

**KPC – KENTUCKY PURCHASING COOPERATIVES
KEDC – GRREC – KVEC – NKCES – SE/SC
KENTUCKY EDUCATIONAL DEVELOPMENT CORPORATION (KEDC)
904 ROSE ROAD
ASHLAND, KY 41102-7104
Bidding Department (606) 928-0205
Email - bidning@kedc.coop.k12.ky.us
www.kedc.org or www.kedc.coop.k12.ky.us**

* * * INVITATION TO BID * * *

from

Wolfe County

(hereinafter referred to as BOARD OF EDUCATION)

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|-------------------------|---|
| BID TYPE: | <u>SERVICES: INSURANCE COVERAGE</u> |
| BID REFERENCE: | <u>WC-INS-2004-7</u> |
| BID PUBLIC NOTICE DATE: | <u>Thursday, April 8, 2004</u> |
| BID OPENING: | <u>3:00 p.m., Thursday, May 20, 2004</u> |
| BID COVERAGE PERIOD: | <u>July 1, 2004 through June 30, 2005</u> |
| ITEMS: | <u>Workers Compensation Insurance</u> |

BID PURPOSE:

The above named Board of Education solicits SEALED BIDS that would, if accepted by the Board of Education, establish contracts for insurance coverage, with the general and detailed terms, conditions, specifications, and data contained in this bid document and the Individual District Surveys, as modified and supplemented by the accepted bid proposal. Said contracts shall hereinafter be referred to as the Bid Contract.

The Kentucky Purchasing Cooperative (“KPC”) and the Kentucky Educational Development Corporation Board of Directors (“KEDC”) (hereinafter referred to collectively or individually as KPC and/or KEDC), educational cooperatives organized under the Kentucky Interlocal Cooperation Act and providing various and sundry services to its member school districts, is providing a service to the above named Board of Education by facilitating the bidding process for member school districts to obtain insurance coverage. The Board of Education retains responsibility for reviewing, tabulating, and ultimate acceptance or rejection of any and all bids received.

CLARIFICATION:

For clarification or additional information relative to this Invitation document, bidder is instructed to contact the KEDC Bidding Department at bidning@kedc.coop.k12.ky.us BY EMAIL. Clearly define in your email the nature of your needs and concerns and provide a phone number and best time to call you in the event that later voice communication becomes necessary. KEDC Bidding will acknowledge your email by return email as a first response to your request and initiate any other action deemed necessary. For legal questions relative to this Invitation, contact **Tim Crawford**, KPC/KEDC Board Attorney, at timcrawford@vol.com. **PLEASE DO NOT CONTACT SCHOOL DISTRICTS WITH QUESTIONS REGARDING THIS BID INVITATION.**

GENERAL CONDITIONS AND INSTRUCTIONS FOR BIDDERS

These General Conditions and Instructions apply to all bids, except to the extent they may be modified by the Individual District Data Surveys. Any deviations or exceptions are to be explained in detail as a part of the bid form or a properly referenced bid form attachment.

Bids must be received at the KEDC office at 904 Rose Road, Ashland, KY 41102-7104, not later than the above specified bid opening time and date. **Faxed submissions will NOT be accepted. Bids received after the time designated for the bid opening will not be opened by KPC/KEDC.** KPC/KEDC and the Board of Education cannot assume responsibility for any delay as a result of failure of the mails or delivery services to deliver bids on time. (Please note that FED EX does not guarantee delivery time to KPC/KEDC because they classify KEDC as being in a rural area.)

The public notice for this invitation, the invitation itself, and any addendums can be viewed, downloaded, or printed from the Internet at KEDC's Internet site www.kedc.org or www.kedc.coop.k12.ky.us beginning on the bid public notice date and until the time and date specified for the bid opening.

Participating School Districts

Any School District that is a member of the KPC/KEDC Collective Bidding Consortium may participate in the insurance bidding process, however this does not mean that all member school districts will participate. The individual school district board of education for which each separate bid is submitted may be referred to as "Board" or "Board of Education" or "District" in the following specifications and instructions.

