



Risk Management

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www.wcpss.com

Administrative Division
110 Corning Road * Cary, NC 27518

Request for Qualifications (RFQ)

#14-001

Property and Casualty Agent/Broker Services

Date of Issue: 4/12/2013
**Request for Agent/Broker Qualifications
And
Conceptual Proposals**

Response Due Date: 2:30 PM, May 6, 2013

I. Summary of Process Overview

Wake County Public School System (WCPSS) is in the process of evaluating agent/brokers for the placement of its property and casualty insurance program.

The WCPSS invites proposals outlining:

1. Your firm's qualifications to handle the property and / or casualty program of Wake County Public School System.
2. The alternative risk financial you believe Wake County should explore in improving its program.

Five copies (2-Originals and 4-Copies of your response must be submitted no later than **2:30 pm, Wednesday, May 6, 2013** (2-Originals & 3-Copy to Curtis Grogan; 1-Copy to James Britt) as follows:

Curtis N. Grogan, ARM
Risk & Safety Management Director
Wake County Public School System
110 Corning Road
Cary, NC 27518

James L. Britt, Principal
Scarborough & Britt, LLC
5970 Fairview Road, Suite 420
Charlotte, NC 28210

Late responses, regardless of delivery means, will not be accepted.

Following the receipt of responses, the proposals will be evaluated and firms **may** be invited to an oral interview. Following the interviews, if any, the agent/broker to market the program will be selected. Risk Financial (Insurance) minimum specifications for the coverages and market assignment to the selected agent(s)/broker(s) will be available at that time.

The major portion of the current insurance program has an expiration of September 1, 2013. At this time, you are **not authorized** to approach insurers on behalf of Wake County Public School System. Doing so shall be grounds for disqualifying your firm from further consideration. At the appropriate time, the selected firm(s) will be supplied with a agent/broker of record for the existing insurers.

II. The planned dates for this marketing process:

Activity

1. Request for Qualifications e-mailed to Potential providers
2. Qualifications Proposal received from firms.
3. Proposals will be delivered to each evaluator
4. Evaluations due to Risk Management Director
5. Selected Agent(s)/Broker(s) conduct 1hr., 15min. presentation
6. Property-Casualty Specifications to chosen agent(s)/broker(s)
7. Technical & Cost Proposals due from agent/broker.
8. Technical & Cost Proposal distributed to evaluators
9. Technical & Cost Proposal Evaluations due to Director
10. PRECIS for Board of Education Approval
11. Effective date

Target Date

April 9, 2013 at 11:00 AM
May 6, 2013 at 2:30 PM
May 7, 2013 by 11:00 AM
May 15, 2013 by 2:30 PM
May 22, 2013 from 9:30 AM – 1:30 PM
May 29, 2013 by 2:30 PM
July 9, 2013 by 3:00 PM
July 10, 2013 by 10:30 AM
July 18, 2013 by 3:00 PM.
August 6, 2013
September 1, 2013

