants that: (1) the product will do what the salesperson said it would do, (2) the product will live up to all specific claims that the manufacturer makes in their advertisements, (3) the product will be suitable for the ordinary purposes for which such product is used, (4) the product will be suitable for any special purposes that the State has relied on the Contractor's skill or judgment to consider when it advised the State about the product, (5) the product has been properly designed and manufactured, and (6) the product is free of significant defects or unusual problems about which the State has not been warned. Remedies available to the State include the following: The Contractor will repair or replace (at no charge to the State) the product whose nonconformance is discovered and made known to the Contractor in writing. If the repaired and/or replaced product proves to be inadequate, or fails of its essential purpose, the Contractor will refund the full amount of any payments that have been made. Nothing in this warranty will be construed to limit any rights or remedies the State of Utah may otherwise have under this contract.
16. **PUBLIC INFORMATION:** Contractor agrees that the contract, related Sales Orders, and Invoices will be public documents, and may be available for distribution. Contractor gives the State express permission to make copies of the contract, related Sales Orders, and Invoices in accordance with the State of Utah Government Records Access and Management Act (GRAMA). Except for sections identified in writing and expressly approved by the State Division of Purchasing, Contractor also agrees that the Contractor's response to the solicitation will be a public document, and copies may be given to the public under GRAMA laws. The permission to make copies as noted will take precedence over any statements of confidentiality, proprietary information, copyright information, or similar notation.
17. **DELIVERY:** Unless otherwise specified in this contract, all deliveries will be F.O.B. destination with all transportation and handling charges paid by the Contractor. Responsibility and liability for loss or damage will remain with Contractor until final inspection and acceptance when responsibility will pass to the State except as to latent defects, fraud and Contractor's warranty obligations.
18. **ORDERING AND INVOICING:** All orders will be shipped promptly in accordance with the delivery schedule. The Contractor will promptly submit invoices (within 30 days of shipment or delivery of services) to the State. The State contract number and/or the agency purchase order number shall be listed on all invoices, freight tickets, and correspondence relating to the contract order. The prices paid by the State will be those prices listed in the contract. The State has the right to adjust or return any invoice reflecting incorrect pricing.
19. **PAYMENT:** Payments are normally made within 30 days following the date the order is delivered or the date a correct invoice is received, whichever is later. All payments to the Contractor will be remitted by mail unless paid by the State of Utah's Purchasing Card (major credit card).
20. **PATENTS, COPYRIGHTS, ETC.:** The Contractor will release, indemnify and hold the State, its officers, agents and employees harmless from liability of any kind or nature, including the Contractor's use of any copyrighted or un-copyrighted composition, secret process, patented or un-patented invention, article or appliance furnished or used in the performance of this contract.
21. **ASSIGNMENT/SUBCONTRACT:** Contractor will not assign, sell, transfer, subcontract or sublet rights, or delegate responsibilities under this contract, in whole or in part, without the prior written approval of the State.
22. **DEFAULT AND REMEDIES:** Any of the following events will constitute cause for the State to declare Contractor in default of the contract: 1. Nonperformance of contractual requirements; 2. A material breach of any term or condition of this contract. The State will issue a written notice of default providing a ten (10) day period in which Contractor will have an opportunity to cure. Time allowed for cure will not diminish or eliminate Contractor's liability for damages. If the default remains, after Contractor has been provided the opportunity to cure, the State may do one or more of the following: 1. Exercise any remedy provided by law; 2. Terminate this contract and any related contracts or portions thereof; 3. Impose liquidated damages, if liquidated damages are listed in the contract; 4. Suspend Contractor from receiving future solicitations.
23. **FORCE MAJEURE:** Neither party to this contract will be held responsible for delay or default caused by fire, riot, acts of God and/or war which is beyond that party's reasonable control. The State may terminate this contract after determining such delay or default will reasonably prevent successful performance of the contract.
24. **PROCUREMENT ETHICS:** The Contractor understands that a person who is interested in any way in the sale of any supplies, services, construction, or insurance to the State of Utah is violating the law if the person gives or offers to give any compensation, gratuity, contribution, loan or reward, or any promise thereof to any person acting as a procurement officer on behalf of the State, or who in any official capacity participates in the procurement of such supplies, services, construction, or insurance, whether it is given for their own use or for the use or benefit of any other person or organization (63G-6-1002, Utah Code Annotated, 1953, as amended).
25. **CONFLICT OF TERMS:** Contractor Terms and Conditions that apply must be in writing and attached to the contract. No other Terms and Conditions will apply to this contract including terms listed or referenced on a Contractor's website, terms listed in a Contractor quotation/sales order, etc. In the event of any conflict in the contract terms and conditions, the order of precedence shall be: 1. Atth. A: State of Utah Standard Terms and Conditions; 2. State of Utah Contract Signature Page(s); 3. State Additional

Terms and Conditions; 4. Contractor Terms and Conditions.

26. **ENTIRE AGREEMENT:** This Agreement, including all Attachments, and documents incorporated hereunder, and the related State Solicitation constitutes the entire agreement between the parties with respect to the subject matter, and supersedes any and all other prior and contemporaneous agreements and understandings between the parties, whether oral or written. The terms of this Agreement shall supersede any additional or conflicting terms or provisions that may be set forth or printed on the Contractor's work plans, cost estimate forms, receiving tickets, invoices, or any other related standard forms or documents of the Contractor that may subsequently be used to implement, record, or invoice services hereunder from time to time, even if such standard forms or documents have been signed or initialed by a representative of the State. The parties agree that the terms of this Agreement shall prevail in any dispute between the terms of this Agreement and the terms printed on any such standard forms or documents, and such standard forms or documents shall not be considered written amendments of this Agreement.

(Revision date: 3 Sept 2008)

## Question and Answers for Bid #NO9026-1 - Step Two - Multi-Step Bid for Excess Property and Liability Insurance

### OVERALL BID QUESTIONS

There are no questions associated with this bid. If you would like to submit a question, please click on the "Create New Question" button below.