Request for Quotation

State of West Virginia
Department of Health & Human Resources
Office of Purchasing
One Davis Square, Suite 100
Charleston, WV 25301

Bid Opening Date: 02/10/12 1:30 PM

1. To correct answers to vendor questions as provided in Addendum No. 1 per the attached.
2. To answer vendor clarification questions in response to Addendum No. 1 per the attached.
3. To modify the RFP per the attached.
4. To change bid opening date per the RFP, Section 1.17, Schedule of Events from February 6, 2012 at 1:30 PM to February 10, 2012 at 1:30 PM.
5. Addendum acknowledgement is attached. This document should be signed and returned with your bid. Failure to sign and return may result in disqualification of your proposal.

Requisition No.: MED12011

Addendum No. 2

I hereby acknowledge receipt of the following checked Addendum(s) and have made the necessary revisions to my proposal, plans and/or specification, etc.

Addendum No. "S"

I understand that failure to confirm the receipt of the Addendum(s) may be cause for rejection of proposal.

See reverse for terms and conditions

Signature

Telephone

Date

Title

FEIN

Address changes to be noted above

When responding to RFP, insert name and address in space above labeled "Vendor"
State of West Virginia  
Department of Health & Human Resources  
Office of Purchasing  
One Davis Square, Suite 100  
Charleston, WV 25301

Request for Quotation

RFQ NUMBER: MED12011

PAGE  

ADDRESS CORRESPONDENCE TO ATTENTION OF
DONNA D. SMITH  
304-957-0218

VENDOR

DATE PRINTED
TERMS OF SALE
SHIP VIA
F.O.B.
FUND

BID OPENING DATE: 02/10/12
BID OPENING TIME: 1:30 PM

LINE
QUANTITY
UOP
CAT.NO.
ITEM NUMBER
UNIT PRICE
AMOUNT

BUREAU FOR MEDICAL SERVICES
350 CAPITOL STREET, ROOM 251
CHARLESTON, WV 25301-3706

VENDOR MUST CLEARLY UNDERSTAND THAT ANY VERBAL REPRESENTATION MADE OR ASSUMED TO BE MADE DURING ANY ORAL DISCUSSION HELD BETWEEN VENDOR'S REPRESENTATIVES AND ANY STATE PERSONNEL IS NOT BINDING. ONLY THE INFORMATION ISSUED IN WRITING AND ADDED TO THE SPECIFICATIONS BY AN OFFICIAL ADDENDUM IS BINDING.

SIGNATURE

COMPANY

DATE

END OF ADDENDUM NO. 2

SEE REVERSE FOR TERMS AND CONDITIONS

SIGNATURE

TELEPHONE

DATE

TITLE

FEIN

ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFP, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED "VENDOR"
1. **ACCEPTANCE:** Seller shall be bound by this order and its terms and conditions upon receipt of this order.

2. **APPLICABLE LAW:** The laws of the State of West Virginia and the BMS Purchasing Manual shall govern all rights and duties under the Contract, including without limitation the validity of this Purchase Order/Contract.

3. **NON-FUNDING:** All services performed or goods delivered under BMS Purchase Orders/Contracts are to be continued for the terms of the Purchase Order/Contract, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise available for these services or goods, the Purchase Order/Contract becomes void and of no effect after June 30.

4. **COMPLIANCE:** Seller shall comply with all federal, state and local laws, regulations and ordinance including, but not limited to, the prevailing wage rates of the WV Division of Labor.

5. **MODIFICATIONS:** This writing is the parties’ final expression of intent. No modification of this order shall be binding unless agreed to in writing by the Buyer.

6. **ASSIGNMENT:** Neither this Order or any monies due, or to become due hereunder may be assigned by the Seller without the Buyer’s consent.

7. **WARRANTY:** The Seller expressly warrants that the goods and/or services covered by this order will: (a) conform to the specifications, drawings, samples or other description furnished or specified by the BUYER; (b) be merchantable and fit for the purpose intended; and/or (c) be free from defect in material and workmanship.

8. **CANCELLATION:** The director of the DHHR Office of Purchasing may cancel any Purchase Order/Contract upon 30 days written notice to the seller.

9. **SHIPPING, BILLING & PRICES:** Prices are those stated in this order. No price increase will be accepted without written authority from the Buyer. All goods or services shall be shipped on or before the date specified in the Order.

10. **LATE PAYMENTS:** Payment may only be made after the delivery of goods or services. Interest may be paid on late payments in accordance with the West Virginia Code.

11. **TAXES:** The State of West Virginia is exempt from the federal and state taxes and will not pay or reimburse such taxes.

12. **RENEWAL:** Any reference to automatic renewal is hereby deleted. The Contract may be renewed only upon contract null and void, and terminate such contract without further order.

13. **BANKRUPTCY:** In the event the vendor/contractor files for bankruptcy protection, the State may deem this contract null and void, and terminate such contract without further order.

14. **HIPAA BUSINESS ASSOCIATE ADDENDUM:** The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, is available online at www.state.wv.us/admin/purchase/vrc/hipaa.htm and is hereby made part of the agreement provided that the Agency meets the definition of a Cover Entity (45 CFR § 160.103) and will be disclosing Protected Health Information (45 CFR § 160.103) to the vendor.

15. **CONFIDENTIALITY:** The vendor agrees that he or she will not disclose to anyone, directly or indirectly, any such personally identifiable information or other confidential information gained from the agency, unless the individual who is the subject of the information consents to the disclosure in writing or the disclosure in writing or the disclosure is made pursuant to the agency’s policies, procedure, and rules.

