

**STATE OF WASHINGTON
Office of Financial Management
OLYMPIA, WASHINGTON**

**REQUEST FOR QUALIFICATIONS AND QUOTATIONS
RFQQ NO. OFM 14-600**

PROJECT TITLE: Carbon Emission Reduction Market Program to Reduce Greenhouse Gas Emissions in Washington State.

PROPOSAL DUE DATE: May 14, 2014, 3:30 pm, Pacific Daylight Time, Olympia, WA

EXPECTED TIME PERIOD FOR CONTRACT: June 4, 2014 to March 31, 2015

BIDDER ELIGIBILITY: This procurement is open to those consultants who satisfy the minimum qualifications stated herein and that are available for work in Washington State.

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1 INTRODUCTION

1.1 PURPOSE AND BACKGROUND

On April 29, 2014 Governor Jay Inslee issued Executive Order 14-04, Washington Carbon Pollution Reduction and Clean Energy Leadership. The Executive Order created the Carbon Emissions Reduction Taskforce (CERT), charged with providing recommendations on how Washington State can meet its greenhouse gas emission limits through market mechanisms, such as trading, taxes, and incentives, in an effective and efficient manner. The Governor is seeking advice on market policy options and related economic analysis, with the intent of designing a program that will maximize the benefits and minimize the costs of implementation, while considering the state's specific emissions and energy sources, businesses and jobs, and community sectors.

The Taskforce is comprised of senior leaders from business, labor, utilities and public interests, and representatives of federal, tribal and local governments. The Taskforce's advice and recommendations will inform legislation to be requested by the Governor for consideration during the 2015 legislative session.

The Carbon Emissions Reduction Taskforce (CERT) will require the following services:

- 1) Highly-skilled and neutral facilitation from a person knowledgeable of issues to be addressed by CERT, and with experience facilitating and working efficiently and effectively with senior officials;
- 2) Qualified expertise in design of multi-sector carbon market programs from expert consultant(s) with extensive knowledge and experience designing and analyzing carbon markets;
- 3) Expertise in economic analysis on costs and benefits of carbon market programs which informs policy decisions on designs and options; and
- 4) Project management for multiple activities and tasks needed to produce the results prescribed for the Carbon Emissions Reduction Taskforce in the Executive Order.

The Governor's Legislative Affairs and Policy Office (LAPO) will oversee this contract and will be responsible for organizing and securing support for the work of the Carbon Emissions Reduction Taskforce. LAPO will work with the consultant to develop and provide information on existing carbon market programs and design options for review by the Taskforce. Working with LAPO, the Washington Office of Financial Management (OFM) will oversee the economic analysis of program designs.

1.2 OBJECTIVE AND SCOPE OF WORK

The Washington State Office of Financial Management, hereafter called "Agency," is seeking expert consulting assistance to support the Carbon Emissions Reduction Taskforce (CERT) and the Governor's Office on the design and analysis of a carbon emission reduction market program for Washington State. The consultant(s) will be responsible for conducting the tasks described in the attached Exhibit B, Draft Scope of Work.

1.3 MINIMUM QUALIFICATIONS

The consultants must be licensed to do business in the state of Washington. The consultants must demonstrate expertise needed to perform the tasks and sub-tasks outlined in the scope of work.

The consultants must demonstrate that they are sufficiently experienced and qualified to meet the project timelines. At a minimum, the consultants must have:

- 1) Extensive experience facilitating and working efficiently and effectively with senior government officials, and business and community leaders;
- 2) Qualified expertise in designing and analyzing of multi-sector carbon market programs;
- 3) Expertise in economic analysis of costs and benefits of economy-wide, multi-sector programs; and
- 4) Substantial experience managing projects with multiple activities and tasks.

Any bidder deemed by OFM not to have met all of these minimum requirements shall be considered non-responsive and their proposal will not be evaluated.

The final consultant or consultants will be selected by the Governor's Office and Office of Financial Management.

1.4 FUNDING

The overall budget for this project shall not exceed \$300,000.

Any contract(s) awarded as a result of this procurement is contingent upon the availability of funding.

1.5 CONTRACT

OFM intends to award one contract to provide the services described in this RFQQ. The period of performance of the contract resulting from this RFQQ is tentatively scheduled to begin on or about **June 4, 2014** and to end on March 31, 2015. The AGENCY reserves the option at its sole discretion to extend the contract for six additional months.

1.6 CURRENT OR FORMER STATE EMPLOYEES

Specific restrictions apply to contracting with current or former state employees pursuant to chapter 42.52 of the Revised Code of Washington. Proposers should familiarize themselves with the requirements prior to submitting a proposal that includes current or former state employees.

1.7 DEFINITIONS

Definitions for the purposes of this RFP include:

Agency. The Washington Office of Financial Management is the agency of the state of Washington that is issuing this RFP.

Apparent Successful Bidder. The consultant selected as the entity to perform the anticipated services, subject to completion of contract negotiations and execution of a written contract.

Bidder or Proposer. Individual, company, or firm submitting a proposal in order to attain a contract with the AGENCY.

Contractor or Consultant. Individual or company whose proposal has been accepted by the AGENCY and is awarded a fully executed, written contract.

Employer. The firm, company or institution that employs the consultant or principle members of the consultant's team.

Proposal. A formal offer submitted in response to this solicitation.

Request for Qualifications & Quotations (RFQQ). Formal procurement document in which services needed are identified and firms are invited to provide their qualifications to provide the services and their hourly rates.

1.8 ADA

The AGENCY complies with the Americans with Disabilities Act (ADA). Bidders may contact the RFP Coordinator to receive this Request for Proposals in Braille or on tape.

2 GENERAL INFORMATION FOR BIDDERS

2.1 RFQQ COORDINATOR

The RFQQ Coordinator is the sole point of contact in the AGENCY for this procurement. All communication between the Bidder and the AGENCY upon receipt of this RFQQ shall be with the RFQQ Coordinator, as follows:

Name	Bonnie Lindstrom
Mailing Address	PO Box 43113, Olympia, WA 98504-3113
Street Address	302 Sid Snyder Ave. S.W., Third Floor, Olympia, WA 98504
Phone Number	360/902-0568
Fax Number	360/902-2832
E-Mail Address	bonnie.lindstrom@ofm.wa.gov

Any other communication will be considered unofficial and non-binding on the AGENCY. Bidders are to rely on written statements issued by the RFQQ Coordinator. Communication directed to parties other than the RFQQ Coordinator may result in disqualification of the Bidder.

2.2 ESTIMATED SCHEDULE OF PROCUREMENT ACTIVITIES

OFM issues Request for Qualifications and Quotations	April 29, 2014
Bidders may submit written questions until 3:30 pm, Pacific Daylight Time	May 2, 2014

OFM will issue responses	May 5, 2014
Complaints due	May 7, 2014
Proposals due by 3:30 pm PDT	May 14, 2014
OFM evaluation of Proposals	May 15 & 16, 2014
Oral interviews with finalists may be conducted	May 20, 2014
OFM announces “Apparent Successful Bidder” and sends notification via e-mail to unsuccessful bidders	May 21, 2014
Unsuccessful Bidders may request Debriefing until 3:30 Pacific Time	May 26, 2014
OFM holds debriefing conferences (if requested)	May 27, 2014
Unsuccessful bidders may submit protest(s) until 3:30 pm Pacific Time	June 3, 2014
Consultants begin contract work	June 4, 2014

The AGENCY reserves the right to revise the above schedule.

2.3 QUESTIONS AND ANSWERS

Bidders may fax, e-mail, or mail written questions to the RFQQ Coordinator. Questions will be accepted until the date set forth in the Procurement Schedule. Early submission of questions is encouraged. Questions and answers will be posted by addenda on WEBS. Bidders may only rely on written statements issued by the RFQQ Coordinator. Any oral communications are unofficial and are not binding on OFM.