III. Qualifications

1. Agent/Broker shall be licensed by, and in good standing with, the State of North Carolina Department of Insurance; licenses shall be for all lines of property and casualty insurance.
2. Agent/Broker shall be sufficiently experienced in property and casualty insurance and risk management services to provide expert, efficient, effective, and reliable services to the Wake County Public School System.
3. Agent/Broker shall have extensive and continuous relationships with the insurance markets necessary to provide the Wake County Public School System with superior insurance alternatives that meet the Wake County Public School System's needs and are favorably priced relative to the risk and the current market. Agent/Broker shall have access to and will obtain coverage from carriers with at least 5 years experience providing insurance coverage to public entities including local education agencies.
4. Agent/Broker shall provide continuity of services, by assigning a primary agent/broker and a back-up agent/broker who will be:
 - a. knowledgeable in the principles and practices of risk management, and specifically risk financing for public entities
 - b. familiar with the Local Education Agency as a risk
 - c. accessible to the Local Education Agency on short notice, and
 - d. thoroughly knowledgeable and competent in insurance alternatives in order to provide superior services to the Wake County Public School System.
5. Agent/Broker shall maintain the highest integrity in business relationships and practices, and shall make full and timely disclosure to the Wake County Public School System of any conflicts of interest. Agent/Broker shall become familiar with state statutes regarding gifts and favors for public officers and employees, and shall adhere to those standards in the conduct of Wake County Public School System business.
6. Agent/Broker shall be insured for general liability, vehicle liability, professional errors and omissions, and excess workers' compensation; Agent/Broker shall be responsible for all funds handled by Agent/Broker on behalf of the Wake County Public School System, and shall carry a bond sufficient to cover any losses of this nature; Agent/Broker shall not sub-contract work without the prior written permission of the Wake County Public School System.
7. Agent/Broker shall work with the Wake County Public School System to evaluate the current plan of insurance policies and to recommend appropriate or advantageous changes. This includes a review of the School District & Educators' Legal Liability, Employment Practices Liability, Law Enforcement Professional Liability, Automobile, Property (Real & Personal) and the current market for this coverage, in order to determine whether or not it continues to be beneficial for the Wake County Public School System to acquire group coverage through membership in the NC State Board of Education's Property Pool. Renewals shall be placed in a timely manner, to meet the Wake County Public School System's internal time requirements and also maintain continuous coverage. Agent/Broker will provide Wake County Public School System with the AM Best rating of every carrier for which a coverage proposal is presented.
8. Agent/Broker shall maintain office hours consistent with the Wake County Public School System's core business hours (M-F 8:00am – 5:00pm). Alternatives to maintaining these core business hours will be considered if they include provisions for responding to requests for contact within one business day.
9. Agent/Broker shall keep written records of marketing efforts and shall make this information available to the Wake County Public School System upon request.
10. Agent/Brokers' recommendations to purchase insurance shall be made in writing and shall be sufficiently detailed to explain alternatives and support the recommended decision.

11. The County wishes to contract agent/broker services for three years (at the Wake County Public School System's option), for a total contract term of up to 3 years. At the end of the three-year period or earlier, if annual renewal is not executed, the Wake County Public School System will use a competitive process to solicit agent/broker services, if such services are required at that time.
12. Agent/Broker shall provide full disclosure of fees, commissions, and income to be derived from services to the Wake County Public School System. Such disclosure shall also include payment terms and expectations of Agent/Broker. Agent/Brokers are encouraged to suggest alternative methods of compensation and billing that will result in cost savings, particularly if they also maintain or improve agent/broker services.
13. In addition to insurance agent/brokerage services, the Wake County Public School System requires:
 - 13.1. Risk management consulting services specific to public entities in North Carolina.
 - 13.2. Loss Control services consisting of reviewing underwriter's recommendations and evaluating hazards facing Wake County Public Schools, including periodic site visits.
 - 13.3. Excess Workers' Compensation Coverage and Claims audit services for claims handled by a Third Party Administrator engaged by the Wake County Public School System to administer workers' compensation claims.

Agent/Broker shall describe qualifications for risk management consulting, loss control, and claims audits and shall indicate costs attributed to each area.