16. **LICENSING:** Vendors must be licensed and in good standing in accordance with any and all state and local laws and requirement by any state or local agency of West Virginia, including but not limited to, the West Virginia Secretary of State’s Office, the West Virginia Insurance Commission, or any other state agency or political subdivision. Furthermore, the vendor much provide all necessary releases to obtain information to enable the Director or spending unit to verify that the vendor is licensed and in good standing with the above entities.
<table>
<thead>
<tr>
<th>Ques #</th>
<th>RFP Section</th>
<th>RFP Page</th>
<th>RFP Requirement Text</th>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.</td>
<td>Appendix L</td>
<td>Appendix L</td>
<td>Please clarify if Appendix L is to be included at the back of the proposal with other items excluded from the 300-page limit. Because it is a form, can it be included along with other forms? Also, please clarify what the name of Appendix L is. Is it: “Appendix L – Special Terms and Conditions” or “Appendix L – Disclosure by Fiscal Agents”?</td>
<td>The correct reference is Appendix L – Special Terms and Conditions. This form is excluded from the 300-page limit, and is to be included with Section 4.1.13 Signed Forms.</td>
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<td>21.</td>
<td>3.3.1</td>
<td>099</td>
<td>Bid and Performance Bonds: Non-applicable.</td>
<td>Historically, RFPs have mandated a performance bond to protect states due to the inability of the contractors to perform timely, and are in addition to liquidated damages. The only exception to this requirement was seen in the Maine contract in 2002, where the State had no recourse for late delivery. Maine wasted several years, millions of state dollars, and was forced to cancel the contract with no recourse to get what was due them from the contractor. Since that time, all state procurements have required performance bonds. For a procurement the size of West Virginia, we recommend that a performance bond be mandated in the amount of $10 million dollars. Will the State amend the RFP with this type of modification to protect their interest?</td>
<td>Section 3.3.1 has been modified via issuance of Addendum No. 2.</td>
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<td>Question No.</td>
<td>Clarification Question</td>
<td>Answer</td>
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<tr>
<td>1.</td>
<td>Question #9</td>
<td>Appendix L is excluded from the 300 page limit.</td>
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<td>We request clarification of the State’s response to Question #9 which states Appendix L is not excluded from the 300-page limit. Clarification of this response is being submitted based upon the following:</td>
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<td>1. The last sentence on page L-2 of Appendix L states:</td>
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<td>This information must be submitted in a separately labeled attachment within the proposal and will not count in previously defined page limitations.</td>
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<td>2. The State’s answer to Question #9 also directs bidders to put the Appendix L form with Signed Forms, however, Part 4 of the RFP, page 101 of 115, specifically designates Signed forms and addenda as items that are excluded from the 300 page limit.</td>
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<td>We respectfully request that the State reconsider its answer and allow bidders to include Appendix L at the back of their proposals in the Signed Forms section and exclude Appendix L from the 300 page limit in view of the fact that the other forms are excluded from the 300 page limit.</td>
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<td>2.</td>
<td>Question #21</td>
<td>Section 3.3.1 has been modified via issuance of Addendum No. 2.</td>
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<td>The State’s response to the vendor question regarding bid and proposal bond requirements resulted in a change to Section 3.3.1 of the RFP. The RFP requirements have been updated and require the selected vendor to “provide a performance bond for 50% of the cost of DDI upon execution</td>
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of the contract. Vendor shall provide a performance bond, prior to commencement of operations for 100% of the estimated cost of annual operations, to be renewed annually.”

Since all respondents will incur additional costs to secure these performance bonds, we respectfully request the State to issue an addendum that mandates all respondents to include the costs to secure the performance bond in their final price proposal to the State.

<p>| 3. | Clarification for Original Question #9: We are including the Disclosure by Fiscal Agents form as part of our response to RFP Requirement 4.1.12 Signed Forms. The response to original question #9 indicates that that the signed forms are included in the 300-page limit, but the RFP indicates otherwise (RFP Requirement 4.1; signed forms, addenda, and transmittal letter are excluded from the 300-page limitation.) Please clarify. | Appendix L is excluded from the 300 page limit. |
| 4. | Clarification for Original Question #41: In our proposal, we are including our responses to 4.1.12 (Special Terms and Conditions), 3.3.1 (Bid and Performance Bonds), 3.3.2 (Insurance Requirements), 3.3.3 (License Requirements), 3.3.4 (Litigation Bond), and 3.3.5 (Debarment and Suspension) in a Proposal Section titled Special Terms and Conditions. If this is not the proper location for this information, please advise where you would like these included in our proposal. | Appendix L is to be included with Section 4.1.13 Signed Forms. |
| 5. | After assessing the newly inserted performance bond requirement (amended RFP Section 3.3.1), we request that the West Virginia Department of Health and Human Resources | Section 3.3.1 has been modified via issuance of Addendum No. 2. |
| Resources (&quot;DHHR&quot;) reconsider its decision to add a performance bond to this procurement. |  |</p>
<table>
<thead>
<tr>
<th>Change Requested</th>
<th>Current RFP Language Reads:</th>
<th>RFP Language Updated to Read:</th>
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<tbody>
<tr>
<td>1.21.14 <strong>Invoices, Progress Payments, &amp; Retainage</strong></td>
<td>Any provision for progress payments must also include language for a minimum 10% retainage until the final deliverable is accepted.</td>
<td>Any provision for progress payments must also include language for a minimum 15% retainage until the final deliverable is accepted.</td>
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<tr>
<td>3.3.1 <strong>Bid and Performance Bonds:</strong></td>
<td>No bid bond is required for this procurement. Vendor shall provide a performance bond for 50% of the cost of DDI upon execution of the contract. Vendor shall provide a performance bond, prior to commencement of operations for 100% of the estimated cost of annual operations, to be renewed annually.</td>
<td>Non-applicable.</td>
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