2.4 SUBMISSION OF PROPOSALS

Bidders are required to submit FIVE (5) copies of their proposal. One copy must be marked “Original” and the other three (4) marked “Copy”. The Original must have original signatures and the copies can have photocopied signatures. All copies must be identical in content to the “Original” as the evaluators will only be evaluating the copies. The Bidder must identify on the “Original” and each copy of its proposal the RFQQ #14-600, and Title, *Carbon Emission Reduction Market Program to Reduce Greenhouse Gas Emissions in Washington State*. In addition, one “soft” copy of the proposal, either a CD or thumb-drive, must be included with the “Original;” copy. The proposal, whether mailed or hand delivered, must arrive at the AGENCY no later than **3:30 p.m.**, Pacific Daylight Time (PDT), on **May 14, 2014**.

The proposal is to be sent to the RFQQ Coordinator at the address noted in Section 2.1. The envelope should be clearly marked to the attention of the RFQQ Coordinator.

Bidders mailing proposals should allow normal mail delivery time to ensure timely receipt of their proposals by the RFQQ Coordinator. Bidders assume the risk for the method of delivery chosen. The AGENCY assumes no responsibility for delays caused by any delivery service. Proposals may not be transmitted using facsimile transmission.

Late proposals will not be accepted and will be automatically disqualified from further consideration. All proposals and any accompanying documentation become the property of the AGENCY and will not be returned.

2.5 PROPRIETARY INFORMATION/PUBLIC DISCLOSURE

Proposals submitted in response to this competitive procurement shall become the property of the AGENCY. All proposals received shall remain confidential until the Apparently Successful Bidder is announced thereafter, the proposals shall be deemed public records as defined in Chapter 42.56 of the Revised Code of Washington (RCW).

Any information in the proposal that the Bidder desires to claim as proprietary and exempt from disclosure under the provisions of Chapter 42.56 RCW, or other state or federal law that provides for the nondisclosure of your document, must be clearly designated. The information must be clearly identified and the particular exemption from disclosure upon which the Bidder is making the claim must be cited. Each page containing the information claimed to be exempt from disclosure must be clearly identified by the words "Proprietary Information" printed on the lower right hand corner of the page. Marking the entire proposal exempt from disclosure or as Proprietary Information will not be honored.

If a public records request is made for the information that the Bidder has marked as "Proprietary Information" the AGENCY will notify the Bidder of the request and of the date that the records will be released to the requester unless the Bidder obtains a court order enjoining that disclosure. If the Bidder fails to obtain the court order enjoining disclosure, the AGENCY will release the requested information on the date specified. If a Bidder obtains a court order from a court of competent jurisdiction enjoining disclosure pursuant to Chapter 42.56 RCW, or other state or federal law that provides for nondisclosure, the AGENCY shall maintain the confidentiality of the Bidder's information per the court order.

A charge will be made for copying and shipping, as outlined in RCW 42.56. No fee shall be charged for inspection of contract files, but twenty-four (24) hours' notice to the RFQQ Coordinator is required. All requests for information should be directed to the RFQQ Coordinator.

2.6 REVISIONS TO THE RFQQ

In the event it becomes necessary to revise any part of this RFQQ, addenda will be provided to all who receive the RFQQ.

The AGENCY also reserves the right to cancel or to reissue the RFQQ in whole or in part, prior to execution of a contract.

2.7 MINORITY & WOMEN-OWNED BUSINESS PARTICIPATION

In accordance with the legislative findings and policies set forth in Chapter 39.19 RCW, the state of Washington encourages participation in all of its contracts by firms certified by the Office of Minority and Women's Business Enterprises (OMWBE). Participation may be either on a direct basis in response to this solicitation or on a subconsultant basis. However, no preference will be included in the evaluation of proposals, no minimum level of MWBE participation shall be required as a condition for receiving an award and proposals will not be rejected or considered non-responsive on that basis.

The established annual procurement participation goals for MBE is 10% and for WBE, 4%, for this type of project. These goals are voluntary. Bidders may contact OMWBE at 360/753-9693 to obtain information on certified firms.

2.8 ACCEPTANCE PERIOD

Proposals must provide 30 days for acceptance by AGENCY from the due date for receipt of proposals.

2.9 RESPONSIVENESS

All proposals will be reviewed by the RFQQ Coordinator to determine compliance with administrative requirements and instructions specified in this RFQQ. The Bidder is specifically notified that failure to comply with any part of the RFQQ may result in rejection of the proposal as non-responsive.

The AGENCY also reserves the right, however, at its sole discretion to waive minor administrative irregularities.

2.10 MOST FAVORABLE TERMS

The AGENCY reserves the right to make an award without further discussion of the proposal submitted. Therefore, the proposal should be submitted initially on the most favorable terms which the Bidder can propose. The AGENCY does reserve the right to contact a Bidder for clarification of their proposal.

The Bidder should be prepared to accept this RFQQ for incorporation into a contract resulting from this RFQQ. Contract negotiations may incorporate some or the Bidder's entire proposal. It is understood that the proposal will become a part of the official procurement file on this matter without obligation to the AGENCY.

2.11 CONTRACT AND GENERAL TERMS & CONDITIONS

The apparent successful consultant or consultants will be expected to enter into a contract, which is substantially the same as the sample contract and its general terms and conditions attached as Exhibit C. In no event is a Bidder to submit its own standard contract terms and conditions in response to this solicitation. The Bidder may submit exceptions as allowed in the Certifications and Assurances section, Exhibit A to this solicitation. The AGENCY will review requested exceptions and accept or reject the same at its sole discretion.

It is anticipated the first deliverable under the contract will be a scoping plan, which will define the specific services to be provided by the CONSULTANT based upon agreement between the AGENCY and the CONSULTANT.

2.12 COSTS TO PROPOSE

The AGENCY will not be liable for any costs incurred by the Bidder in preparation of a proposal submitted in response to this RFQQ, in conduct of a presentation, or any other activities related to responding to this RFQQ.

2.13 NO OBLIGATION TO CONTRACT

This RFQQ does not obligate the state of Washington or the AGENCY to contract for services specified herein.

2.14 REJECTION OF PROPOSALS

The AGENCY reserves the right at its sole discretion to reject any and all proposals received without penalty and not to issue a contract as a result of this RFQQ.

2.15 COMMITMENT OF FUNDS

The director of the AGENCY or the director's delegate is the only individuals who may legally commit the AGENCY to the expenditures of funds for a contract resulting from this RFQQ. No cost chargeable to the proposed contract may be incurred before receipt of a fully executed contract.

2.16 ELECTRONIC PAYMENT

The state of Washington prefers to utilize electronic payment in its transactions. The successful contractor will be provided a form to complete with the contract to authorize such payment method.

2.17 INSURANCE COVERAGE

The CONSULTANT is to furnish the AGENCY with a certificate of insurance executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements set forth below.

The Consultant shall, at Consultant's own expense, obtain and keep in force insurance coverage, which shall be maintained in full force and effect during the term of the contract. The Consultant shall furnish evidence in the form of a Certificate of Insurance that insurance shall be provided, and a copy shall be forwarded to the AGENCY within fifteen (15) days of the contract effective date.

Liability Insurance

Commercial General Liability Insurance (CGL): Consultant shall maintain general liability insurance and, if necessary, commercial umbrella insurance, with a limit of not less than \$1,000,000 per each occurrence. If CGL insurance contains aggregate limits, the general aggregate limit shall be at least twice the "each occurrence" limit. CGL insurance shall have

products-completed operations aggregate limit of at least two times the “each occurrence” limit. CGL insurance shall be written on ISO occurrence from CG 00 01 (or a substitute form providing equivalent coverage). All insurance shall cover liability assumed under an insured contract (including the tort liability of another assumed in a business contract), and contain separation of insureds (cross liability) condition.

