COMMONWEALTH OF VIRGINIA
DEPARMTNET OF GENERAL SERVICES
DIVISON OF PURCHASES & SUPPLY
1111 East Broad Street, Richmond, Virginia 23219
November 5, 2012

CONTRACT NOTICE AWARD E194-1489
(Optional-Use Contract)

Title: Collection Services for Accounts Receivable NIGP Code 94633

Contract Period: November 16, 2012 through November 16, 2014

Authorized User:	State Agencies Institution of Higher Educations Public Bodies Community Service Boards and other Entities Authorized by code of Virginia

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CONTRACTOR INFORMATION

J.C. Christensen & Associates, Inc.
200 14th Avenue East
Sartell, MN 56377

Contact:
Rob Norwood
VP of Sales
Phone: 803-448-4953 or 877-418-1583
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Sartell, MN 56377
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eVA Vendor Number E64871

VIEW AND PRINT THIS CONTRACT AND ANY CHANGES AT: www.eva.virginia.gov

NOTE: This public body does not discriminate against faith-based organizations in accordance with the Code of Virginia, § 2.2-4343.1or against a bidder because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.

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Statewide Contract Officer, Services
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INTRODUCTION

This is an optional-use statewide term contract for Collection Services for Accounts Receivable for use by Commonwealth of Virginia agencies and other public bodies on an as-needed basis. For the purpose of this contract, a using entity, whether a state agency/institution or other public body, may be referred to as "agency" or "the Commonwealth".

ORDERING INSTRUCTIONS

1. Orders:

   A. Unless otherwise instructed by the Division of Purchases and Supply, all departments, institutions and agencies of the Commonwealth of Virginia will order items/services through Eva (www.eva.virginia.gov).

   B. If this contract is authorized for use by localities, Virginia cities counties, towns, and political subdivisions, orders will be placed through eVA to the maximum extent possible.

   C. Approval of vendor's invoice is the responsibility of state agency or other public body placing the order.

2. Any complaint as to unsatisfactory Contractor performance, or violation of contract provisions by Contractor, shall be reported to the Division of Purchases and Supply. The Complaint to State Vendor Form (DGS-41-024), by which to facilitate the notification of the Contractor and this office of complaints, is available from the Division of Purchases and Supply web site at www.eva.virginia.gov.

3. Renewals: This contact has three (3) optional one-year renewal periods. The contract will be resolicited by the Commonwealth at a reasonable time (approximately 120 days) prior to the expiration.

4. Price Adjustments: Price adjustments may be allowed every 365 days, if justified. The contract officer makes the decision to allow or deny a request for increase based upon the documentation submitted by the contractor. The contractor is required to pass on any price reductions immediately. **IMPORTANT!** All price increases must be approved by the contract officer. Contract users will be sent a Notice of Contract Change from this office as official notification of such changes, if approved.

PRICING SCHEDULE

1. **COLLECTION FEE: Provide here your firm's collection fee, expressed as a percentage charged to the Commonwealth on amounts collected by the Contractor. This single percentage shall apply to any type and dollar amount of debt:**

   ___12%_____ percent

2. **Execution of Lien/Levy/Garnishments:** Execution of lien/levy/garnishments on behalf of the collection contractor will be determined on an agency by agency basis. If authorized by the individual agency, the collection fee will be based on the following:

   For the collection fee percentage provided above, in cases where the Contractor locates debtor assets after the account is referred, and where the Commonwealth executes a lien/levy/garnishment at the request of the Contractor, and if authorized by the individual agency, the Contractor will discount the above rate by the following percent:

   __50%_ percent

3. **Customized Programming:**

   In Attachment 1 your firm was asked to provide information on what constitutes normal programming which will be provided at no charge to the agency. Provide below the hourly cost for custom programming when requested by an agency.

   $ 0.00 per hour

4. **Special Credit Reporting**
List types of special credit reporting available and the fee per account. These fees will apply only when these special reports are specifically requested by an agency.

$ No Charge (Type of Special Credit Reports)
Per Account

STATEMENT OF WORKS

The Contractor shall furnish all labor, supervision, equipment, materials, and services to provide debt collection services for a variety of delinquent accounts receivables as assigned by the Commonwealth on an as-needed basis. The objective is to achieve maximum net return to the Commonwealth of the total dollar value of assigned delinquent accounts receivable without regard to amount, while in compliance with all applicable laws and regulations.

The Commonwealth of Virginia has a Debt Set-Off Law, that allows the Commonwealth to set-off any outstanding accounts receivable amounts by any outstanding accounts payable amounts that an agency may owe the respective individual or firm. In addition, the Virginia Employment Commission (VEC) has a Benefit Set-Off procedure that allows the VEC to take 100% of all new benefits (until repaid) when the debtor owes for benefit overpayments and applies for benefits at some future time. In most cases, agencies will apply debt set-off or benefit set-off procedures prior to providing a delinquent account to the Contractor; otherwise, agencies will promptly notify the Contractor if any debt set-off or benefit set-off action has been applied against an account that was assigned the Contractor. The Contractor shall not share in funds collected by the agencies as a result of debt set-off or benefit set-off actions.

The Contractor shall accept all types of unpaid accounts referred for collection including individual and commercial accounts which will be first placements but may also include second, third or more placements. Agencies may have made initial attempts to collect overdue accounts receivable from debtors prior to placing the accounts with the collections Contractor and shall have added any fees or interest to the account prior to assignment.

The varying types of delinquent accounts that may be placed with the Contractor by the Commonwealth are general in nature and may include but are not limited to: outstanding tuition receivables, state and federal receivables (e.g., Perkins loans, Nursing Student

Loans); child support payments, tax accounts, overpaid benefits, library fees, salary overpayments, utility charges, returned checks, damage fees, conference and hotel charges, pharmacy and medical charges, short-term emergency loans, etc.

When assigned an account, the Contractor shall promptly undertake the collection of the assigned accounts receivable through proper and lawful means. The Contractor shall comply with the Fair Debt Collection Practices Act, 15 U.S.C.S. 1692 et seq. (LexisNexis 1993 & Supp. 1994), the Virginia Debt Collection Act (§ 2.2-4800 et seq.), and any guidelines established by the Federal Trade Commission and/or regulatory State agencies. The Contractor shall also comply with any additional restrictions as may be imposed by individual agencies and public bodies (for example, regarding the days and times of the day the Contractor may telephone the debtor).

In general, the Contractor will be assigned overdue accounts receivable that are less than $3,000 per account. The Attorney General's Division of Debt Collection may assign to the Contractor overdue accounts receivable less than $15,000 per account. Commonwealth agencies are guided by the Commonwealth of Virginia, Department of Accounts (DOA), Accounts Receivable Collection Guidelines, available in the Commonwealth Accounting Policies and Procedures (CAPP) Manual at the DOA web site at www.doa.state.va.us . Selected pages of the most recent CAPP Topic 20505 are attached in RFP Attachment 11.

Grouping Assessments: The Contractor shall group all bills pertaining to a specific account prior to the beginning of collection efforts and combine subsequently referred bills with the matching account previously referred.

Commencement of Work: The Contractor shall initiate contact with the debtor within ten (10) calendar days after assignment of account. The Contractor shall grant a fourteen (14) calendar day grace period for payments made directly to the particular State agency, institution, or public body, since these payments are considered the result of the agency's (or institution or public body) last collection efforts and not attributed to the collection efforts on the part of the Contractor. Therefore, the Contractor will not be paid for collections paid directly to the Commonwealth by the debtor for payments received during this grace period.