IV. Requirements of Proposals

1. Proposals shall include an explanation of all costs.
2. Optional fee arrangements such as commission basis will be considered.
3. All proposals shall be in writing.
4. Proposals shall include information about qualifications of Agent/Broker and the individual agent/brokers intended for this contract. Five business references are required, with at least 3 of the references being public school district clients. When providing your proposal and business references, consideration should be given to the following: Wake County Public School student population is nearly 152,684, the Wake County Public School System has approximately 17,500 employees and a Fiscal Year 2013 budget of \$1.38 billion. Additional details about the Wake County Public School System can be found at www.wcpss.net.
5. Proposals shall include an assessment of the Wake County Public School System's current program and a proposed alternative, if necessary, **without approaching the markets**. To familiarize Agent/Brokers with the Wake County Public School System's loss exposures, the Wake County Public School System's Detail Liability & Property Claims History from 9/2008 – 3/31/2013 (4 years, 7 months) provided to the selected agent(s)/broker(s) after qualification phase. However, please be aware that the prior year's historical data is provided for informational purposes only to assist in the development of proposals and that all data is subject to change in the current year's application.
6. Please list at least five carriers for each line of business (General Liability, including Auto, School District & Educators Legal Liability, Law Enforcement, Employee Benefit, Employment Practice; Property (Real & Personal) included musical instruments with whom your company has a relationship and with whom you have placed public entity business within the past two years.

V. Contract

The proposed contract provided selected agent/broker after the qualification phase. Responses shall indicate whether the proposed contract is satisfactory and, if not, what changes would be requested. All changes are subject to review and approval of the Wake County Board of Education. After selection of the agent/broker, specific insurance minimum requirements will be established and added as an attachment to the final contract.

VI. Process and Basis for Selection

Responses to this Request for Qualifications should be returned no later than 2:30 pm on or before May 6, 2013, to the persons and places identified in Section I of this document.

A team of Wake County Public School System staff/Independent Consultant will review the responses and may select agent(s)/broker(s) for interviews based on qualifications. The interviews will be tentatively scheduled for Wednesday, May 22, 2013. The selection team will recommend one or more agent(s)/broker(s) that best fit the Wake County Public School System's needs and who have agreed to accept the terms of the Wake County Public School System's contract. The Wake County Public School System seeks contract services for one year with the option to renew for an two additional one year periods. The Wake County Public School System reserves the right to reject any and all proposals for any reason whatsoever and to not award an agent/broker services contract at this time.

VII. Questions

Questions regarding services shall be directed to Curtis Grogan, Risk & Safety Management Director, (919) 431-7341, fax (919) 431-7498, cgrogan@wcpss.net. All questions must be received no later than 3:00 pm, Thursday, April 18, 2013. All respondents will receive copies of questions and answers received during the response period.