Additionally, the Consultant is responsible for ensuring that any subconsultants provide adequate insurance coverage for the activities arising out of subcontracts.

Business Auto Policy: As applicable, the Consultant shall maintain business auto liability and, if necessary, commercial umbrella liability insurance with a limit not less than \$1,000,000 per accident. Such insurance shall cover liability arising out of “Any Auto.” Business auto coverage shall be written on ISO form CA 00 01, 1990 or later edition, or substitute liability form providing equivalent coverage.

Employers Liability (“Stop Gap”) Insurance

In addition, the Consultant shall buy employers liability insurance and, if necessary, commercial umbrella liability insurance with limits not less than \$1,000,000 each accident for bodily injury by accident or \$1,000,000 each employee for bodily injury by disease.

Additional Provisions

Above insurance policy shall include the following provisions:

- **Additional Insured.** The AGENCY, its elected and appointed officials, agents and employees shall be named as an additional insured on all general liability, excess, umbrella and property insurance policies. All insurance provided in compliance with this contract shall be primary as to any other insurance or self-insurance programs afforded to or maintained by the state.
- **Cancellation.** The AGENCY shall be provided written notice before cancellation or non-renewal of any insurance referred to therein, in accord with the following specifications. Insurers subject to 48.18 RCW (Admitted and Regulation by the Insurance Commissioner): The insurer shall give the state 45 days advance notice of cancellation or non-renewal. If cancellation is due to non-payment of premium, the state shall be given 10 days advance notice of cancellation. Insurers subject to 48.15 RCW (Surplus lines): The state shall be given 20 days advance notice of cancellation. If cancellation is due to non-payment of premium, the state shall be given 10 days advance notice of cancellation.
- **Identification.** Policy must reference the state’s contract number and the agency name.
- **Insurance Carrier Rating.** All insurance and bonds should be issued by companies admitted to do business within the state of Washington and have a rating of A-, Class VII or better in the most recently published edition of Best’s Reports. Any exception shall be reviewed and approved by the AGENCY, the risk manager for the state of Washington, before the contract is accepted or work may begin. If an insurer is not

admitted, all insurance policies and procedures for issuing the insurance policies must comply with Chapter 48.15 RCW and 284-15 WAC.

- **Excess Coverage.** By requiring insurance herein, the state does not represent that coverage and limits will be adequate to protect consultant and such coverage and limits shall not limit Consultant's liability under the indemnities and reimbursements granted to the state in this contract.

Workers' Compensation Coverage

The Consultant will at all times comply with all applicable workers' compensation, occupational disease, and occupational health and safety laws, statutes, and regulations to the full extent applicable. The state will not be held responsive in any way for claims filed by the Consultant or their employees for services performed under the terms of this contract.

2.18 COMPLAINTS

This procedure is available to potential Bidders who are contemplating submitting a bid in response to this RFQQ. Only complaints concerning the following subjects shall be considered:

- A claim that the solicitation unnecessarily restricts competition;
- A claim the solicitation evaluation or scoring process is unfair or flawed, or
- A claim the solicitation requirements are inadequate or insufficient to prepare a response.

Consultants complaining about this procurement shall follow the procedures described below. Complaints that do not follow these procedures shall not be considered. If a Consultant registers a complaint against this solicitation, the complaint cannot be raised again during the protest period.

All complaints must be in writing and signed by the complaining party or an authorized Agent. The complaint must be sent to the Procurement Coordinator, or designee, at least 5 business days before the proposal due date and must clearly articulate the basis for the complaint. The consultant submitting the complaint must also include a proposed remedy.

Upon receipt of a complaint, a complaint review will be held by the AGENCY. The AGENCY procurement coordinator will respond to complaints in writing and the AGENCY director will be notified of all complaints and provided a copy of the AGENCY'S response. A copy of the response to the complaint, including any changes to the solicitation, will also be posted to WEBS.

The complaint process does not include an appeal process.

3 PROPOSAL CONTENTS

Proposals must be written in English and submitted on eight and one-half by eleven inch (8 ½" x 11") paper with tabs separating the major sections of the proposal. The two major sections of the proposal are to be submitted in the order noted below:

1. Letter of Submittal, including signed Certifications and Assurances (Exhibit A to this RFQQ)

2. Qualifications
3. Quotation

Proposals must provide information in the same order as presented in this document with the same headings. This will not only be helpful to the evaluators of the proposal, but should assist the Bidder in preparing a thorough response.

3.1. ADMINISTRATIVE REQUIREMENTS (Section 1 of Proposal)

- a. Letter of Submittal. Bidders must include a signed Letter of Submittal on Bidder's official business letterhead as the first page. Signing the Letter of Submittal indicates that the Bidder accepts the terms and conditions of the RFP and shall contain the following information:
 - (1) Name, address, principal place of business, telephone number, and fax number/e-mail address of legal entity or individual with whom contract would be written.
 - (2) The name of the contact person for this RFQQ.
 - (3) Name, address, and telephone number of each principal officer (President, Vice President, Treasurer, Chairperson of the Board of Directors, etc.)
 - (4) Legal status of the Bidder (sole proprietorship, partnership, corporation, etc.) and the year the entity was organized to do business as the entity now substantially exists.
 - (5) Federal Employer Tax Identification number or Social Security number and the Washington Uniform Business Identification (UBI) number issued by the state of Washington Department of Revenue. If the Bidder does not have a UBI number, the Bidder must state that it will become licensed in Washington within thirty (30) calendar days of being selected as the Apparently Successful Contractor.
 - (6) Location of the facility from which the Bidder would operate.
 - (7) Identify any state employees or former state employees employed or on the firm's governing board as of the date of the proposal. Include their position and responsibilities within the Bidder's organization. If following a review of this information, it is determined by the AGENCY that a conflict of interest exists, the Bidder may be disqualified from further consideration for the award of a contract.
 - (8) A list of all RFQQ amendments downloaded by the Bidder from WEBS and listed in order by amendment number and date. If there are no RFQQ amendments, the Bidder must include a statement to that effect.
 - (9) A statement substantiating that the person who signs the letter is authorized to contractually bind the Bidder's firm.
 - (10) A statement substantiating that the Bidder meets all of the Minimum Qualifications as listed in Section 1.3, Minimum Qualifications.
 - (11) Identification of the page numbers on the Bidder's Proposal that are marked "Proprietary Information".

- (12) If the Bidder or any subcontractor contracted with the state of Washington during the past 24 months, indicate the name of the agency, the contract number and project description and/or other information available to identify the contract.
- (13) If the Bidder's staff or subcontractor's staff was an employee of the state of Washington during the past 24 months, or is currently a Washington State employee, identify the individual by name, the agency previously or currently employed by, job title or position held and separation date.
- (14) If the Bidder has had a contract terminated for default in the last five years, describe such incident. Termination for default is defined as notice to stop performance due to the Bidder's non-performance or poor performance and the issue of performance was either (a) not litigated due to inaction on the part of the Proposer, or (b) litigated and such litigation determined that the Bidder was in default.
- (15) Submit full details of the terms for default including the other party's name, address, and phone number. Present the Bidder's position on the matter. The AGENCY will evaluate the facts and may, at its sole discretion, reject the proposal on the grounds of the past experience. If no such termination for default has been experienced by the Bidder in the past five years, so indicate.

b. Bidder Certification and Assurances Form

Bidders must submit a completed Bidder Certification and Assurances Form, Exhibit A. Please sign and include any attachments that are necessary.

c. Reference Section

List names, addresses, telephone numbers, and fax numbers/e-mail addresses of three (3) business references for the Bidder and three (3) business references for the lead staff person for whom work has been accomplished and briefly describe the type of service provided. Do not include current AGENCY staff as references. By submitting a proposal in response to this Work Request, the Bidder and team members grant permission to AGENCY to contact these references and others, who from AGENCY's perspective, may have pertinent information. AGENCY may or may not, at AGENCY's discretion, contact references. The AGENCY may evaluate references at the AGENCY'S discretion.

d. OMWBE Certification

If you are certified as a minority-owned firm and/or women-owned firm, include proof of certification issued by the Washington State Office of Minority and Women's Business Enterprises (OMWBE).