AUTHENTICATION OF BID AND STATEMENT OF NON-COLLUSION AND NON-CONFLICT OF INTEREST AND COMPLIANCE WITH THE KENTUCKY MODEL PROCUREMENT CODE:

By my signature on the Bid Certification, I hereby swear or affirm under penalty of false swearing as provided by KRS 523.040:

That I am the bidder (if bidder is an individual), a partner in the bidder (if the bidder is a partnership), or an officer or employee of the bidding corporation having authority on its behalf (if the bidder is a corporation);

That the costs quoted in the bid proposal(s) responding to this Invitation to Bid are correct and have been arrived at by the bidder independently and have been submitted without collusion and without agreement, understanding, or planned common course of action, with any vendor insurance services or insurance provider described in the invitation to bid, designed to limit independent bidding or competition;

That contents of the bid or bids have not been communicated by the bidder, or its employees or agents, to any person not an employee or agent of the bidder or its surety on any bond furnished with the bids and will not communicate to any such person prior to the official opening of the bid or bids;

That the bidder is legally entitled to enter into contracts with agencies of the Commonwealth of Kentucky and is not in violation of any prohibited conflict of interest, gratuities and kickbacks including those prohibited by the provisions of the Model Procurement Code (KRS Chapter 45A);

That I understand the KPC/KEDC insurance bidding process is conducted consistent with KRS Chapter 45A, the Model Procurement Code and I certify that the contents of the bid proposal and the actions taken by the bidder in preparing and submitting the bid proposal are in compliance with KRS Chapter 45A.

CERTIFICATION CONCERNING DISBARMENT, SUSPENSION OR REVOCATION

I certify on behalf of myself, my agency or/insurance company and its key employees that neither I, the company, nor its key employees have been proposed for debarment, debarred, or suspended by any Federal Agency or currently has any applicable license(s) suspended or revoked by the Kentucky Department of Insurance.

ACKNOWLEDGMENT OF APPLICABLE LAW OF KENTUCKY DEPARTMENT OF EDUCATION (“KDE”), UNDERWRITER’S AUTHORIZED BID AMOUNT AND UNDERWRITER’S IDENTITY

By my signature on the bid form, I hereby certify that the bid is made in compliance with the laws and regulations of the Kentucky Department of Education (“KDE”) and Kentucky Department of Insurance (“DOI”) and that the amount of the bid is the actual work product of an underwriter person employed by the proposed insurer who has specifically underwritten an application for an insurance quotation/proposal that includes or contains all of the information provided by this Invitation and by the District’s Information Data Surveys and that the resultant amount of the bid entered on the Bid Form is legally valid and not just an “indication” nor “subject to” any term or condition not explained in detail on the bottom of the Bid Form or by a separate attachment referenced to the Bid Form specifically detailing the condition(s) to which the bid is subject to. I further acknowledge that the laws and regulations of the KDE and DOI specifically require the individual underwriter person’s name, address and telephone number be provided on the Bid Form.

ACKNOWLEDGMENT OF DOCUMENTS INCORPORATED BY REFERENCE

By my signature on the Bid Form, I hereby acknowledge that this Invitation, the District Information Data Surveys and the Bid Form(s) and attachments submitted by my bidding firm are incorporated by reference in any contract of insurance entered into between my bidding entity and the Board of Education.

TERMS AND CONDITIONS

1. **Bids**: All bids must be submitted to KPC/KEDC in accordance with specifications in this Invitation to Bid document and the attached or subsequently forwarded “District Information” (District Information includes copies of data compiled by KEDC that may include a page entitled Section II. Individual District Information, a District Questionnaire and Loss Runs) as provided by the school districts through KPC/KEDC. All bids shall be valid for a period of sixty (60) days from the bid opening date to allow for tabulation, study, and acceptance by the Board. Submit one (1) copy of the completed bid in a properly addressed envelope. All envelopes should be CLEARLY marked **KPC/KEDC Workers Comp Insurance Bid WC-INS-2004/7** followed by the name of the School District. **EACH Board of Education’s bid should be in a separate envelope with a Bid Form (attached), and a Detailed Premium Calculation Exhibit (bidder to provide as an attachment directly to the Bid Form)**. Any vendor information that is requested by this bid or additional information you wish to be reviewed by the Board of Education receiving the bid MUST be in EACH envelope. If you bid on 10 districts, you must supply 10 sets of vendor information. One set in each envelope. KPC/KEDC will NOT copy vendor information. The bidder should retain a duplicate copy. An officer or member of the bidding entity who is authorized to legally bind the entity must sign each bid form. By executing the Bid Form, the bidder acknowledges that he/she has read this Invitation, understands it, and agrees to bind coverage by its terms and conditions. Any bid received by KEDC by the time designated will be forwarded to the Board of Education.
2. **Premium and Calculations**: Premiums should be based on annualized Payroll as exhibited in the District Information. In addition to the insertion of your proposed FINAL TOTAL PREMIUM on the Bid Form provided, you must complete and attach directly to the Bid Form, a DETAILED PREMIUM CALCULATION EXHIBIT that shows the complete details of how you calculated and accumulated the FINAL TOTAL PREMIUM you inserted on the Bid Form. This exhibit must show the extension of each individual payroll dollar amount used for each class code times the rate used for each class and the resultant premium calculated from each such extension; thereafter, a total premium for such extensions; thereafter, the application of the Experience Modifier and another total; thereafter, any other credits or debits, all listed individually in