TERMS AND CONDITIONS

1. **READ, REVIEW AND COMPLY:** It shall be the bidder's responsibility to read this entire document, review all enclosures and attachments, and comply with all requirements specified herein.
2. **NOTICE TO BIDDERS:** All bids are subject to the provisions of special terms and conditions specific to this Invitation for Bids, the specifications. Wake County Public School System (WCPSS) objects to and will not evaluate or consider any additional terms and conditions submitted with a bidder response. This applies to any language appearing in or attached to the document as part of the bidder's response. **DO NOT ATTACH ANY ADDITIONAL TERMS AND CONDITIONS.**
By execution and delivery of this document, the bidder agrees that any additional terms and conditions, whether submitted purposely or inadvertently, shall have no force or effect.
3. **DEFINITIONS:**
 - **BIDDER:** Company, firm, corporation, partnership, individual, etc., submitting a response to an Invitation for Bids.
 - **TERM CONTRACT:** A contract generally intended to cover all normal requirements for a commodity for a specified period of time based on estimated quantities only.
 - **OPEN MARKET CONTRACT:** A contract for the purchase of a commodity not covered by a term contract.
4. **EXECUTION:** Failure to sign under EXECUTION section will render bid invalid.
5. **ORDER OF PRECEDENCE:** In cases of conflict between specific provisions in this bid, the order of precedence shall be (1) special terms and conditions specific to this bid, (2) specifications, and (3) Instructions to Bidders.
6. **TIME FOR CONSIDERATION:** Unless otherwise indicated on the first page of this document, bidder's offer shall be valid for 45 days from the date of bid opening. Preference may be given to bids allowing not less than 45 days for consideration and acceptance.
7. **SPECIFICATIONS:** Any deviation from specifications indicated herein must be clearly pointed out; otherwise, it will be considered that items offered are in strict compliance with these specifications, and bidder will be held responsible therefore. Deviations shall be explained in detail. **The bidder shall not construe this paragraph as inviting deviation or implying that any deviation will be acceptable.**
8. **INFORMATION AND DESCRIPTIVE LITERATURE:** Bidder is to furnish all information requested and in the spaces provided in this document. Further, if required elsewhere in this bid, each bidder must submit with their bid sketches, descriptive literature and/or complete specifications covering the products offered. Reference to literature submitted with a previous bid will not satisfy this provision. Bids which do not comply with these requirements will be subject to rejection.
9. **RECYCLING AND SOURCE REDUCTION:** It is the policy of WCPSS to encourage and promote the purchase of products with recycled content to the extent economically practicable, and to purchase items which are reusable, refillable, repairable, more durable, and less toxic to the extent that the purchase or use is practicable and cost-effective. We also encourage and promote using minimal packaging and the use of recycled/recyclable products in the packaging of commodities purchased. However, no sacrifice in quality of packaging will be acceptable. The company remains responsible for providing packaging that will protect the commodity and contain it for its intended use. Companies are strongly urged to bring to the attention of WCPSS which issued the solicitation document, those products or packaging they offer which have recycled content and that are recyclable.
10. **CLARIFICATIONS/INTERPRETATIONS:** Any and all questions regarding this document must be addressed to the purchaser named on the cover sheet of this document. Do not contact the school or department directly. Any and all revisions to this document shall be made only by written addendum from WCPSS Purchasing Department. The bidder is cautioned that the requirements of this bid can be altered only by written addendum and that verbal communications from whatever source are of no effect.
11. **ACCEPTANCE AND REJECTION:** WCPSS reserves the right to reject any and all bids, to waive any informality in bids and, unless otherwise specified by the bidder, to accept any item in the bid. If either a unit price or extended price is obviously in error and the other is obviously correct, the incorrect price will be disregarded.
12. **REFERENCES:** WCPSS reserves the right to require a list of users of the exact item offered. WCPSS may contact these users to determine acceptability of the bid. Such information may be considered in the evaluation of the bid.
13. **AWARD OF CONTRACT:** As directed by statute, qualified bids will be evaluated and acceptance may be made of the lowest and best bid most advantageous to WCPSS as determined upon consideration of such factors as: prices offered; the quality of the articles offered; the general reputation and performance capabilities of the bidders; the substantial conformity with the specifications and other conditions set forth in the bid; the suitability of the articles for the intended use; the related services needed; the date or dates of delivery and performance; and such other factors deemed by WCPSS to be pertinent or peculiar to the purchase in question. Unless otherwise specified by WCPSS or the bidder, WCPSS reserves the right to accept any item or group of items on a multi-item bid. WCPSS also reserves the right to reject any and all bids. In addition, on TERM CONTRACTS, WCPSS reserves the right to make partial, progressive or multiple

awards: where it is advantageous to award separately by items; or where more than one supplier is needed to provide the contemplated requirements as to quantity, quality, delivery, service, geographical areas; other factors deemed by WCPSS to be pertinent or peculiar to the purchase in question.