Acknowledgment of Account Referrals: The Contractor shall acknowledge referral of accounts by transmitting a statement to the state entity placing the accounts within three (3) business days of the referral verifying the number of accounts referred, the account debtor or account number, and the account balances.

Collection Notices: The Commonwealth shall have the right to review and modify the content of any collection notice, form letter, form email, telephone protocol, etc. prior to the Contractor's use in performance of the contract.

Minimum Collection Procedures: At minimum, the Contractor shall agree to implement within thirty (30) calendar days the following collection procedures to achieve recovery on each account, except in those occasions described in *Return of Accounts* and *Refund of Overpayment* sections below:

1) Notify the debtor in writing that the Contractor is now handling his/her account and demand immediate payment from the debtor. If the letter is returned due to

a bad address, attempt telephone, email or other contact with the debtor to get a good address. If no contact is made or no contact information is found, perform a skip trace to locate debtor and/or utilize a credit reporting service or other database to locate sources.

2) Subsequently, if the initial letter is not returned for a bad address, initiate at least three actions using a variety of different methods to collect the account referred including but not limited to any of the following actions:

    a. send an additional letter or letters demanding payment; or
    b. attempt telephone, email or other contact with the debtor to demand payment and/or make payment arrangements; or
    c. perform a skip trace to locate debtor; or
    d. utilize a credit reporting service or other database to locate sources for a Department administrative lien.

Provided the Contractor has implemented the minimum collection procedures set forth above and has been unable to procure payment, the Contractor shall return the account to the Commonwealth with all information discovered by the Contractor, accompanied by a complete address for employment, bank or other source of income.

Trust Accounts: Payments received by the Contractor shall be deposited into trust accounts to which the following limitations apply. Commonwealth agencies and public bodies will have the unrestricted right to inspect the records of the trust account maintained by the Contractor on their behalf and shall reserve the right to approve the financial institution selected by the Contractor.

The Commonwealth of Virginia Department of the Treasury, on behalf of the Treasury Board, administers the Security for Public Deposits Act (SPDA) (Sections 2.2-4400 through 2.2-4411 of the Code of Virginia). SPDA provides for a single body of law in the Commonwealth to protect Virginia public deposits held in banking and savings institutions through the collateralization of securities. SPDA requires public depositories to report their public deposit balances and collateral balances monthly to the Treasury Board. All financial institutions holding Commonwealth funds must be included in the SPDA Summary of Public Depositories list of qualified banks available at the Department of the Treasury web site at www.trs.virginia.gov.

It is anticipated that a single trust account set up and paid for by the Contractor and segregated by state agency will be acceptable for some agencies. However, some agencies may require a separate trust account, and if so, the state agency will set up and pay for their own accounts.

For Trust Account set up and paid for by Contractor:

1) The checking accounts (trust accounts) should be in the Contractor's name and include the wording "Trust Account for (name of agency)".

2) Cash receipts payments shall be receipted immediately and be deposited by the close of the next business day.

3) If credit card payments are accepted, credit card receipts shall be deposited

within five working days after receipt.

4) The Contractor shall transfer funds to the state agency on a periodic basis as determined by the agency.

5) Copies of trust account statements shall be sent to each state entity by the Contractor within five working days after receipt of statement, and include as a minimum the following information for each entity: daily deposits, debits for dishonored checks, and electronic transfers as applicable.

6) The Contractor shall be responsible for all costs that may be incurred pertaining to the account establishment and management.

7) Contractor shall send an electronic communication to each agency daily with the total amount of the total deposits for that day. This shall include information on the deduction of any bad checks.

:rust accounts procedures above represent how trust accounts are handled under the current debt collections contract. Commonwealth encourages offerors to offer in their proposals suggestions on how to best handle trust accounts, including communicating trust account statements and daily deposit information to the state agencies and other public bodies using the contract.

Credit Bureau Reporting: The Contractor shall report debtors of accounts received or accounts that remain uncollected, to an appropriate credit bureau, unless the Agency notifies the Contractor that the Agency does their own credit reporting, or that the agency does not want any credit reporting performed.

Legal Action and Referrals: On all accounts that the Commonwealth places with the Contractor, the Contractor shall have no authority to initiate legal action nor refer them to an attorney or other collector.

Return of Accounts: The Contractor shall suspend action either temporarily or permanently on any account upon receipt of notification from the Commonwealth. The Commonwealth retains the right to request the return of an account at any time. The Contractor will receive no fee on payments received after an account is recalled by the Commonwealth. The Contractor will immediately return accounts upon notice that the taxpayer has filed bankruptcy or is involved in other insolvency proceedings.

The Contractor shall return accounts receivable accounts, with all locator information discovered by the Contractor, for consideration of legal action when:

1) Debtor is known to have assets and refuses to pay.

2) Debtor has legal counsel or files for bankruptcy.

3) A statute of limitations is about to expire.

4) The Contractor has actual knowledge that collectability will be rendered ineffectual by failure to take legal action.

5) Debtor refuses to pay because of a dispute with the validity of the underlying debt.

6) Debtor exercises their rights under the Fair Debt Collections Practices Act and informs the Contractor to stop communications.

Accounts with no collections should remain with the Contractor for no longer than twelve (12) months from the date of referral or date of last payment, whichever is later, or as mutually agreed between the Contractor and the agency. At the end of this period, the Contractor should request further instruction from the agency. The Contractor will be paid the collection fee on uncollected accounts returned after twelve (12) months, if payment is subsequently made within thirty (30) days of the return, provided the account has not in the interim been assigned to another collector or attorney.

All accounts which the Contractor returns to the Commonwealth shall be returned in the data format that is acceptable to the agency that assigned the accounts. Each returned account shall specify the reason why the account is being returned. Contractor shall accept assigned accounts in various formats that include but are not limited to:

Hard copy
Facsimile transmission
Tape to tape
Diskette or CD
On-line transmission including email and the Internet

Returning Accounts upon Termination/Expiration of Contract: Within ten (10) days of the termination or expiration date of any contract incorporating this RFP, the Contractor shall return all accounts in the format that is acceptable to the agency that assigned the accounts, unless agency decides to leave the accounts with the Contractor. Agencies may leave accounts with the Contractor for up to six (6) months after contract termination or expiration date, and these accounts shall be governed by the contract pricing, terms and conditions. The Contractor will not be entitled to fees on any payments received after the termination date if the contract is terminated for cause. The Contractor shall promptly forward all payments to the Commonwealth. The Contractor will be entitled to fees on payments received within thirty (30) days after the contract expiration or return of the account, whichever is applicable. Active installment payment plans on Contractor accounts will earn fees for a period not to exceed twelve (12) months following the expiration of the contract or return of the account, whichever is applicable.

Compromise Offers: In the event that the Contractor receives an offer in compromise from a debtor or his/her representative, the Contractor shall immediately cease collection action on the account and transmit the offer to the Commonwealth. Any compromise must be approved by the Attorney General and the agency head pursuant to *Section 2.2-514, Code of Virginia.* If the compromise is approved, the Contractor's fee will be based on the amount collected on the compromise rather than the original amount referred.

Refund of Overpayment: The Commonwealth will refund any overpayments to the debtor. The Commonwealth will not send the overpayment back to the Contractor for the Contractor to make the refund to the debtor.

Perkins Loans: Only past due amounts will be remitted normally; some accounts will be accelerated for collection. The Contractor shall contact the billing servicer or the educational institution to obtain a payoff balance to either bring the borrower current or to pay in full. If requested by Agency, the Contractor shall provide an annual notice documenting the Contractor's compliance status with 34 C.F.R. 668.23 (Perkins Loan Attestation Audit).