3.2 *QUALIFICATIONS SECTION*

General Requirements: In this section of the proposal, the Bidder is to discuss project organization and the knowledge, skills, abilities, and experience of the proposed team members. The contract resulting from this procurement will require that any change in key staff (as identified in Bidder's response to this procurement) will be subject to prior OFM acceptance. The contract will also provide that OFM may request that Bidder remove selected staff on one (1) day's notice and provide replacement staff without impacting the schedule.

Numbering of Responses: Please number each response so that it corresponds to the question number. *The response must begin with a restatement of the question followed by the Bidder's response to the question.* A reference to another section will not suffice, each answer must stand alone.

Attachments: Attachments must be labeled and tabbed and the question number to which it responds must be indicated.

Points Awarded for Responses: The number in parentheses after each question or requirements represents the maximum number of points that may be awarded for the Bidder's response to that question or requirement.

- 1) Describe the experience the Bidder has in organizing, managing and facilitating group processes on technically complex, contentious, time-sensitive topics, of significant interest to multiple parties.

15 points possible

- 2) Describe the knowledge and experience the Bidder has with designing and analyzing economy-wide, multi-sector carbon markets.

35 points possible

- 3) Describe the experience the Bidder has in conducting economic analysis of costs and benefits of economy-wide, multi-sector government policies and programs.

35 possible points

- 4) Describe the experience the bidder has in organizing, managing, and tracking work of potentially multiple consultant staff and agencies staff; preparing draft reports translating technical work to a non-technical audience; and maintaining on-going communication with senior officials and those involved in the project.

15 possible points

3.3 QUOTATIONS SECTION

General Requirements: Quotations section must list hourly rates for all individuals providing services anticipated under the proposed contract, and must allot the number of hours for each individual proposed task under the proposed scope of work. Quotations must also identify all other costs, including administrative costs, travel costs, or any other applicable fees that would be charged under this contract. In addition to the costs, the Bidder response should include a brief narrative that reflects the cost assumptions and other relevant information.

Attachments: Attachments must be labeled and tabbed, and indicate the question number to which it responds. Bidders should provide only the information requested. Additional information or documents submitted as part of the bidder's response, but which are not responsive to the question, are not required to be considered. Evaluators may award a lower score for a response if additional information or material provided by the Bidder is not responsive to the question.

Costs for subcontractors are to be broken out separately. Please note if any subcontractors are certified by the Office of Minority and Women's Business Enterprises.

Points Awarded for Responses. The total number of points for the quotations proposal, including costs and narrative, is 50.

4. EVALUATION AND CONTRACT AWARD

4.1. EVALUATION PROCEDURE

Responsive proposals will be evaluated in accordance with the requirements stated in this solicitation and any addenda issued. The evaluation of proposals shall be accomplished by an evaluation team(s), to be designated by the AGENCY, which will determine the ranking of the proposals.

The AGENCY may elect to select the top-scoring firms as finalists for an oral presentation, pursuant to the procurement schedule noted above.

The RFQQ Coordinator may contact the Bidder for clarification of any portion of the Bidder's proposal.

4.2. EVALUATION WEIGHTING AND SCORING

The maximum number of evaluation points available is 150. The following points will be assigned to the Proposal for evaluation purposes:

WRITTEN PROPOSAL	
QUALIFICATIONS	100 Points
QUOTATIONS	50 Points
<hr/>	
SUB-TOTAL (for Written Proposal)	150 Points
ORAL PRESENTATION (Optional)	50 Points
TOTAL	200 Points

Scores from the QUALIFICATIONS and QUOTATIONS will be averaged by the number of evaluators. ORAL PRESENTATION scores will be added to the QUALIFICATIONS and QUOTATION scores.

4.3. FINAL DETERMINATION OF APPARENTLY SUCCESSFUL BIDDER

OFM and the Governor's Policy Office program staff may conduct a final review of the evaluation and scoring of finalists.

In this final review past or current performance of any contracts by a finalist(s), and any experience of OFM in working with a finalists under any past or current contract may be considered.

Any Bidder who would be an Apparently Successful Bidder based on the scores awarded by the evaluators, and who is not selected, shall be provided, upon request, the reasons why OFM selected a Bidder with a lower final score.

4.4. NOTIFICATION TO BIDDERS

The AGENCY will notify the Apparently Successful Bidder of their selection in writing upon completion of the evaluation process. Individuals or firms whose proposals were not selected for further negotiation or award will be notified separately by e-mail or facsimile.

4.5. DEBRIEFING OF UNSUCCESSFUL BIDDERS

Any Bidder who has submitted a proposal and been notified that they were not selected for contract award may request a debriefing. Debriefing requests must be received by the RFQQ Coordinator no later than 3:30 PM, local time, in Olympia, Washington on the May 26, 2014. The debriefing will be held on or about May 27, 2014.

Discussion at the debriefing conference will be limited to the following:

- Evaluation and scoring of the firm's proposal;
- Critique of the proposal based on the evaluation;
- Review of proposer's final score in comparison with other final scores without identifying the other firms.

Comparisons between proposals or evaluations of the other proposals will not be allowed. Debriefing conferences may be conducted in person or on the telephone and will be scheduled for a maximum of one hour.

4.6. PROTEST PROCEDURE

Protests may be made only by Unsuccessful Bidders who submitted a response to this solicitation document and who have participated in a debriefing conference. Protests must be received by the RFQQ Coordinator no later than 3:30 PM, local time, in *Olympia*, Washington on the June 3, 2014. Protests may be submitted by e-mail or facsimile, but must then be followed by the document with an original signature.

Bidders protesting this procurement shall follow the procedures described below. Protests that do not follow these procedures shall not be considered. This protest procedure constitutes the sole administrative remedy available to Bidders under this procurement.

All protests must be in writing, addressed to the RFQQ Coordinator, and signed by the protesting party or an authorized Agent. The protest must state the RFQQ number, the grounds for the protest with specific facts and complete statements of the action(s) being protested. A description of the relief or corrective action being requested should also be included.

Only protests stipulating an issue of fact concerning the following subjects shall be considered:

- A matter of bias, discrimination or conflict of interest on the part of an evaluator;
- Errors in computing the score;
- Non-compliance with procedures described in the procurement document or AGENCY policy.

Protests not based on procedural matters will not be considered. Protests will be rejected as without merit if they address issues such as: 1) an evaluator's professional judgment on the quality of a proposal, or 2) AGENCY'S assessment of its own and/or other agencies needs or requirements.

Upon receipt of a protest, a protest review will be held by the AGENCY. The AGENCY Director or an employee delegated by the Director who was not involved in the procurement will consider the record and all available facts and issue a decision within five (5) business days of receipt of the protest. If additional time is required, the protesting party will be notified of the delay.

In the event a protest may affect the interest of another Bidder that also submitted a proposal, such Bidder will be given an opportunity to submit its views and any relevant information on the protest to the RFQQ Coordinator.