14. **HISTORICALLY UNDERUTILIZED BUSINESSES:** Pursuant to General Statute 143-48 and Executive Order #150, WCPSS invites and encourages participation in this procurement process by businesses owned by minorities, women, disabled, disabled business enterprises and non-profit work centers for the blind and severely disabled.
15. **CONFIDENTIAL INFORMATION:** As provided by statute and rule, WCPSS will consider keeping trade secrets which the bidder does not wish disclosed confidential. Each page shall be identified in boldface at the top and bottom as "CONFIDENTIAL" by the bidder. Cost information shall not be deemed confidential. In spite of what is labeled as a trade secret, the determination whether it is or not will be determined by North Carolina law.
16. **SAMPLES:** Sample of items, when required, must be furnished as stipulated herein, free of expense, and if not destroyed will, upon request be returned at the bidder's expense. Request for the return of samples must be made within 10 days following date of bid opening. Otherwise the samples will become WCPSS property. Each individual sample must be labeled with the bidder's name, bid number, and item number. A sample on which an award is made, will be retained until the contract is completed, and then returned, if requested, as specified above.
17. **AWARD PROCEDURES:** Contract award notice will shall be posted on WCPSS website. Contract award notices are sent **only** to those actually awarded contracts, and not to every person or firm responding to this solicitation.
18. **RECIPROCAL PREFERENCE:** G.S. 143-59 establishes a reciprocal preference law to discourage other states from applying in-state preferences against North Carolina's resident bidders. The "Principal Place of Business" is defined as the principal place from which the trade or business of the bidder is directed or managed.
19. **DEFAULT AND PERFORMANCE BOND:** In case of default by the contractor, WCPSS may procure the articles or services from other sources and hold the contractor responsible for any excess cost occasioned thereby. WCPSS reserves the right to require performance bond or other acceptable alternative guarantees from successful bidder without expense to WCPSS.
20. **GOVERNMENTAL RESTRICTIONS:** In the event any Governmental restrictions are imposed which necessitate alteration of the material, quality, workmanship or performance of the items offered prior to their delivery, it shall be the responsibility of the contractor to notify, in writing WCPSS, indicating the specific regulation which required such alterations. WCPSS reserves the right to accept any such alterations, including any price adjustments occasioned thereby, or to cancel the contract.
21. **TAXES:** Any applicable taxes shall be invoiced as a separate item.

G.S. 143-59.1 bars the WCPSS from entering into contracts with vendors if the vendor or its affiliates meet one of the conditions of G. S. 105-164.8(b) and refuse to collect use tax on sales of tangible personal property to purchasers in North Carolina. Conditions under G. S. 105-164.8(b) include: (1) Maintenance of a retail establishment or office, (2) Presence of representatives in the State that solicit sales or transact business on behalf of the vendor and (3) Systematic exploitation of the market by media-assisted, media-facilitated, or media-solicited means. By execution of the bid document the vendor certifies that it and all of its affiliates (if it has affiliates) collect(s) the appropriate taxes.

22. **SITUS:** The place of this contract, its situs and forum, shall be Wake County, North Carolina, where all matters, whether sounding in contract or tort, relating to its validity, construction, interpretation and enforcement shall be determined.
23. **GOVERNING LAWS:** This contract is made under and shall be governed and construed in accordance with the laws of the State of North Carolina.
24. **INSPECTION AT CONTRACTOR'S SITE:** WCPSS reserves the right to inspect, at a reasonable time, the equipment/item, plant or other facilities of a prospective contractor prior to contract award, and during the contract term as necessary for WCPSS determination that such equipment/item, plant or other facilities conform with the specifications/requirements and are adequate and suitable for the proper and effective performance of the contract.
25. **PAYMENT TERMS:** Payment terms are Net not later than 30 days after receipt of correct invoice or acceptance of goods, whichever is later. Payment may be made by procurement card and it shall be accepted by the contractor for payment if the contractor accepts that card (Visa, Mastercard, etc.) from other customers.
26. **CONDITION AND PACKAGING:** Unless otherwise provided by special terms and conditions or specifications, it is understood and agreed that any item offered or shipped has not been sold or used for any purpose and shall be in first class condition. All containers/packaging shall be suitable for handling, storage or shipment.
27. **STANDARDS:** All manufactured items and/or fabricated assemblies subject to operation under pressure, operation by connection to an electric source, or operation involving a connection to a manufactured, natural, or LP gas source shall be constructed and approved in a manner acceptable to the appropriate state inspector which customarily requires the label or re-examination listing or identification marking of the appropriate safety standard organization; such as the American Society of Mechanical Engineers for pressure vessels; the Underwriters Laboratories and /or National Electrical Manufacturers' Association for electrically operated assemblies; or the American Gas Association for gas operated

assemblies, where such approvals of listings have been established for the type of device offered and furnished. Further, all items furnished shall meet all requirements of the Occupational Safety and Health Act (OSHA), and state and federal requirements relating to clean air and water pollution.