Retention of Collection Records: The Contractor shall maintain accurate and comprehensive records of all activity conducted on each assigned accounts receivable case. Audits of these records may be conducted in accordance with the Audit provision found in the Special Terms and Conditions sections of this RFP. The Commonwealth reserves the right to confirm the accuracy of all payment information furnished by the Contractor by contacting the debtor or other payor directly.

Fees: The Contractor shall be compensated on a collection fee basis as a percentage of amounts recovered. Each Offeror shall set forth the collection fee percentage in RFP Attachment 7 Pricing Schedule. The Contractor's collection fee rate will not change if an account balance is increased or decreased by the Commonwealth after an account's initial referral. Said collection fee will be the sole compensation paid to the Contractor with the exception of any specific pricing identified in the Pricing Schedule of this solicitation, such as special customized programming and special credit reporting. The Commonwealth shall not be liable for any cost or expense incurred by the Contractor in the collection of accounts.

The Contractor shall prorate their commission when debtor pays with multiple payments. Only the portion of the commission that applies to the portion of the account collected can be invoiced.

Invoicing/Reports to Agency: Contractor shall coordinate with Agency the manner, timing, format, and other specifics related to the submission of invoices and reports to said Agency.
Contractor should not invoice Agency more than once a month, unless approved by Agency.

Disclosure of nonpublic personal information under Federal Trade Commission rules resulting from the Gramm-Leach-Bliley Act: Without limiting the Contractor's general obligation to comply with all applicable laws, rules and regulations, Contractor agrees that any information about identifiable persons which Contractor receives from the Commonwealth shall be used and disclosed solely as lawful and either necessary or appropriate to enforce the rights of the Commonwealth in the transaction for which debt collection services under any contract awarded as a result of this RFP have been requested. In addition, Contractor hereby certifies that it is capable of maintaining, and has implemented and will maintain, all appropriate information safeguards mandated under 16 C.F.R. Part 314 for all "nonpublic personal information" received or developed by Contractor in connection with this Contract.

Compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA): Without limiting the Contractor's general obligation to comply with all applicable laws, rules and regulations, and except as otherwise limited by the Contract, Contractor agrees that where the Agency meets the definition of a "covered entity" under HIPAA, Contractor is a "business associate" of the covered Agency for purposes of HIPAA. During its performance of the Contract, Contractor may receive or create information which would be defined under HIPAA as "protected health information" (PHI). Contractor may be required to sign a separate business associate agreement with a covered Agency providing PHI to Contractor.

At a minimum, when providing services to a covered Agency, Contractor agrees to:

1) Not use or further disclose PHI other than as permitted or required by the terms of this contract or as required by law;

2) Use appropriate safeguards to prevent use or disclosure of PHI which would not be permitted by this contract;

3) Report to the Agency any use or disclosure of PHI not provided for by this contract of which Contractor becomes aware;

4) Impose the same requirements and restrictions on its subcontractors and agents to whom Contractor provides PHI received from, or created or received by, Contractor on behalf of the Agency;

5) Provide access to the Agency to PHI contained in a designated record set. Access shall be provided in the time and manner designated by the Agency, or the Agency may request that such access be provided to an individual for purposes of meeting the access requirements of 45 CFR 164.524;

6) Make available PHI in a designated record set for amendment. Contractor shall amend PHI in a designated record set where the Agency so directs or agrees to the amendment, pursuant to 45 CFR 164.526, and such amendment shall be made in the time and manner designated by the Agency;

7) Document disclosures of PHI and information relating to disclosures of PHI as would be required for the Agency to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR 164.528. Contractor shall provide to the Agency or individual, in a time and manner designated by the Agency, information collected in accordance with this provision, to permit the Agency to so respond to any such request.

8) Make available to the Agency, or to the Secretary of the U.S. Department of Health and Human Services, Contractor's policies, procedures, internal practices, books, and records, including those relating to use and disclosure of PHI received from, or created or

received by, Contractor on behalf of the Agency. Such availability shall be made in a time and manner designated by the Agency or the Secretary, for the purposes of determining compliance with 45 CFR Parts 160 and 164, subparts A and E;

At termination of the contract, if feasible, if Contractor still maintains in any form PHI received from, or created or received by, Contractor on behalf of the Agency, Contractor agrees to return or destroy all such PHI and shall retain no copies of such information. The foregoing shall also apply to PHI that is in the possession of subcontractors or other agents of Contractor. If such return or destruction is not feasible, Contractor shall provide the Agency with written notification of the conditions that make return or destruction infeasible. Upon agreement by the Agency that the return or destruction of PHI is infeasible, Contractor shall extend indefinitely the protections of the contract to the PHI and limit further uses and disclosures to those purposes that make the return or destruction of the PHI infeasible.

Contractor may use PHI received from the Agency, if necessary, to carry out its legal responsibilities and for the proper management and administration of its business. Contractor may disclose PHI for such purposes if the disclosure is required by law, or if Contractor obtains reasonable assurances from the person to whom the PHI is disclosed that it will remain confidential, and will be used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and that person will agree to and does notify the Contractor of any instances of which it is aware in which the confidentiality of the information has been breached.

: Risk: Agencies may request the Contractor to work the agency's past-due accounts under a "Go At Risk" arrangement. Under this arrangement the Contractor agrees to charge no commission if the Contractor does not collect at least a pre-defined percentage of debt. For example, an agency that has historically collected four percent of it's debt may request that the Contractor collect at least four percent. If the Contractor collects at least four percent, they would receive the commission on the accounts as allowed by the contract. The Contractor is not required to agree to the "Go At Risk" arrangement.
Party Vendor: Agencies may use a third-party vendor to monitor Contractor performance. If a third-party vendor is used, the agency will be responsible for the cost of the third-party vendor, unless otherwise negotiated by the agency and the Contractor.
The Contractor should assign a primary coordinator or point-of-contact to handle and assist in billing and problem solving as it relates to any contract that results from this solicitation.

- The Contractor should provide a toll-free customer service number(s) for debtors and agencies that utilize this contract.

- The Contractor must have an Internet web site that allows payments via credit card.

- The Contractor should provide customized programming.

- The Contractor should own the source code to any programs used to work the accounts, particularly for programs that may be required to be modified to meet an agency's needs.

- The Contractor should have availability to communicate in different languages.

Confidentiality Requirements: The Contractor and all of its employees who may come into contact with taxpayer information shall adhere to the applicable laws regarding the confidentiality and unauthorized disclosure of tax information.

The Contractor should obtain repayment agreements.

Contractor shall maintain adequate cash-handling procedures and controls throughout the contract period. Period audits of the Contractor's cash-handling procedures and controls may be conducted by the Commonwealth.

REPORTING AND DELIVERY INSTRUCTIONS

A. Agency Account Status and Analysis Report. The contractor shall submit an Account Status and Analysis Report to support the fee or rate billed with each monthly invoice to the applicable agency. This report should include those accounts collected and the date payment was received by the contractor. The report should also include all open and returned accounts with detailed information on contacts made, correspondence, debtor addresses and assets, monthly and total performance success rate. The report should show an aged analysis categorized by type of accounts receivable and show the collection fee billed for each account collected. Monthly reports are required for accounts assigned, even if an invoice is not submitted.

B. Division of Purchases and Supply Report: The contractor shall submit to the Division of Purchases and Supply by the 15th of each month a Statewide Collections Report showing the following breakdown by agency or other public body:

a. Total number of accounts placed
b. Total dollar value of accounts placed
c. Total dollar amount collected
d. Total dollar amount charged for the service
e. Total number of uncollected accounts returned to agencies.
f. Total dollar amount of uncollected accounts returned to agencies.
g. Type of account (student loan, tax, child support, etc.) and collectior percentage by type of account.
h. Total dollar amount spent with small, women-owned and minority-ow business enterprises (SWAM). Provide SWAM business name, SWAM status and expenditure.