percentages as well as amounts and clearly identified as to the name of the credit and debit being applied; thereafter, a total proposed premium before SFA tax; thereafter, the application of the SFA tax showing both the percentage applied and the amount; thereafter, a total of premium plus the SFA tax identified as and which must match the FINAL TOTAL PREMIUM you inserted on the Bid Form. IF YOU DO NOT PROVIDE THIS DETAILED INFORMATION YOU COULD BE THE LOW BIDDER BUT THE DISTRICT MAY BE UNABLE TO VERIFY THIS BECAUSE THE DISTRICT COULD NOT RECONCILE HOW YOU CALCULATED YOUR PREMIUM. Bids may be rejected if incorrect calculations are found. Any and all applicable taxes must be included in the bid price.

3. **Correction of Mistakes:** Bidders are cautioned to re-check their bid for possible errors. No bid can be corrected, altered, or signed after being opened. All prices and quotations must be in ink or typewritten. No pencil figures will be accepted. Mistakes are to be crossed out and corrections inserted adjacent thereto and initialed by the person signing the bid. Errors discovered after public opening cannot be corrected and bidder will be required to accept award if offered.
4. **Withdrawal of Bid:** A bidder may withdraw his bid after it has been submitted only if a written request is submitted and received prior to the expiration of the time during which bids may be submitted, without prejudice to himself, by submitting a written request for its withdrawal to KEDC, Attn: Bidding.
5. **Addenda:** KEDC may issue addenda to the Bid Invitation after its release. It shall be the responsibility of the bidding entity to acknowledge receipt of any addenda in its bid, preferably in a transmittal letter attached directly to the bid. Failure to do so could disqualify bid.
6. **Insurer (Underwriter) Information:** Proposals must be submitted on behalf of insurers with statutory authority from the Kentucky Office of Insurance (“DOI” or “KOI”) or the Department of Workers Claims (“DWC”) to operate as an insurer in the State of Kentucky. It is strongly recommended that such insurers have a General Policyholder's rating of "A+ or A" and a financial size category of a minimum of Class XII, as listed in the latest published report of the Best Insurance Guide or shall be submitted on behalf of a Self-Insurance Group (“SIG”) meeting the requirements of the Kentucky Department of Education. All insurance policies bid shall be non assessable and each such bid must be accompanied by the actual policy form in its entirety, including all applicable endorsements. The policy form and endorsements must meet the requirements of the Kentucky Insurance Department and the Kentucky Department of Education. Bids from Self-Insurance Groups should include all actual documents that will be used to effect and define coverage, a copy of the latest audited financial statement of the group, a copy of the reinsurance or excess insurance policy currently applicable to the group with the current Best Insurance Guide rating of the insurer providing such reinsurance or excess insurance. The insurer must be able to furnish a certificate of errors and omissions insurance with minimum limits of \$5,000,000.
7. **Agency Information:** All agents must have a valid Kentucky property and casualty agent’s insurance license. The responding agency must be able to furnish a Certificate of Insurance for Agents Errors and Omissions Insurance with minimum limits of \$2,000,000. The bidder should list other school districts or colleges insured by the agency (Attach separate sheet).
8. **Service:** (Attach separate sheet) Please list response time of agents and claims office upon the district contacting the agent regarding a claim. Also, on the Bid Form, there is a box to check if claims will be handled by a Managed Care Network that has been certified by, approved by and is currently in good standing with Commissioner of the Ky. Dept. of Workers Claims. If you check the box, also include a separate sheet describing the network’s services, the complete name of the Managed Care Network, contact person, with their address and telephone number. It is understood that the appropriate information must be supplied to vendor for claims to be processed. Also list any added FREE service that you will supply if awarded a bid: i.e.: loss control training.
9. **Employers Liability:** Limit of liability MUST be quoted at the following unless otherwise stated in the District Information or specifically noted in your bid by your attaching a separate sheet indicating the limits you are bidding and the reason(s) why:
 - 1,000,000 Per Accident
 - 1,000,000 Disease per policy limit
 - 1,000,000 Disease each employee
10. **Volunteers:** Volunteers are to be covered unless otherwise stated in the District Information or specifically noted in your bid by your attaching a separate sheet indicating you will not cover volunteers and the reasons(s) why.
11. **Currently Valued, Detailed Loss Runs:** The carrier expressly agrees to promptly furnish currently valued, detailed loss runs to the district no less frequently than quarterly for the duration of the contract period and for an additional term of five (5) full years thereafter, and in addition, will upon request during said periods, promptly furnish to KEDC and or the district, such a loss run at any other time, all within ten (10) days of a request or the end of a quarter.