28. **PATENT:** The contractor shall hold and save WCPSS, its officers, agents and employees, harmless from liability of any kind, including costs and expenses, on account of any confidential information, copyrighted material, patented or unpatented invention, articles, device or appliance manufactured or used in the performance of this contract, including use by WCPSS or disclosure of any information pursuant to the NC Public Records Act.
29. **ASSIGNMENT:** No assignment of the contractor's obligations nor the contractor's right to receive payment hereunder shall be permitted. However, upon written request approved by the purchasing department and solely as a convenience to the contractor, WCPSS may:
- a. Forward the contractor's payment check directly to any person or entity designated by the contractor, and
 - b. Include any person or entity designated by contractor as a joint payee on the contractor's payment check.
- In no event shall such approval and action obligate WCPSS to anyone other than the contractor and the contractor shall remain responsible for fulfillment of all contract obligations.

30. **INSURANCE:**

- a. **Worker's Compensation** including Occupational Disease and Employer's Liability Insurance. Statutory - Amount and coverage as required by State of North Carolina Worker's Compensation laws. Employer's Liability - At least

Part A	Bodily Injury	Statutory Limits
Part B	By Accident	\$500,000 each accident
	By Disease	\$500,000 policy limit
		\$500,000 each employee

- b. **Public liability and Property Damage Insurance** - The Contractor shall procure insurance coverage for direct operations, contractual liability and completed operations with limits not less than those stated below:

Occurrence:

General Aggregate	\$2,000,000
Premises Operations	\$1,000,000
Personal & Advertising Injury	\$1,000,000

- c. **Comprehensive Automobile Liability Insurance**, including coverage for owned, hired and non-owned vehicles: A Combined Single Limit for bodily injury and property damage limit of not less than \$1,000,000; and \$2,000 medical payments.
- d. **Certificates of Insurance** acceptable to the Owner shall be filed with the Owner prior to commencement of the Work. These Certificates shall contain a provision that coverage afforded under the policies will not be canceled until at least thirty (30) days' prior written notice has been given to the Owner, and that the Wake County Board of Education is listed as additional insured on general liability.

The successful bidder agrees to hold harmless and indemnify the Wake Count Board of Education (WCBOE) for any liability that may arise from the negligent or illegal acts of the bidder's employees or agents.

31. **GENERAL INDEMNITY:** The provider shall hold and save WCPSS, its officers, agents, and employees, harmless from liability of any kind, including all claims and losses, accruing or resulting to any other person, firm, or corporation furnishing or supplying work, services, materials, or supplies in connection with the performance of this contract, and from any and all claims and losses accruing or resulting to any person, firm, or corporation that may be injured or damaged by the provider in the performance of this contract and that are attributable to the negligence or intentionally tortious acts of the provider. The provider represents and warrants that it shall make no claim of any kind or nature against WCPSS agents who are involved in the delivery or processing of contractor goods to WCPSS. The representation and warranty in the preceding sentence shall survive the termination or expiration of this contract.
32. **CANCELLATION (TERM CONTRACTS ONLY):** All contract obligations shall prevail for at least 1800 days after the effective date of the contract. After that period, in addition to the provisions of the paragraph entitled Price Adjustments, for the protection of both parties, this contract may be canceled in whole or in part by either party by giving 30 days prior notice in writing to the other party.