C. ADDITIONAL REPORTING REQUIREMENTS FOR PERKINS LOANS. Based on reports received from the educational institution or the servicing billing agency, the contractor shall include in their monthly report an update of Perkins loan accounts assigned. This update shall include any additional amounts for the new payment past due, interest accrued, penalty charges, and collection costs on these new charges.

GENERAL TERMS AND CONDITIONS

VENDORS MANUAL: This solicitation is subject to the provisions of the Commonwealth of Virginia Vendors Manual and any changes or revisions thereto, which are hereby incorporated into this contract in their entirety. The procedure for filing contractual claims is in section 7.19 of the Vendors Manual. A copy of the manual is normally available for review at the purchasing office and is accessible on the Internet at www.eva.virginia.gov under "Vendors Manual" on the "Vendor" tab.

APPLICABLE LAWS AND COURTS: This solicitation and any resulting contract shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The agency and the contractor are encouraged to resolve any issues in controversy arising from the award of the contract or any contractual dispute using Alternative Dispute Resolution (ADR) procedures (Code of Virginia, § 2.2-4366). ADR procedures are described in Chapter 9 of the Vendors Manual. The contractor shall comply with all applicable federal, state and local laws, rules and regulations.

ANTI-DISCRIMINATION: By submitting their (bids/proposals), (bidders/offerors) certify to the Commonwealth that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians With Disabilities Act, the Americans With Disabilities Act and § 2.2-4311 of the Virginia Public Procurement Act (VPPA). If the award is made to a faith-based organization, the organization shall not discriminate against any recipient of goods, services, or disbursements made pursuant to the contract on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender or national origin and shall be subject to the same rules as other organizations that contract with public bodies to account for the use of the funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by the public body. (Code of Virginia, § 2.2-4343.1E). In every contract over $10,000 the provisions in 1. and 2. below apply: 1. During the performance of this contract, the contractor agrees as follows: a. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause. b. The contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an equal opportunity employer. c. Notices, advertisements and solicitations placed in

accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting these requirements. 2. The contractor will include the provisions of 1. above in every subcontract or purchase order over $10,000, so that the provisions will be binding upon each subcontractor or vendor.

ETHICS IN PUBLIC CONTRACTING: By submitting their (bids/proposals), (bidders/offerors) certify that their (bids/proposals) are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other (bidder/offeror), supplier, manufacturer or subcontractor in connection with their (bid/proposal), and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.

IMMIGRATION REFORM AND CONTROL ACT OF 1986: By entering into a written contract with the Commonwealth of Virginia, the Contractor certifies that the Contractor does not, and shall not during the performance of the contract for goods and services in the Commonwealth, knowingly employ an unauthorized alien as defined in the federal Immigration Reform and Control Act of 1986.

DEBARMENT STATUS: By submitting their (bids/proposals), (bidders/offerors) certify that they are not currently debarred by the Commonwealth of Virginia from submitting bids or proposals on contracts for the type of goods and/or services covered by this solicitation, nor are they an agent of any person or entity that is currently so debarred.

ANTITRUST: By entering into a contract, the contractor conveys, sells, assigns, and transfers to the Commonwealth of Virginia all rights, title and interest in and to all causes of action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by the Commonwealth of Virginia under said contract.

Failure to submit a proposal on the official state form provided for that purpose may be a cause for rejection of the proposal. Modification of or additions to the General Terms and Conditions of the solicitation may be cause for rejection of the proposal; however, the Commonwealth reserves the right to decide, on a case by case basis, in its sole discretion, whether to reject such a proposal.

CLARIFICATION OF TERMS: If any prospective (bidder/offeror) has questions about the specifications or other solicitation documents, the prospective (bidder/offeror) should contact the buyer whose name appears on the face of the solicitation no later than

five working days before the due date. Any revisions to the solicitation will be made only by addendum issued by the buyer.

PRECEDENCE OF TERMS: The following General Terms and Conditions VENDORS MANUAL, APPLICABLE LAWS AND COURTS, ANTI-DISCRIMINATION, ETHICS IN PUBLIC CONTRACTING, IMMIGRATION REFORM AND CONTROL ACT OF 1986, DEBARMENT STATUS, ANTITRUST, MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS, CLARIFICATION OF TERMS, PAYMENT shall apply in all instances. In the event there is a conflict between any of the other General Terms and Conditions and any Special Terms and Conditions in this solicitation, the Special Terms and Conditions shall apply.

QUALIFICATIONS OF (BIDDERS/OFFERORS): The Commonwealth may make such reasonable investigations as deemed proper and necessary to determine the ability of the (bidder/offeror) to perform the services/furnish the goods and the (bidder/offeror) shall furnish to the Commonwealth all such information and data for this purpose as may be requested. The Commonwealth reserves the right to inspect (bidder's/offeror's) physical facilities prior to award to satisfy questions regarding the (bidder's/offeror's) capabilities. The Commonwealth further reserves the right to reject any (bid/proposal) if the evidence submitted by, or investigations of, such (bidder/offeror) fails to satisfy the Commonwealth that such (bidder/offeror) is properly qualified to carry out the obligations of the contract and to provide the services and/or furnish the goods contemplated therein.

TESTING AND INSPECTION: The Commonwealth reserves the right to conduct any test/inspection it may deem advisable to assure goods and services conform to the specifications.

ASSIGNMENT OF CONTRACT: A contract shall not be assignable by the contractor in whole or in part without the written consent of the Commonwealth.

Changes can be made to the contract in any of the following ways: 1. The parties may agree in writing to modify the scope of the contract. An increase or decrease in the price of the contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the contract. 2. The Purchasing Agency may order changes within the general scope of the contract at any time by written notice to the contractor. Changes within the scope of the contract include, but are not limited to, things such as services to be performed, the method of packing or shipment, and the place of delivery or installation. The contractor shall comply with the notice upon receipt. The contractor shall be compensated for any additional costs incurred as the result of such order and shall give the Purchasing Agency a credit for any savings. Said compensation shall be determined by one of the following methods: a. By mutual agreement between the parties in writing; or b. By agreeing upon a unit price or using a unit price set forth in

the contract, if the work to be done can be expressed in units, and the contractor accounts for the number of units of work performed, subject to the Purchasing Agency's right to audit the contractor's records and/or to determine the correct number of units independently; or c. By ordering the contractor to proceed with the work and keep a record of all costs incurred and savings realized. A markup for overhead and profit may be allowed if provided by the contract. The same markup shall be used for determining a decrease in price as the result of savings realized. The contractor shall present the Purchasing Agency with all vouchers and records of expenses incurred and savings realized. The Purchasing Agency shall have the right to audit the records of the contractor as it deems necessary to determine costs or savings. Any claim for an adjustment in price under this provision must be asserted by written notice to the Purchasing Agency within thirty (30) days from the date of receipt of the written order from the Purchasing Agency. If the parties fail to agree on an amount of adjustment, the question of an increase or decrease in the contract price or time for performance shall be resolved in accordance with the procedures for resolving disputes provided by the Disputes Clause of this contract or, if there is none, in accordance with the disputes provisions of the Commonwealth of Virginia Vendors Manual. Neither the existence of a claim nor a dispute resolution process, litigation or any other provision of this contract shall excuse the contractor from promptly complying with the changes ordered by the Purchasing Agency or with the performance of the contract generally.