The final determination of the protest shall:

- Find the protest lacking in merit and uphold the AGENCY's action; or
- Find only technical or harmless errors in the AGENCY's acquisition process and determine the AGENCY to be in substantial compliance and reject the protest; or
- Find merit in the protest and provide the AGENCY options which may include:
 - Correct the errors and re-evaluate all proposals, and/or
 - Reissue the solicitation document and begin a new process, or
 - Make other findings and determine other courses of action as appropriate.

If the AGENCY determines that the protest is without merit, the AGENCY will enter into a contract with the apparently successful bidder. If the protest is determined to have merit, one of the alternatives noted in the preceding paragraph will be taken.

4 RFQQ EXHIBITS

- Exhibit A Certifications and Assurances
- Exhibit B Draft Scope of Work
- Exhibit C OFM Contract Template with General Terms and Conditions

CERTIFICATIONS AND ASSURANCES

1. I/we make the following certifications and assurances as a required element of the proposal to which it is attached, understanding that the truthfulness of the facts affirmed here and the continuing compliance with these requirements are conditions precedent to the award or continuation of the related contract(s):
2. I/we declare that all answers and statements made in the proposal are true and correct.
3. The prices and/or cost data have been determined independently, without consultation, communication, or agreement with others for the purpose of restricting competition. However, I/we may freely join with other persons or organizations for the purpose of presenting a single proposal.
4. The attached proposal is a firm offer for a period of 60 days following receipt, and it may be accepted by the AGENCY without further negotiation (except where obviously required by lack of certainty in key terms) at any time within the 60-day period.
5. In preparing this proposal, I/we have not been assisted by any current or former employee of the state of Washington whose duties relate (or did relate) to this proposal or prospective contract, and who was assisting in other than his or her official, public capacity. (Any exceptions to these assurances are described in full detail on a separate page and attached to this document.)
6. I/we understand that the AGENCY will not reimburse me/us for any costs incurred in the preparation of this proposal. All proposals become the property of the AGENCY, and I/we claim no proprietary right to the ideas, writings, items, or samples, unless so stated in this proposal.
7. Unless otherwise required by law, the prices and/or cost data that have been submitted have not been knowingly disclosed by the Proposer and will not knowingly be disclosed by him/her prior to opening, directly or indirectly to any other Proposer or to any competitor.
8. I/we agree that submission of the attached proposal constitutes acceptance of the solicitation contents and the attached sample contract and general terms and conditions. If there are any exceptions to these terms, I/we have described those exceptions in detail on a page attached to this document.
9. No attempt has been made or will be made by the Proposer to induce any other person or firm to submit or not to submit a proposal for the purpose of restricting competition.
10. I/we grant the AGENCY the right to contact references and others, who may have pertinent information regarding the Proposer's prior experience and ability to perform the services contemplated in this procurement.

11. If any staff member(s) who will perform work on this contract has retired from the State of Washington under the provisions of the 2008 Early Retirement Factors legislation, his/her name(s) is noted on a separately attached page.

Signature of Bidder

Title

Date

EXHIBIT B

SCOPE OF WORK

The consultant(s) SHALL be responsible for the following tasks:

Task 1: Facilitation and Project Management

Sub-task 1: project management

- a) Organize the project activities to ensure a clear understanding of the project goals, objectives, expectations, milestones, and any sensitivities that may exist.
- b) Prepare a work plan and appropriate documents outlining responsibilities, timelines, communications, and expectations.
- c) Coordinate, document and track activities related to policy designs, and economic analysis, and report on progress.

Deliverables: Tracking system and progress reports issued on regular basis

Sub-task 2: CERT Meeting Management

- a) Prepare for and provide convening support to CERT member meetings. (See attached schedule of CERT meetings.)
- b) Review and coordinate briefing materials presented to CERT by the policy design and economic experts
- c) Document action items, key findings, and agreements for each CERT meeting.

Deliverables: Final agendas for each meeting, action items, key findings, and agreements; and summary for each CERT meeting.

Sub-task 3: CERT Reports and Documentation Support

- a) Develop draft report documenting CERT's preliminary findings and recommendations.
- b) Prepare final report documenting revised findings and recommendations.
- c) Assist the Governor's Office in preparation of final documents, including presentation and briefing materials on CERT report and recommendations, and related legislative and budget proposals.

Deliverables: Written draft report on CERT recommendations, and proposed implementation actions, as appropriate.

Task 2: Provide technical assistance on designing a carbon emissions reduction market program for Washington.

Sub-task 1: Prepare briefing paper(s) providing background and options for the following key program questions:

1. What is the basic policy that will best harness the market to help Washington meet its greenhouse gas emission limits? What market mechanism or combination of mechanisms would be most effective and most efficient?

2. How quickly can we reduce emissions and by how much? What is the scope, stringency, point of regulation, and timing of emission reductions?
3. How do we fairly allocate the responsibility to reduce emissions? How should emission allowances be distributed?
4. What will it cost and who pays? How do we mitigate any disproportionate impacts to business and community sectors?
5. Who watches the market? What's the right oversight and regulation of the market programs?
6. Do we go it alone, or connect with others? Can we link with carbon markets in other states and jurisdictions, and if so, should we?
7. Who can best implement the program? What administrative entities are needed to effectively operate the program and ensure public confidence?

Deliverables: Briefing paper(s) written using terms readily understandable by non-technical audience.

Sub-task 2: Prepare and deliver presentations to the CERT and Governor's Office

- Support and help CERT with understanding options and advantages and disadvantages of those options outlined in the briefing papers on the key questions, listed above. The presentations will use terms readily understandable by non-technical audience.

Deliverables: Presentation materials

Sub-task 3: Prepare draft program design document, addressing the key program questions listed in Task 2, sub-task 1.

- Draft program design must reflect input offered by CERT and the Governor's Office, as directed through the contract manager.

Deliverables: Draft program design document and supporting documentation

Sub-task 4: Coordinate and collaborate with OFM on economic analysis of draft program design.

Deliverable: Memo highlighting policy design options selected for the economic analysis and any supporting documentation (e.g., assumptions and options).

Sub-task 5: Revise the draft program design, as warranted by economic analysis and as directed by CERT and the Governor's Office, through the contract manager.

Deliverables: Redesigned proposed carbon market program design

Task 3: Prepare an analysis of expected energy, environmental, and economic costs and benefits of a proposed carbon market for Washington.

Sub-task 1: Select appropriate models and tools, develop baseline and document assumptions

- a) Identify, in consultation with OFM economists, the appropriate modeling tools needed to conduct the analysis. A dynamic macroeconomic model is preferred for this project. The

consultant must also use an energy systems model that is capable of capturing investment decisions in the power sector with underlying data on technology costs.

- b) Document how the models will be integrated or at least how they will interact in the analysis.
- c) Prepare a reference case (baseline scenario where there are no additional policies to reduce GHG emissions), including documenting the underlying assumptions based on the available information.
- d) Document the limitation of the models used in the analysis.

Deliverables: Set of assumptions, baseline, and model limitations that support and qualify the model output.

Sub-task 2: Prepare economic analysis of draft program design and policy design options selected by CERT. Economic analysis should address the following:

- Cost-effectiveness (cost per metric ton) of the proposed program in achieving Washington's emissions reduction targets for 2020, 2035 and 2050.
- Impacts on Washington's overall economy (e.g., cumulative gross and net economic output).
- Impacts on Washington's job market (net cumulative direct and indirect jobs).
- Impacts on utility rates and fuel prices.
- Analysis of any cost control mechanisms (e.g., offsets, auction price, allowance distribution method, etc.) included in the draft design document.
- Economic impacts (output, jobs, business income, wages, and indirect business taxes) on key business sectors (e.g., manufacturing, agriculture, and forestry).
- Impacts on business competitiveness based on the proposed design
- Impacts on businesses with GHG emissions below compliance thresholds.
- Impacts on households and consumers - personal income, and household consumption and spending, including energy use, food and housing costs, and impacts on middle- and low-income households.