12. **EVALUATION OF BIDS**: After the review of the proposals, the Board of Education may evaluate bids based on the total points assigned to each bid using the scale below or a similar adaptation:

CRITERIA FOR EVALUATION OF BID

The model below has been constructed by KEDC's insurance consultant as an example for possible District use but each individual Board of Education may choose to use its own criteria including a different assignment of the value of points. KEDC will distribute to vendors as part of the District Information or as an addendum, specific evaluation criteria that is provided to the KEDC by the Individual Districts.

| | <u>POINTS</u> |
|--|----------------------|
| 1. Bid amount (Final Total Premium) | 30 |
| 2. Past experience and service provided by the company | 25 |
| 3. Claim administration | 15 |
| 4. References from other school districts | 10 |
| 5. Working relationship with school districts | 10 |
| 6. Loss prevention training services to the district | <u>10</u> |
| POINT TOTAL | 100 |

It is anticipated that the bidder's ability to meet the Board of Education's requirements will be an important consideration in the evaluation of any bid. The Board of Education may review the bidder's General Policyholder's rating and financial size category to ensure that the bidder can provide the services specified under this agreement.

It is anticipated that the bid with the highest point total based on the bid criteria will be considered the best evaluated bid. In the case of identical bids, the Board of Education reserves the right to select and to award the contract by whatever method it chooses. The Board of Education reserves the right to waive defects and informalities in proposals, to reject any or all proposals, or to accept any proposal as may be deemed to be in its interest.

13. **Termination of Contract**: The policy shall be endorsed to provide the Board of Education a 90-day written notice of cancellation or non-renewal during the policy period, except for non-payment of premium. The Board of Education may terminate the contract if the successful vendor fails to perform at any level specified in the contract document.

Procedure for Termination of Contract: Each party shall follow the procedure outlined below if a contract is to be terminated.

- Step 1: Issue a warning letter and outline the violations and the length of time to correct the problem.
- Step 2: Issue a letter of intent to cancel contract if the problem is not resolved by a given date.
- Step 3: Issue a letter of intent to cancel contract.

14. **Billing**: Terms of invoices shall be net: 30 days, unless otherwise stated on the individual districts bid information form. All payment plans shall be shown as part of the proposal and shall include all installment and finance charges.
15. **Hold Harmless**: It is to be understood that the bidder, if awarded an order or contract, agrees to protect, defend and save harmless KEDC and the Board of Education from any suits of demands for payment that may be brought against them for the use of any patented material, process, article, or device that may enter into the manufacture, construction, or form a part of the work covered by either order or contract; and he further agrees to indemnify and save harmless KEDC and the Board of Education from suits or actions of every nature and description brought against them for, or on account of any injuries or damages received or sustained by any party or parties by, or for any of the contractor, his/her servants or agents.
16. **COVERAGE TERM: Annual Renewal and Multiple Year Contract Terms**:

In the event funds are not budgeted or appropriated in any fiscal year for payments due under this agreement for succeeding fiscal years, this agreement shall impose no obligation on the board of education as to such current or succeeding fiscal year(s) and this agreement shall become null and void except as to the remaining payments agreed upon through the end of the then current fiscal year, and no right of action for damages shall accrue to the benefit of the vendor, its successors or assigns, for any further payments. It is further agreed that the board of education shall have, in its sole discretion, the exclusive option to renew this agreement from fiscal year to fiscal year for a period of no more than one fiscal year at a time at the rates and terms contained in any multiple year fix rated agreement. The ending date of each fiscal year shall always be no later than June 30 of that applicable fiscal year.

The Bidder agrees to issue a three-year policy contract, payable annually, with rates guaranteed annually. The insurance company must notify the Board of Education of any rate increase at least 90 days prior to the anniversary date. It is understood and agreed that any additions and/or amendments added by the Board will be automatically included upon notification to the insurer by the Board of Education and the Board of Education will be charged a pro-rata additional premium for such addition(s) at no more than the rate or rates currently in use by the insurer in insuring similarly constructed buildings under the District's existing policy.

17. **DISCLAIMER**: It is expressly understood that KPC/KEDC functions solely as a facilitator to its member districts with respect to any insurance bidding process. This Invitation and all relevant information and forms are the ultimate responsibility of the individual district that utilizes the KPC/KEDC insurance bidding and procurement process. Although KPC/KEDC has assisted its member districts in compiling and distributing this Invitation, KPC/KEDC and its advisors and consultants do not represent nor warrant that the coverages sought through this Invitation represent all required or adequate coverage for any district soliciting insurance bids through KPC/KEDC insurance bidding and procurement process, nor is KPC/KEDC and its advisors and consultants responsible for errors or omissions in this Invitation or other relevant information and forms associated therewith. It is the responsibility of each individual district to determine on its own or through its own insurance brokers or consultants, the adequacy of insurance that may be sought and/or purchased through the KPC/KEDC insurance bidding and procurement process.

KEDC WORKERS COMPENSATION BID FORM – WC-INS-2004/7

(NOTE: Please attach Detailed Premium Calculation Exhibit and other separate explanations.)

In compliance with this Invitation to Bid, in consideration of the detailed descriptions attached hereto, and subject to the authentication of bid and non-conflict of interest statements and all general and specific terms and conditions thereof, the undersigned agrees if this bid be accepted within the time stipulated, to furnish workers compensation insurance coverage upon which prices are quoted in accordance with the specifications. By his/her signature on this Bid Form, any signor of this form acknowledges that all terms and conditions of the Bid Invitation, together with the information contained in the District Information are incorporated by reference in this bid and any resulting contract between the bidder and the District.

The Named Insured shall read: The Commonwealth of Kentucky for the benefit of the Wolfe County Board of Education.

Final Total Premium _____

Price includes all assessments and KY Taxes

Claims will be handled by a certified Managed Care Network which we have described in accordance with Item #8.

Bidding Firm (Agent of Record)

All Insurance carriers will recognize as the Agent of Record only the agent(s) whose KEDC Invitation to Bid WC-INS-2003/2 was received after April 4,2003, 8:00 a.m.

Exact Name of Bidding Entity

Agent Representative of Entity (Print Name)

Agent's KY License #

Agent's Phone #

Agent's Email Address

Agent's Signature

Date

Agent's E&O Liability Limit
(Minimum of \$2,000,000 required)

Agent's COMPLETE MAILING Address

Insurer's COMPLETE Name

Name of Insurer's Underwriter (Person)

INSURER'S Underwriter's COMPLETE MAILING Address

Underwriter's Phone #

Underwriter's Email Address

Insurer's BEST'S Rating
(Min. of "A" recommended)

Class
Insurer's Financial Size Category
(Min. of "XII" recommended)

Insurer's E&O Liability Limit
(Min. of \$5,000,000 required)

Underwriter's Signature

Date

Name of Insurer's Person (Not agent's)
to contact for loss runs ("LR")

LR Person's Telephone

LR Person's Email Address Person