DEFAULT: In case of failure to deliver goods or services in accordance with the contract terms and conditions, the Commonwealth, after due oral or written notice, may procure them from other sources and hold the contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which the Commonwealth may have.

TAXES: Sales to the Commonwealth of Virginia are normally exempt from State sales tax. State sales and use tax certificates of exemption, Form ST-12, will be issued upon request. Deliveries against this contract shall usually be free of Federal excise and transportation taxes. The Commonwealth's excise tax exemption registration number is 54-73-0076K.

USE OF BRAND NAMES: Unless otherwise provided in this solicitation, the name of a certain brand, make or manufacturer does not restrict (bidders/offerors) to the specific brand, make or manufacturer named, but conveys the general style, type, character, and quality of the article desired. Any article which the public body, in its sole discretion, determines to be the equivalent of that specified, considering quality, workmanship, economy of operation, and suitability for the purpose intended, shall be accepted. The (bidder/offeror) is responsible to clearly and specifically identify the product being offered and to provide sufficient descriptive literature, catalog cuts and technical detail to enable the Commonwealth to determine if the product offered meets the requirements of the solicitation. This is required even if offering the exact brand, make or manufacturer specified. Normally in competitive sealed bidding only the information furnished with the bid will be considered in the evaluation. Failure to furnish adequate data for evaluation

purposes may result in declaring a bid nonresponsive. Unless the (bidder/offeror) clearly indicates in its (bid/proposal) that the product offered is an equivalent product, such (bid/proposal) will be considered to offer the brand name product referenced in the solicitation.

TRANSPORTATION AND PACKAGING: By submitting their (bids/proposals), all (bidders/offerors) certify and warrant that the price offered for FOB destination includes only the actual freight rate costs at the lowest and best rate and is based upon the actual weight of the goods to be shipped. Except as otherwise specified herein, standard commercial packaging, packing and shipping containers shall be used. All shipping containers shall be legibly marked or labeled on the outside with purchase order number, commodity description, and quantity.

INSURANCE (part 1 of 3): By signing and submitting a bid or proposal under this solicitation, the bidder or offeror certifies that if awarded the contract, it will have the following insurance coverage at the time the contract is awarded. For construction contracts, if any subcontractors are involved, the subcontractor will have workers' compensation insurance in accordance with §§ 2.2-4332 and 65.2-800 et seq. of the Code of Virginia. The bidder or offeror further certifies that the contractor and any subcontractors will maintain these insurance coverage during the entire term of the contract and that all insurance coverage will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission. (continued in part 2)

INSURANCE (part 2 of 3) MINIMUM INSURANCE COVERAGES AND LIMITS REQUIRED FOR MOST CONTRACTS: 1)Workers' Compensation - Statutory requirements and benefits. Coverage is compulsory for employers of three or more employees, to include the employer. Contractors who fail to notify the Commonwealth of increases in the number of employees that change their workers' compensation requirements under the Code of Virginia during the course of the contract shall be in noncompliance with the contract. 2). Employer's Liability - $100,000. 3) Commercial General Liability - $1,000,000 per occurrence. Commercial General Liability is to include bodily injury and property damage, personal injury and advertising injury, products and completed operations coverage. The Commonwealth of Virginia must be named as an additional insured and so endorsed on the policy 4).Automobile Liability - $1,000,000 per occurrence. (Only used if motor vehicle is to be used in the contract.). (continued in part 3)

INSURANCE (part 3 of 3): NOTE: In addition, various Professional Liability/Errors and Omissions coverage are required when soliciting those services as follows: Profession/Service /Limits, Accounting /$1,000,000 per occurrence, $3,000,000 aggregate Architecture/$2,000,000 per occurrence, $6,000,000 aggregate, Asbestos Design, Inspection or Abatement Contractors/ $1,000,000 per occurrence, $3,000,000 aggregate, Health Care Practitioner (to include Dentists, Licensed Dental, Hygienists,

Optometrists, Registered or Licensed, Practical Nurses, Pharmacists, Physicians, Podiatrists, Chiropractors, Physical Therapists, Physical ,Therapist Assistants, Clinical Psychologists, Clinical Social Workers, Professional Counselors, Hospitals, or Health Maintenance Organizations.) $1,750,000 per occurrence, $3,000,000 aggregate, (Limits increase each July 1 through fiscal year 2008, as follows: July 1, 2005 - $1,800,000, July 1, 2006 - $1,850,000, July 1, 2007 - $1,925,000, July 1, 2008 - $2,000,000. This complies with §8.01-581.15 of the Code of Virginia. Insurance/Risk Management /$1,000,000 per occurrence, $3,000,000 aggregate, Landscape/Architecture/$1,000,000 per occurrence, $1,000,000 aggregate, Legal/$1,000,000 per occurrence, $5,000,000 aggregate. Professional Engineer/$2,000,000 per occurrence, $6,000,000 aggregate, Surveying/$1,000,000 per occurrence, $1,000,000 aggregate

ANNOUNCEMENT OF AWARD: Upon the award or the announcement of the decision to award a contract over $50,000, as a result of this solicitation, the purchasing agency will publicly post such notice on the DGS/DPS eVA website (www.eva.virginia.gov) for a minimum of 10 days.

DRUG-FREE WORKPLACE: During the performance of this contract, the contractor agrees to (i) provide a drug-free workplace for the contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over $10,000, so that the provisions will be binding upon each subcontractor or vendor. For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific contract awarded to a contractor, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

NONDISCRIMINATION OF CONTRACTORS: A bidder, offeror, or contractor shall not be discriminated against in the solicitation or award of this contract because of race, religion, color, sex, national origin, age, disability, faith-based organizational status, any other basis prohibited by state law relating to discrimination in employment or because the bidder or offeror employs ex-offenders unless the state agency, department or institution has made a written determination that employing ex-offenders on the specific contract is not in its best interest. If the award of this contract is made to a faith-based organization and an individual, who applies for or receives goods, services, or disbursements provided pursuant to this contract objects to the religious character of the faith-based organization from which the individual receives or would receive the goods, services, or disbursements, the public body shall offer the individual, within a reasonable period of time after the date of his objection, access to equivalent goods, services, or disbursements from an alternative provider.