33. **QUANTITIES (TERM CONTRACTS ONLY):** The award of a term contract neither implies nor guarantees any minimum or maximum purchases there under.
34. **PRICE ADJUSTMENTS (TERM CONTRACTS ONLY):** Any price changes, downward or upward, which might be permitted during the contract period must be general, either by reason of market change or on the part of the contractor to other customers.
- a. **Notification:** Must be given to WCPSS, in writing, concerning any proposed price adjustments. Such notification shall be accompanied by copy of manufacturer's official notice or other acceptable evidence that the change is general in nature.
- b. **Decreases:** WCPSS shall receive full proportionate benefit immediately at any time during the contract period.
- c. **Increases:** All prices shall be firm against any increase for 180 days from the effective date of the contract. After this period, a request for increase may be submitted with WCPSS reserving the right to accept or reject the increase, or cancel the contract. Such action by WCPSS shall occur not later than 15 days after the receipt by WCPSS of a properly documented request for price increase. Any increases accepted shall become effective not later than 30 days after the expiration of the original 15 days reserved to evaluate the request for increase.
35. **Invoices:** It is understood and agreed that orders will be shipped at the established contract prices in effect on dates orders are placed. Invoicing at variance with this provision will subject the contract to cancellation. Applicable North Carolina sales tax shall be invoiced as a separate item.
36. **LUNSFORD ACT/CRIMINAL BACKGROUND CHECKS:** The Provider shall conduct at its own expense sexual offender registry checks on each of its employees, agents, ownership personnel, or contractors ("contractual personnel") who will engage in any service on or delivery of goods to school system property or at a school-system sponsored event. The checks shall include at a minimum checks of the State Sex Offender and Public Protection Registration Program, the State Sexually Violent Predator Registration Program, and the National Sex Offender Registry ("the Registries"). For the Provider's convenience only, all of the required registry checks may be completed at no cost by accessing the North Carolina Sex Offender Registry website at <http://sexoffender.ncdoj.gov/>. The Provider shall provide certification on Sexual Offender Registry Check Certification Form that the registry checks were conducted on each of its contractual personnel providing services or delivering goods under this Agreement prior to the commencement of such services or the delivery of such goods. The Provider shall conduct a current initial check of the registries (a check done more than 30 days prior to the date of this Agreement shall not satisfy this contractual obligation). In addition, Provider agrees to conduct the registry checks and provide a supplemental certification form before any additional contractual personnel are used to deliver goods or provide services pursuant to this Agreement. Provider further agrees to conduct annual registry checks of all contractual personnel and provide annual certifications at each anniversary date of this Agreement. Provider shall not assign any individual to deliver goods or provide services pursuant to this Agreement if said individual appears on any of the listed registries. Provider agrees that it will maintain all records and documents necessary to demonstrate that it has conducted a thorough check of the registries as to each contractual personnel, and agrees to provide such records and documents to the school system upon request. Provider specifically acknowledges that the school system retains the right to audit these records to ensure compliance with this section at any time in the school system's sole discretion. Failure to comply with the terms of this provision shall be grounds for immediate termination of the Agreement. In addition, the school system may conduct additional criminal records checks at Provider's expense. If the school system exercises this right to conduct additional criminal records checks, Provider agrees to provide within seven (7) days of request the full name, date of birth, state of residency for the past ten years, and any additional information requested by the school system for all contractual personnel who may deliver goods or perform services under this Agreement. Provider further agrees that it has an ongoing obligation to provide the school system with the name of any new contractual personnel who may deliver goods or provide services under the Agreement. WCPSS reserves the right to prohibit any contractual personnel of Provider from delivering goods or providing services under this Agreement if WCPSS determines, in its sole discretion, that such contractual personnel may pose a threat to the safety or well-being of students, school personnel or others.
37. **ACCESS TO PERSONS AND RECORDS:** The State Auditor and the WCPSS internal auditors shall have access to persons and records as a result of all contracts or grants entered into by WCPSS in accordance with General Statute 147-64.7 and Session Law 2010-194, Section 21 (i.e., the State Auditors and WCPSS may audit the records of the contractor during the term of the contract to verify accounts and data affecting fees or performance).
38. **ELECTRONIC PROCUREMENT (APPLIES TO ALL CONTRACTS THAT INCLUDE E-PROCUREMENT AND ARE IDENTIFIED AS SUCH IN THE BODY OF THE SOLICITATION DOCUMENT):** Purchasing shall be conducted through the Statewide E-Procurement Service. The State's third party agent shall serve as the Supplier Manager for this E-Procurement Service. The contractor shall register for the Statewide E-Procurement Service within two (2) business days of notification of award in order to receive an electronic purchase order resulting from award of this contract.