Deliverables: Economic analyses delivered and presented to CERT

Sub-task 3: Summarize existing available economic information quantifying the benefits related to reducing greenhouse gas emissions under a market program. The summary must address:

- Public health, energy security, environmental, and other benefits associated.
- Potential costs associated with impacts of climate change on Washington (i.e, the costs of inaction), that could be mitigated or avoided.

Deliverables: Summary of available information on the social cost of carbon and impacts of no-action on greenhouse gas reductions.

Sub-task 4: Update the economic analyses to reflect the revised proposed carbon market program design.

Deliverables: Final economic analyses.

Task 4: Provide additional technical support

Provide technical support to CERT and the Governor's Office on additional elements of a carbon market not covered in above tasks – for example, how best to administer a carbon market, what adjustment are needed over time – and provide new analysis as requested by CERT and Governor's Office through the contract manager, as the budget allows.

Deliverables: Memos, presentations and supporting documents

CARBON EMISSIONS REDUCTION TASKFORCE

MEETINGS (Subject to Change)

*April 29 th , 2014	Organization; background briefings; discuss charge
*May 15 th	United Kingdom presentation on emissions trading and market mechanisms. Discuss key carbon market program questions.
June 24 th	Discuss carbon market program options. Discuss scope and methods for economic analysis.
July 29 th	Discuss draft program design document and proposed economic analysis. Discuss baseline scenario
September 9 th	Review economic analysis results. Discuss revisions to program design.
October 28 th	Discuss draft report on Taskforce recommendations and advice.
Week of Nov. 17	Present final report, recommendations and advice to the Governor

(NOTE: The initial two meetings of the Taskforce will occur prior to the start date of this contract. Most, if not all, Taskforce meetings will take place in or near Seattle.)

EXHIBIT C

OFM Contract Template with General Terms and Conditions

S A M P L E
Contract
between the
State of Washington
(Agency)
and
(Contractor)

This Contract is made and entered into by and between the state of Washington, Office of Financial Management, hereinafter referred to as the "**AGENCY**", and the below named firm, hereinafter referred to as "**CONTRACTOR**."

Name of Contractor

Address

Address

Phone:

FAX:

Email:

WA State UBI Number:

PURPOSE

The purpose of this contract is to

SCOPE OF WORK

- A. Exhibit A, attached hereto and incorporated by reference, contains the *General Terms and Conditions* governing work to be performed under this contract, the nature of the working relationship between the AGENCY and the CONTRACTOR, and specific obligations of both parties.
- B. The CONTRACTOR will provide services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:
- C. The CONTRACTOR shall produce the following written reports or other written documents (deliverables) by the dates indicated below.

All written reports required under this contract must be delivered to _____, the Contract Manager, in accordance with the schedule above.

PERIOD OF PERFORMANCE

The period of performance under this contract will be from _____, or date of execution, whichever is later, through _____.

COMPENSATION

Total compensation payable to CONTRACTOR for satisfactory performance of the work under this contract shall not exceed _____ (\$_____). CONTRACTOR'S compensation for services rendered shall be based on the following rates or in accordance with the following terms:

Expenses

CONTRACTOR shall receive reimbursement for travel and other expenses as identified below or as authorized in advance by the AGENCY as reimbursable. The maximum amount to be paid to the CONTRACTOR for authorized expenses shall not exceed \$_____, which amount is included in the contract total above.

Such expenses may include airfare (economy or coach class only), other transportation expenses, and lodging and subsistence necessary during periods of required travel. CONTRACTOR shall receive compensation for travel expenses at current state travel reimbursement rates.

BILLING PROCEDURES AND PAYMENT

AGENCY will pay CONTRACTOR upon acceptance of services provided and receipt of properly completed invoices, which shall be submitted to the Contract Manager [*not more often than monthly.*]

The invoices shall describe and document, to the AGENCY'S satisfaction, a description of the work performed, the progress of the project, and fees. The invoice shall include the contract reference number _____. If expenses are invoiced, provide a detailed breakdown of each type. A receipt must accompany any single expenses in the amount of \$50.00 or more in order to receive reimbursement.

Payment shall be considered timely if made by the AGENCY within thirty (30) calendar days after receipt of properly completed invoices. Payment shall be sent to the address designated by the CONTRACTOR.

The AGENCY may, in its sole discretion, terminate the contract or withhold payments claimed by the CONTRACTOR for services rendered if the CONTRACTOR fails to satisfactorily comply with any term or condition of this contract.

No payments in advance or in anticipation of services or supplies to be provided under this contract shall be made by the AGENCY.

CONTRACT MANAGEMENT

The Contract Manager for each of the parties shall be the contact person for all communications and billings regarding the performance of this contract.

CONTRACTOR Contract Manager	AGENCY Contract Manager
Enter Contract Manager's Name Enter Name of CONTRACTOR Enter CONTRACTOR Address Enter City, State & Zip Code Phone : () Fax: () Email address:	Enter Contract Manager's Name Enter Name of AGENCY Enter AGENCY Address Enter City, State & Zip Code Phone: () Fax: () Email address:

INSURANCE

The CONTRACTOR shall provide insurance coverage as set out in this section *[or as set forth in the Request for Proposals No.]*. The intent of the required insurance is to protect the state should there be any claims, suits, actions, costs, damages or expenses arising from any negligent or intentional act or omission of the CONTRACTOR or subcontractor, or agents of either, while performing under the terms of this contract.

The CONTRACTOR shall provide insurance coverage, which shall be maintained in full force and effect during the term of this contract, as follows:

1. Commercial General Liability Insurance Policy. Provide a Commercial General Liability Insurance Policy, including contractual liability, in adequate quantity to protect against legal liability arising out of contract activity but no less than \$1,000,000 per occurrence.

Additionally, the CONTRACTOR is responsible for ensuring that any subcontractors provide adequate insurance coverage for the activities arising out of subcontracts.

2. Automobile Liability. In the event that services delivered pursuant to this contract involve the use of vehicles, either owned or unowned by the CONTRACTOR, automobile liability insurance shall be required. The minimum limit for automobile liability is:

\$1,000,000 per occurrence, using a Combined Single Limit for bodily injury and property damage.

3. The insurance required shall be issued by an insurance company/ies authorized to do business within the state of Washington, and shall name the state of Washington, its agents and employees as additional insureds under the insurance policy/ies.

All policies shall be primary to any other valid and collectable insurance. CONTRACTOR shall instruct the insurers to give AGENCY thirty (30) calendar days advance notice of any insurance cancellation.

CONTRACTOR shall submit to AGENCY within fifteen (15) calendar days of the contract effective date, a certificate of insurance that outlines the coverage and limits defined in the *Insurance* section. CONTRACTOR shall submit renewal certificates as appropriate during the term of the contract.

ASSURANCES

AGENCY and the CONTRACTOR agree that all activity pursuant to this contract will be in accordance with all the applicable current federal, state and local laws, rules, and regulations.

ORDER OF PRECEDENCE

Each of the exhibits listed below is by this reference hereby incorporated into this contract. In the event of an inconsistency in this contract, the inconsistency shall be resolved by giving precedence in the following order:

1. Applicable federal and state of Washington statutes and regulations
2. Special terms and conditions as contained in this basic contract instrument
3. Exhibit A – General Terms and Conditions
4. Exhibit B – Request for Proposals No. [REDACTED]
5. Exhibit C – Contractor's Proposal dated [REDACTED]
6. Any other provision, term or material incorporated herein by reference or otherwise incorporated

ENTIRE AGREEMENT

This contract, including referenced exhibits, represents all the terms and conditions agreed upon by the parties. No other statements or representations, written or oral, shall be deemed a part hereof.