eVA BUSINESS-TO-GOVERNMENT VENDOR REGISTRATION: The eVA Internet electronic procurement solution, website portal www.eVA.virginia.gov, streamlines and automates government purchasing activities in the Commonwealth. The eVA portal is the gateway for vendors to conduct business with state agencies and public bodies. All vendors desiring to provide goods and/or services to the Commonwealth shall participate in the eVA Internet eprocurement solution either through the eVA Basic Vendor Registration Service or eVA Premium Vendor Registration Service. All bidders or offerors must register in eVA and pay the Vendor Transaction Fees specified below; failure to register will result in the bid/proposal being rejected. Effective July 1, 2011, vendor registration and registration-renewal fees have been discontinued. Registration options are as follows: a. eVA Basic Vendor Registration Service: eVA Basic Vendor Registration Service includes electronic order receipt, vendor catalog posting, on-line registration, electronic bidding, and the ability to research historical procurement data available in the eVA purchase transaction data warehouse. b. eVA Premium Vendor Registration Service: eVA Premium Vendor Registration Service includes all benefits of the eVA Basic Vendor Registration Service plus automatic email or fax notification of solicitations and amendments. Vendor transaction fees are determined by the date the original purchase order is issued and are as follows: a. For orders issued prior to August 16, 2006, the Vendor Transaction Fee is 1%, capped at a maximum of $500 per order. b. For orders issued August 16, 2006 thru June 30, 2011, the Vendor Transaction Fee is: (i) DMBE-certified Small Businesses: 1%, capped at $500 per order. (ii) Businesses that are not DMBE-certified Small Businesses: 1%, capped at $1,500 per order. c. For orders issued July 1, 2011 thru June 30, 2013, the Vendor Transaction Fee is: (i) DMBE-certified Small Businesses: 0.75%, capped at $500 per order. (ii) Businesses that are not DMBE-certified Small Businesses: 0.75%, capped at $1,500 per order. d. For orders issued July 1, 2013 and after, the Vendor Transaction Fee is: (i) DMBE-certified Small Businesses: 1%, capped at $500 per order. (ii) Businesses that are not DMBE-certified Small Businesses: 1%, capped at $1,500 per order. The specified vendor transaction fee will be invoiced, by the Commonwealth of Virginia Department of General Services, approximately 30 days after the corresponding purchase order is issued and payable 30 days after the invoice date. Any adjustments (increases/decreases) will be handled through purchase order changes. a. eVA Basic Vendor Registration Service: eVA Basic Vendor Registration Service includes electronic order receipt, vendor catalog posting, on-line registration, electronic bidding, and the ability to research historical procurement data available in the eVA purchase transaction data warehouse. b. eVA Premium Vendor Registration Service: eVA Premium Vendor Registration Service includes all benefits of the eVA Basic Vendor Registration Service plus automatic email or fax notification of solicitations and amendments. Vendor transaction fees are determined by the date the original purchase order is issued and are as follows: a. For orders issued prior to August 16, 2006, the Vendor Transaction Fee is 1%, capped at a maximum of $500 per order. b. For orders issued August 16, 2006 thru June 30, 2011, the Vendor Transaction Fee is: (i) DMBE-certified Small Businesses: 1%, capped at $500 per order. (ii) Businesses that are not DMBE-certified Small Businesses: 1%, capped at $1,500 per order. c. For orders issued July 1, 2011 thru June 30, 2012, the Vendor Transaction Fee is: (i) DMBE-certified Small Businesses: 0.75%, capped at $500 per order. (ii) Businesses that are not DMBE-certified Small Businesses: 0.75%, capped at $1,500 per order. d. For orders

issued July 1,

It is understood and agreed between the parties herein that the agency shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement.

SET ASIDES

This solicitation is set-aside for DMBE-certified small business participation only when designated "SET-ASIDE FOR SMALL BUSINESSES" in the solicitation. DMBE-certified small businesses are those businesses that hold current small business certification from the Virginia Department of Minority Business Enterprise. This shall not exclude DMBE-certified women-owned and minority-owned businesses when they have received the DMBE small business certification. For purposes of award, bidders/offerors shall be deemed small businesses if and only if they are certified as such by DMBE on the due date for receipt of bids/proposals.

PAYMENT (part 1 of 4): To Prime Contractor: a.) Invoices for items ordered, delivered and accepted shall be submitted by the contractor directly to the payment address shown on the purchase order/contract. All invoices shall show the state contract number and/or purchase order number; social security number (for individual contractors) or the federal employer identification number (for proprietorships, partnerships, and corporations). b.) Any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than 30 days, however. c.) All goods or services provided under this contract or purchase order, that are to be paid for with public funds, shall be billed by the contractor at the contract price, regardless of which public agency is being billed. d.) The following shall be deemed to be the date of payment: the date of postmark in all cases where payment is made by mail, or the date of offset when offset proceedings have been instituted as authorized under the Virginia Debt Collection Act. e.) Unreasonable Charges. Under certain emergency procurements and for most time and material purchases, final job costs cannot be accurately determined at the time orders are placed.(Continued on part 2)

PAYMENT (part 2 of 4): In such cases, contractors should be put on notice that final payment in full is contingent on a determination of reasonableness with respect to all invoiced charges. Charges which appear to be unreasonable will be researched and challenged, and that portion of the invoice held in abeyance until a settlement can be reached. Upon determining that invoiced charges are not reasonable, the Commonwealth shall promptly notify the contractor, in writing, as to those charges which it considers unreasonable and the basis for the determination. A contractor may not institute legal action unless a settlement cannot be reached within thirty (30) days of notification. The provisions of this section do not relieve an agency of its prompt payment obligations with respect to those charges which are not in dispute (Code of Virginia, § 2.2-4363). 2. To

Subcontractors: a.) A contractor awarded a contract under this solicitation is hereby obligated: (1) To pay the subcontractor(s) within seven (7) days of the contractor's receipt of payment from the Commonwealth for the proportionate share of the payment received for work performed by the subcontractor(s) under the contract; or (2) To notify the agency and the subcontractor(s), in writing, of the contractor's intention to withhold payment and the reason. (continued on part 3)

PAYMENT (part 3 of 4): b.) The contractor is obligated to pay the subcontractor(s) interest at the rate of one percent per month (unless otherwise provided under the terms of the contract) on all amounts owed by the contractor that remain unpaid seven (7) days following receipt of payment from the Commonwealth, except for amounts withheld as stated in (2) above. The date of mailing of any payment by U. S. Mail is deemed to be payment to the addressee. These provisions apply to each sub-tier contractor performing under the primary contract. A contractor's obligation to pay an interest charge to a subcontractor may not be construed to be an obligation of the Commonwealth. 3.) Each prime contractor who wins an award in which provision of a SWAM procurement plan is a condition to the award, shall deliver to the contracting agency or institution, on or before request for final payment, evidence and certification of compliance (subject only to insubstantial shortfalls and to shortfalls arising from subcontractor default) with the SWAM procurement plan. Final payment under the contract in question may be withheld until such certification is delivered and, if necessary, confirmed by the agency or institution, or other appropriate penalties may be assessed in lieu of withholding such payment.

PAYMENT (part 4 of 4): The Commonwealth of Virginia encourages contractors and subcontractors to accept electronic and credit card payments.

BID PRICE CURRENCY: Unless stated otherwise in the solicitation, bidders/offerors shall state bid/offer prices in US dollars.

AUTHORIZATION TO CONDUCT BUSINESS IN THE COMMONWEALTH: A contractor organized as a stock or nonstock corporation, limited liability company, business trust, or limited partnership or registered as a registered limited liability partnership shall be authorized to transact business in the Commonwealth as a domestic or foreign business entity if so required by Title 13.1 or Title 50 of the Code of Virginia or as otherwise required by law. Any business entity described above that enters into a contract with a public body pursuant to the Virginia Public Procurement Act shall not allow its existence to lapse or its certificate of authority or registration to transact business in the Commonwealth, if so required under Title 13.1 or Title 50, to be revoked or cancelled at any time during the term of the contract. A public body may void any contract with a business entity if the business entity fails to remain in compliance with the provisions of this section.

SPECIAL TERMS AND CONDITIONS

ADVERTISING: In the event a contract is awarded for supplies, equipment, or services resulting from this bid/proposal, no indication of such sales or services to the Commonwealth will be used in product literature or advertising. The contractor shall not state in any of its advertising or product literature that the Commonwealth has purchased or uses any of its products or services, and the contractor shall not include the Commonwealth in any client list in advertising and promotional materials..

AUDIT: The contractor shall retain all books, records, and other documents relative to this contract for five (5) years after final payment, or until audited by the Commonwealth of Virginia, whichever is sooner. The agency, its authorized agents, and/or state auditors shall have full access to and the right to examine any of said materials during said period.