THE SUCCESSFUL BIDDER(S) SHALL PAY A TRANSACTION FEE OF 1.75% (.0175) ON THE TOTAL DOLLAR AMOUNT (EXCLUDING SALES TAXES) OF EACH PURCHASE ORDER ISSUED THROUGH THE STATEWIDE E-PROCUREMENT SERVICE This applies to all purchase orders, regardless of the quantity or dollar amount of the purchase order. The transaction fee shall not be stated or included as a separate item in the proposed

contract or invoice. There are no additional fees or charges to the contractor for the services rendered by the Supplier Manager under this contract. Contractor will receive a credit for transaction fees they paid for the purchase of any item(s) if an item(s) is returned through no fault of the contractor. Transaction fees are non-refundable when an item is rejected and returned, or declined, due to the contractor's failure to perform or comply with specifications or requirements of the contract.

Contractor or its Authorized Reseller, as applicable, will be invoiced monthly for the State's transaction fee by the Supplier Manager. The transaction fee shall be based on purchase orders issued for the prior month. Unless Supplier Manager receives written notice from the Contractor identifying with specificity any errors in an invoice within thirty (30) days of the receipt of invoice, such invoice shall be deemed to be correct and Contractor shall have waived its right to later dispute the accuracy and completeness of the invoice. Payment of the transaction fee by the Contractor is due to the account designated by the State within thirty (30) days after receipt of the correct invoice for the transaction fee, which includes payment of all portions of an invoice not in dispute. Within thirty (30) days of the receipt of invoice, contractor may request in writing an extension of the invoice payment due date for that portion of the transaction fee invoice for which payment of the related goods by the governmental purchasing entity has not been received by the Contractor. If payment of the transaction fee is not received by the State within this payment period, it shall be considered a material breach of contract. The Supplier Manager shall provide, whenever reasonably requested by the contractor in writing (including electronic documents), supporting documentation from the E-Procurement Service that accounts for the amount of the invoice.

The Supplier Manager will capture the order from the State approved user, including the shipping and payment information, and submit the order in accordance with the E-Procurement Service. Subsequently, the Supplier Manager will send those orders to the appropriate contractor on State Contract. The State or State approved user, not the Supplier Manager, shall be responsible for the solicitation, bids received, evaluation of bids received, award of contract, and the payment for goods delivered.

Contractor agrees at all times to maintain the confidentiality of its user name and password for the Statewide E-Procurement Services. If a contractor is a corporation, partnership or other legal entity, then the contractor may authorize its employees to use its password. Contractor shall be responsible for all activity and all charges by such employees. Contractor agrees not to permit a third party to use the Statewide E-Procurement Services through its account. If there is a breach of security through the contractor's account, contractor shall immediately change its password and notify the Supplier Manager of the security breach by e-mail. Contractor shall cooperate with the State and the Supplier Manager to mitigate and correct any security breach.

CONTRACTOR IS AND SHALL REMAIN RESPONSIBLE FOR PAYING THE TRANSACTION FEE ON BEHALF OF ITS AUTHORIZED RESELLERS IN THE EVENT THAT THE AUTHORIZED RESELLER(S) DEFAULTS.

January 2013