CONFORMANCE

If any provision of this contract violates any statute or rule of law of the state of Washington, it is considered modified to conform to that statute or rule of law.

APPROVAL

This contract shall be subject to the written approval of the AGENCY'S authorized representative and shall not be binding until so approved. The contract may be altered, amended, or waived only by a written amendment executed by both parties.

THIS CONTRACT, consisting of [redacted] pages and [redacted] attachment(s), is executed by the persons signing below, who warrant they have the authority to execute the contract.

[CONTRACTOR'S NAME]

[AGENCY NAME]

Signature

Signature

Title

Date

Title

Date

APPROVED AS TO FORM:

Assistant Attorney General

Date

**EXHIBIT A -
GENERAL TERMS AND CONDITIONS**

DEFINITIONS

As used throughout this contract, the following terms shall have the meaning set forth below:

- A. "AGENCY" shall mean the (AGENCY TITLE) of the State of Washington, any division, section, office, unit or other entity of the AGENCY, or any of the officers or other officials lawfully representing that AGENCY.
- B. "AGENT" shall mean the Director, and/or the delegate authorized in writing to act on the Director's behalf.
- C. "CONTRACTOR" shall mean that firm, provider, organization, individual or other entity performing service(s) under this contract, and shall include all employees of the CONTRACTOR.
- D. "SUBCONTRACTOR" shall mean one not in the employment of the CONTRACTOR, who is performing all or part of those services under this contract under a separate contract with the CONTRACTOR. The terms "SUBCONTRACTOR" and "SUBCONTRACTORS" means SUBCONTRACTOR(s) in any tier.

ACCESS TO DATA

In compliance with RCW 39.26.010(2), the CONTRACTOR shall provide access to data generated under this contract to AGENCY, the Joint Legislative Audit and Review Committee, and the State Auditor at no additional cost. This includes access to all information that supports the findings, conclusions, and recommendations of the CONTRACTOR'S reports, including computer models and methodology for those models.

ADVANCE PAYMENTS PROHIBITED

No payments in advance of or in anticipation of goods or services to be provided under this contract shall be made by the AGENCY.

AMENDMENTS

This contract may be amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.

AMERICANS WITH DISABILITIES ACT (ADA) OF 1990, PUBLIC LAW 101-336, also referred to as the "ADA" 28 CFR Part 35

The CONTRACTOR must comply with the ADA, which provides comprehensive civil rights protection to individuals with disabilities in the areas of employment, public accommodations, state and local government services, and telecommunications.

ASSIGNMENT

Neither this contract, nor any claim arising under this contract, shall be transferred or assigned by the CONTRACTOR without prior written consent of the AGENCY.

ATTORNEYS' FEES

In the event of litigation or other action brought to enforce contract terms, each party agrees to bear its own attorney fees and costs.

CONFIDENTIALITY/SAFEGUARDING OF INFORMATION

The CONTRACTOR shall not use or disclose any information concerning the AGENCY, or information that may be classified as confidential, for any purpose not directly connected with the administration of this contract, except with prior written consent of the AGENCY, or as may be required by law.

CONFLICT OF INTEREST

Notwithstanding any determination by the Executive Ethics Board or other tribunal, the AGENCY may, in its sole discretion, by written notice to the CONTRACTOR terminate this contract if it is found after due notice and examination by the AGENT that there is a violation of the Ethics in Public Service Act, Chapter 42.52 RCW; or any similar statute involving the CONTRACTOR in the procurement of, or performance under this contract.

In the event this contract is terminated as provided above, the AGENCY shall be entitled to pursue the same remedies against the CONTRACTOR as it could pursue in the event of a breach of the contract by the CONTRACTOR. The rights and remedies of the AGENCY provided for in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law. The existence of facts upon which the AGENT makes any determination under this clause shall be an issue and may be reviewed as provided in the "Disputes" clause of this contract.

COPYRIGHT PROVISIONS

Unless otherwise provided, all materials produced under this contract shall be considered "works for hire" as defined by the U.S. Copyright Act and shall be owned by the AGENCY. The AGENCY shall be considered the author of such materials. In the event the materials are not considered "works for hire" under the U.S. Copyright laws, CONTRACTOR hereby irrevocably assigns all right, title, and interest in materials, including all intellectual property rights, to the AGENCY effective from the moment of creation of such materials.

Materials means all items in any format and includes, but is not limited to, data, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. Ownership includes the right to copyright, patent, register and the ability to transfer these rights.

For materials that are delivered under the contract, but that incorporate pre-existing materials not produced under the contract, CONTRACTOR hereby grants to the AGENCY a nonexclusive, royalty-free, irrevocable license (with rights to sublicense others) in such materials to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly display. The CONTRACTOR warrants and represents that CONTRACTOR has all rights and permissions, including intellectual property rights, moral rights and rights of publicity, necessary to grant such a license to the AGENCY.

The CONTRACTOR shall exert all reasonable effort to advise the AGENCY, at the time of delivery of materials furnished under this contract, of all known or potential invasions of privacy contained therein and of any portion of such document that was not produced in the performance of this contract.

The AGENCY shall receive prompt written notice of each notice or claim of infringement received by the CONTRACTOR with respect to any data delivered under this contract. The AGENCY shall have the right to modify or remove any restrictive markings placed upon the data by the CONTRACTOR.

COVENANT AGAINST CONTINGENT FEES

The CONTRACTOR warrants that no person or selling agent has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established agents maintained by the CONTRACTOR for securing business.

The AGENCY shall have the right, in the event of breach of this clause by the CONTRACTOR, to annul this contract without liability or, in its discretion, to deduct from the contract price or consideration or recover by other means the full amount of such commission, percentage, brokerage or contingent fee.

DISALLOWED COSTS

The Contractor is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its Subcontractors.

DISPUTES

Except as otherwise provided in this contract, when a dispute arises between the parties and it cannot be resolved by direct negotiation, either party may request a dispute hearing with AGENT.

1. The request for a dispute hearing must:
 - Be in writing;
 - State the disputed issue(s);
 - State the relative positions of the parties;
 - State the CONTRACTOR'S name, address, and contract number; and
 - Be mailed to the AGENT and the other party's (respondent's) contract manager within 3 working calendar days after the parties agree that they cannot resolve the dispute.
2. The respondent shall send a written answer to the requester's statement to both the agent and the requester within 5 working calendar days.
3. The AGENT shall review the written statements and reply in writing to both parties within 10 working days. The AGENT may extend this period if necessary by notifying the parties.
4. The parties agree that this dispute process shall precede any action in a judicial or quasi-judicial tribunal.

Nothing in this contract shall be construed to limit the parties' choice of a mutually acceptable ADR method in addition to the dispute resolution procedure outlined above.

DUPLICATE PAYMENT

The AGENCY shall not pay the CONTRACTOR, if the CONTRACTOR has charged or will charge the State of Washington or any other party under any other contract or agreement, for the same services or expenses.

GOVERNING LAW

This contract shall be construed and interpreted in accordance with the laws of the State of Washington, and the venue of any action brought hereunder shall be in the Superior Court for Thurston County.

INDEMNIFICATION

To the fullest extent permitted by law, CONTRACTOR shall indemnify, defend, and hold harmless State, agencies of State and all officials, agents and employees of State, from and against all claims for injuries or death arising out of or resulting from the performance of the contract. "Claim," as used in this contract, means any financial loss, claim, suit, action, damage, or expense, including but not limited to attorney's fees, attributable for bodily injury, sickness, disease, or death, or injury to or destruction of tangible property including loss of use resulting therefrom.