ADDITIONAL USERS: This procurement is being conducted on behalf of state agencies, institutions and other public bodies who may be added or deleted at anytime during the period of the contract. The addition or deletion of authorized users not specifically named in the solicitation shall be made only by written contract modification issued by this agency or institution and upon mutual agreement of the contractor. Such modification shall name the specific agency added or deleted and the effective date. The contractor shall not honor an order citing the resulting contract unless the ordering entity has been added by written contract modification.

BLANKET FIDELITY BOND: Contractor shall maintain a blanket fidelity bond obtained from an insurance company licensed to conduct fidelity business in the home state of the contractor and which has earned an A.M. Best Company, Inc. rating of "A" or better, as reflected in their most current publication, covering all personnel under contract to the Commonwealth of Virginia, with a penalty amount of not less than $1,000,000, naming the Commonwealth of Virginia as co-obligee. Certificate of such protection must be presented to the purchasing agency prior to the start of the service showing name of surety, limit and type of coverage, term of coverage, co-obligee provision and name and address of licensed Virginia insurance agent. The contractor agrees to maintain such bond until one year after the completion of the contract.

CANCELLATION OF CONTRACT: The purchasing agency reserves the right to cancel and terminate any resulting contract, in part or in whole, without penalty, upon 60 days written notice to the contractor. In the event the initial contract period is for more than 12 months, the resulting contract may be terminated by either party, without penalty, after the initial 12 months of the contract period upon 60 days written notice to the other party. Any contract cancellation notice shall not relieve

the contractor of the obligation to deliver and/or perform on all outstanding orders issued prior to the effective date of cancellation.

INSURANCE, MONEY AND SECURITIES: Contractor shall maintain a Commercial Crime Insurance Policy obtained from an insurance company licensed to conduct crime insurance business in the home state of the contractor and which has earned an A.M. Best Company, Inc. rating of A or better, as reflected in their most current publication, covering all money and property entrusted to the contractor by the Commonwealth of Virginia, with limits of coverage of not less than $1,000,000. Certificate of such protection must be presented to the purchasing agency prior to the start of the service showing name of insurance company, limits and type of coverage, term of coverage, additional insured provision and name and address of licensed insurance agent. The contractor agrees to maintain such policy until the completion of the contract and all money and property of the Commonwealth is remitted to the Commonwealth.

SMALL BUSINESS SUBCONTRACTING AND EVIDENCE OF COMPLIANCE:

A. It is the goal of the Commonwealth that 40% of its purchases be made from small businesses. This includes discretionary spending in prime contracts and subcontracts. All potential bidders/offerors are required to submit a Small Business Subcontracting Plan (see RFP Attachment 8). Unless the bidder/offeror is registered as a DMBE-certified small business and where it is practicable for any portion of the awarded contract to be subcontracted to other suppliers, the contractor is encouraged to offer such subcontracting opportunities to DMBE-certified small businesses. This shall not exclude DMBE-certified women-owned and minority-owned businesses when they have received DMBE small business certification. No bidder/offeror or subcontractor shall be considered a Small Business, a Women-Owned Business or a Minority-Owned Business unless certified as such by the Department of Minority Business Enterprise (DMBE) by the due date for receipt of bids or proposals. If small business subcontractors are used, the prime contractor agrees to report the use of small business subcontractors by providing the purchasing office at a minimum the following information: name of small business with the DMBE certification number, phone number, total dollar amount subcontracted, category type (small, women-owned, or minority-owned), and type of product/service provided.

B. Each prime contractor who wins an award in which provision of a small business subcontracting plan is a condition of the award, shall deliver to the contracting agency or institution on a quarterly basis, evidence of compliance (subject only to insubstantial shortfalls and to shortfalls arising from subcontractor default) with the small business subcontracting plan. When such business has been subcontracted to these firms and upon completion of the contract, the contractor agrees to furnish the purchasing office at a minimum the following information: name of firm with the DMBE certification number, phone number, total dollar amount subcontracted, category type (small, women-

owned, or minority-owned), and type of product or service provided. Payment(s) may be withheld until compliance with the plan is received and confirmed by the agency or institution. The agency or institution reserves the right to pursue other appropriate remedies to include, but not be limited to, termination for default.

C. Each prime contractor who wins an award valued over $200,000 shall deliver to the contracting agency or institution on a quarterly basis, information on use of subcontractors that are not DMBE-certified small businesses. When such business has been subcontracted to these firms and upon completion of the contract, the contractor agrees to furnish the purchasing office at a minimum the following information: name of firm, phone number, total dollar amount subcontracted, and type of product or service provided.

PRIME CONTRACTOR RESPONSIBILITIES: The contractor shall be responsible for completely supervising and directing the work under this contract and all subcontractors that he may utilize, using his best skill and attention. Subcontractors who perform work under this contract shall be responsible to the prime contractor. The contractor agrees that he is as fully responsible for the acts and omissions of his subcontractors and of persons employed by them as he is for the acts and omissions of his own employees.

QUANTITIES: Quantities set forth in this solicitation are based on past contract usage, and may not be representative of future contract usage. The contractor shall provide services at bid prices as ordered, regardless of whether such total quantities are more or less than those shown.

RENEWAL OF CONTRACT/PRICE ADJUSTMENTS: The contract that results from this solicitation will have an initial two (2) year contract period. The contract may be renewed by the Commonwealth for up to three (3) one-year periods upon mutual agreement of the parties.

No price increases will be authorized for 365 calendar days after the effective date of the contract. Price adjustments may be permitted at the end of 365 calendar days and each 365 calendar days thereafter and only where verified to the satisfaction of the purchasing office. Written notice of the Commonwealth's intention to renew shall be given approximately 90 days prior to the expiration date of each contract period.

Price adjustments may be permitted for changes in the contractor's cost of providing goods and services under this contract. The "Services", "All Items", and other relevant categories of the CPI-U, U.S. City Average section of the Consumer Price Index of the U.S. Bureau of Labor Statistics, will be used as guides to evaluate requested price changes, as will other relevant indices. Contractor also agrees to adjust pricing accordingly should legitimate decreases in operating expenses occur during the term of the contract. Contractor should give not less than 30 days

advance notice of any price increase request, with documentation, to the purchasing office.

The purchasing office will notify the using agencies and contractor in writing of the effective date of any increase which it approves. However, the contractor shall fill all orders received prior to the effective date of the price adjustment at the old contract prices. The contractor is further advised that decreases which affect the cost of goods or services are required to be communicated immediately to the purchasing office.

SUBCONTRACTS: No portion of the work shall be subcontracted without prior written consent of the purchasing agency. In the event that the contractor desires to subcontract some part of the work specified herein, the contractor shall furnish the purchasing agency the names, qualifications and experience of their proposed subcontractors. The contractor shall, however, remain fully liable and responsible for the work to be done by its subcontractor(s) and shall assure compliance with all requirements of the contract.

WARRANTY (COMMERCIAL): The contractor agrees that the goods or services furnished under any award resulting from this solicitation shall be covered by the most favorable commercial warranties the contractor gives any customer for such goods or services and that the rights and remedies provided therein are in addition to and do not limit hose available to the Commonwealth by any other clause of this solicitation. A copy of this warranty should be furnished with the bid/proposal.

eVA BUSINESS-TO-GOVERNMENT CONTRACTS AND ORDERS: It is anticipated that the contract will result in multiple purchase orders (i.e., one for each delivery requirement) with the eVA transaction fee specified below assessed for each order.

a. For orders issued prior to August 16, 2006, the Vendor Transaction Fee is 1%, capped at a maximum of $500 per order.

b. For orders issued August 16, 2006 thru July 1, 2011, the Vendor transaction Fee is:
(i) DMBE-certified Small Businesses: 1%, Capped at $500 per rder.
(ii) Businesses that are not DMBE-certified Small Businesses: 1%, Capped at $1,500 per order.

c. For orders issued July 1, 2011 thru June 30, 2012, the Vendor Transaction Fee is:
(i) DMBE-certified Small Businesses: 0.75%, Capped at $500 per order.
(ii) Businesses that are not DMBE-certified Small Businesses: 0.75%, Capped at $1,500 per order.

d. For orders issued July 1, 2012 and after, the Vendor Transaction Fee is:
(i) DMBE-certified Small Businesses: 1%, Capped at $500 per order.

(ii) Businesses that are not DMBE-certified Small Businesses: 1%, Capped at $1,500 per order.

The specified vendor transaction fee will be invoiced, by the Commonwealth of Virginia Department of General Services, approximately 30 days after the corresponding purchase order is issued and payable 30 days after the invoice date. Any adjustments (increases/decreases) will be handled through purchase order changes.

The eVA Internet electronic procurement solution, website portal www.eva.virginia.gov, streamlines and automates government purchasing activities in the Commonwealth. The portal is the gateway for vendors to conduct business with state agencies and public bodies.

Vendors desiring to provide goods and/or services to the Commonwealth shall participate in the eVA Internet e-procurement solution and agree to comply with the following: If this solicitation is for a term contract, failure to provide an electronic catalog (price list) or index page catalog for items awarded will be just cause for the Commonwealth to reject your bid/offer or terminate this contract for default. The format of this electronic catalog shall conform to the eVA Catalog Interchange Format (CIF) Specification that can be accessed and downloaded from www.eVA.virginia.gov. Contractors should email Catalog or Index Page information to eVA-catalog-manager@dgs.virginia.gov.

CONFIDENTIALITY OF PERSONALLY IDENTIFIABLE INFORMATION: The contractor assures that information and data obtained as to personal facts and circumstances related to patients or clients will be collected and held confidential, during and following the term of this agreement, and will not be divulged without the individual's and the agency's written consent and only in accordance with federal law or the Code of Virginia. Contractors who utilize, access, or store personally identifiable information as part of the performance of a contract are required to safeguard this information and immediately notify the agency of any breach or suspected breach in the security of such information. Contractors shall allow the agency to both participate in the investigation of incidents and exercise control over decisions regarding external reporting. Contractors and their employees working on this project may be required to sign a confidentiality statement.

STATE CORPORATION COMMISSION IDENTIFICATION NUMBER: Pursuant to Code of Virginia, §2.2-4311.2 subsection B, a bidder or offeror organized or authorized to transact business in the Commonwealth pursuant to Title 13.1 or Title 50 is required to include in its bid or proposal the identification number issued to it by the State Corporation Commission (SCC). Any bidder or offeror that is not required to be authorized to transact business in the Commonwealth as a foreign business entity under Title 13.1 or Title 50 or as otherwise required by law is required to include in its bid or proposal a statement describing why the bidder or offeror is not required to be so authorized. Indicate the above information on the SCC Form provided. Contractor agrees that the process by which compliance with

Titles 13.1 and 50 is checked during the solicitation stage (including without limitation the SCC Form provided) is streamlined and not definitive, and the Commonwealth's use and acceptance of such form, or its acceptance of Contractor's statement describing why the bidder or offeror was not legally required to be authorized to transact business in the Commonwealth, shall not be conclusive of the issue and shall not be relied upon by the Contractor as demonstrating compliance.

METHOD OF PAYMENT: Unless otherwise agreed upon, the Contractor shall remit to agencies the entire amount of all debts collected during the month accompanied by a detailed list as specified in the Reporting and Delivery Instructions section of this solicitation. The contractor will be paid on the basis of complete and accurate invoices (including required reports) submitted. Invoices shall be forwarded directly to the applicable using agency on a monthly basis by the 10th of the month following the month services were rendered, or as mutually agreed between the Contractor and the Commonwealth's ordering agency. The Contractor shall indicate on each invoice the Contract and Purchase Order number, any prompt payment discount terms, and all applicable collection fees in accordance with the Pricing Schedule. In the event debtor payments are made directly to the agency instead of the Contractor, the Contractor will be entitled to share in payments made directly to the agency while the account was assigned to the collection contractor, in accordance with the terms and conditions of this solicitation.

FINANCIAL WARRANTY: Contractor shall ensure that the prices, discounts, incentives, and other financial terms (collectively, the "financial deal") applicable to purchases under this Contract is always at least as favorable to the purchaser as the financial deal that the Contractor or its affiliates make available to any public body in Virginia for the same good(s)/service(s) outside this Contract. Throughout the term of this Contract, if Contractor (or any affiliate) makes a better financial deal available to a public body in Virginia for any good(s)/service(s) available under this Contract, Contractor shall immediately notify DGS of the details and, at DGS's option, sign an amendment to this Contract, so that an equivalent financial deal for the affected good(s)/service(s) is also available as an option under this Contract. Contractor may request exemption if the better financial deal was for a spot purchase, and DGS shall grant such request if DGS in good faith finds that the spot purchase involved special circumstances affecting cost that would make it unfair to apply an equivalent financial deal outside of that spot purchase. Upon DGS's request (and annually on August 1), Contractor shall submit to DGS an affidavit certifying full compliance with this Section. The Contractor (and any affiliate) shall waive any contractual or other right that inhibits any public body in Virginia from disclosing to DGS or others the financial terms made available to the public body, and upon request from DGS, Contractor shall ensure that a signed confirmation of the waiver is provided to the public body and DGS. As used in this Section, an affiliate is any entity that controls, is controlled by, or is under common control with, the Contractor.

Mandatory Acceptance of Small Purchase Charge Card:

Purchasing charge cards offer State agencies and Institutions the opportunity to streamline their procedures for procuring and paying for small dollar goods and services. Vendors responding to this solicitation should note that acceptance of payment by purchase card is mandatory (unless waived by DPS) within 90 days of contract award. For current contracts where acceptance of the purchasing card is not in effect, Contractors must (unless waived by DPS) accept purchase card payments within 90 days of contract renewal.

Payment for orders issued against the contract(s) resulting from this solicitation must allow for the Purchase Order Number to be passed at the time of charge so that the Purchase Order Number is received by the card platform and passed to the Card provider. This can be accomplished by vendors establishing their card account at Level 2, which is mandatory or Level 3, which is optional. Information on the various levels for the Bank of America (BOA) Visa Purchasing Card is indicated below.

Charge Card Levels:

The amount of data passed for each charge card payment depends on the level at which the charge card is established. The levels are delineated below and the preferred level by the Commonwealth is level 2.

Level 1 vendors provide basic credit card purchase information, including but not limited to the data listed below. By passing "Basic Data", the vendor has a standard interchange cost.

- Supplier Name
- Merchant Category Code
- Date
- Total Purchase Amount

Level 2 vendors provide additional information to the Level 1 elements, including, but not limited to the data listed below. By passing level 2 detail, the vendor will receive lower interchange costs. Level 2 is mandatory for any vendors who do business with the Commonwealth of Virginia and accept Bank of America (BOA) Visa Purchasing Card.

- Customer Code (PCO Number from eVA)
- Vendor Tax ID

Level 3 vendors provide line item detail, in addition to the Level 1 and Level 2 elements, including, but not limited to the data listed below. By passing Level 3 (which is optional) data which is considered Superior data, the vendor will receive the lowest interchange costs.

- Item Description
- Item Quantity
- Item Unit of Measure

- Product Code
- Freight Amount
- Extended line Item Amount