CONTRACTOR'S obligations to indemnify, defend, and hold harmless includes any claim by CONTRACTORS' agents, employees, representatives, or any subcontractor or its employees.

CONTRACTOR expressly agrees to indemnify, defend, and hold harmless the State for any claim arising out of or incident to CONTRACTOR'S or any subcontractor's performance or failure to perform the contract. CONTRACTOR'S obligation to indemnify, defend, and hold harmless the State shall not be eliminated or reduced by any actual or alleged concurrent negligence of State or its agents, agencies, employees and officials.

CONTRACTOR waives its immunity under Title 51 RCW to the extent it is required to indemnify, defend and hold harmless State and its agencies, officials, agents or employees.

INDEPENDENT CAPACITY OF THE CONTRACTOR

The parties intend that an independent contractor relationship will be created by this contract. The CONTRACTOR and his or her employees or agents performing under this contract are not employees or agents of the AGENCY. The CONTRACTOR will not hold himself/herself out as or claim to be an officer or employee of the AGENCY or of the State of Washington by reason hereof, nor will the CONTRACTOR make any claim of right, privilege or benefit that would accrue to such employee under law. Conduct and control of the work will be solely with the CONTRACTOR.

INDUSTRIAL INSURANCE COVERAGE

The CONTRACTOR shall comply with the provisions of Title 51 RCW, Industrial Insurance. If the CONTRACTOR fails to provide industrial insurance coverage or fails to pay premiums or penalties on behalf of its employees, as may be required by law, AGENCY may collect from the CONTRACTOR the full amount payable to the Industrial Insurance accident fund. The AGENCY may deduct the amount owed by the CONTRACTOR to the accident fund from the amount payable to the CONTRACTOR by the AGENCY under this contract, and transmit the deducted amount to the Department of Labor and Industries, (L&I) Division of Insurance Services. This provision does not waive any of L&I's rights to collect from the CONTRACTOR.

LICENSING, ACCREDITATION AND REGISTRATION

The CONTRACTOR shall comply with all applicable local, state, and federal licensing, accreditation and registration requirements/standards, necessary for the performance of this contract.

LIMITATION OF AUTHORITY

Only the AGENT or AGENT'S delegate by writing (delegation to be made prior to action) shall have the express, implied, or apparent authority to alter, amend, modify, or waive any clause or condition of this contract. Furthermore, any alteration, amendment, modification, or waiver or any clause or condition of this contract is not effective or binding unless made in writing and signed by the AGENT.

NONCOMPLIANCE WITH NONDISCRIMINATION LAWS

In the event of the CONTRACTOR'S non-compliance or refusal to comply with any nondiscrimination law, regulation, or policy, this contract may be rescinded, canceled or terminated in whole or in part, and the CONTRACTOR may be declared ineligible for further contracts with the AGENCY. The CONTRACTOR shall, however, be given a reasonable time in which to cure this noncompliance. Any dispute may be resolved in accordance with the "Disputes" procedure set forth herein.

NONDISCRIMINATION

During the performance of this contract, the CONTRACTOR shall comply with all federal and state nondiscrimination laws, regulations and policies.

PRIVACY

Personal information including, but not limited to, "Protected Health Information," collected, used, or acquired in connection with this contract shall be protected against unauthorized use, disclosure, modification or loss. CONTRACTOR shall ensure its directors, officers, employees, subcontractors or agents use personal information solely for the purposes of accomplishing the services set forth herein. CONTRACTOR and its subcontractors agree not to release, divulge, publish, transfer, sell or otherwise make known to unauthorized persons personal information without the express written consent of the agency or as otherwise required by law.

Any breach of this provision may result in termination of the contract and the demand for return of all personal information. The CONTRACTOR agrees to indemnify and hold harmless the AGENCY for any damages related to the CONTRACTOR'S unauthorized use of personal information.

PUBLICITY

The CONTRACTOR agrees to submit to the AGENCY all advertising and publicity matters relating to this contract wherein the AGENCY'S name is mentioned or language used from which the connection of the AGENCY'S name may, in the AGENCY'S judgment, be inferred or implied. The CONTRACTOR agrees not to publish or use such advertising and publicity matters without the prior written consent of the AGENCY.

RECORDS MAINTENANCE

The CONTRACTOR shall maintain books, records, documents, data and other evidence relating to this contract and performance of the services described herein, including but not limited to accounting procedures and practices that sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this contract.

CONTRACTOR shall retain such records for a period of six years following the date of final payment. At no additional cost, these records, including materials generated under the contract, shall be subject at all reasonable times to inspection, review or audit by the AGENCY, personnel duly authorized by the AGENCY, the Office of the State Auditor, and federal and state officials so authorized by law, regulation or agreement.

If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

REGISTRATION WITH DEPARTMENT OF REVENUE

The CONTRACTOR shall complete registration with the Washington State Department of Revenue and be responsible for payment of all taxes due on payments made under this contract.

RIGHT OF INSPECTION

The CONTRACTOR shall provide right of access to its facilities to the AGENCY, or any of its officers, or to any other authorized agent or official of the state of Washington or the federal government, at all reasonable times, in order to monitor and evaluate performance, compliance, and/or quality assurance under this contract.

SAVINGS

In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this contract and prior to normal completion, the AGENCY may terminate the contract under the "Termination for Convenience" clause, without the ten-day notice requirement, subject to renegotiation at the AGENCY'S discretion under those new funding limitations and conditions.

SEVERABILITY

The provisions of this contract are intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the contract.

SITE SECURITY

While on AGENCY premises, CONTRACTOR, its agents, employees, or subcontractors shall conform in all respects with physical, fire or other security policies or regulations.

SUBCONTRACTING

Neither the CONTRACTOR nor any SUBCONTRACTOR shall enter into subcontracts for any of the work contemplated under this contract without obtaining prior written approval of the AGENCY. In no event shall the existence of the subcontract operate to release or reduce the liability of the contractor to the Department for any breach in the performance of the contractor's duties. This clause does not include contracts of employment between the contractor and personnel assigned to work under this contract.

Additionally, the CONTRACTOR is responsible for ensuring that all terms, conditions, assurances and certifications set forth in this agreement are carried forward to any subcontracts. CONTRACTOR and its subcontractors agree not to release, divulge, publish, transfer, sell or otherwise make known to unauthorized persons personal information without the express written consent of the agency or as provided by law.

TAXES

All payments accrued because of payroll taxes, unemployment contributions, any other taxes, insurance or other expenses for the CONTRACTOR or its staff shall be the sole responsibility of the CONTRACTOR.

TERMINATION FOR CAUSE

In the event the AGENCY determines the CONTRACTOR has failed to comply with the conditions of this contract in a timely manner, the AGENCY has the right to suspend or terminate this contract. Before suspending or terminating the contract, the AGENCY shall notify the CONTRACTOR in writing of the need to take corrective action. If corrective action is not taken within 30 calendar days, the contract may be terminated or suspended.

In the event of termination or suspension, the CONTRACTOR shall be liable for damages as authorized by law including, but not limited to, any cost difference between the original contract and the replacement or cover contract and all administrative costs directly related to the replacement contract, e.g., cost of the competitive bidding, mailing, advertising and staff time.

The AGENCY reserves the right to suspend all or part of the contract, withhold further payments, or prohibit the CONTRACTOR from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the CONTRACTOR or a decision by the AGENCY to terminate the contract. A termination shall be deemed a "Termination for Convenience" if it is determined that the CONTRACTOR: (1) was not in default; or (2) failure to perform was outside of his or her control, fault or negligence. The rights and remedies of the AGENCY provided in this contract are not exclusive and are, in addition to any other rights and remedies, provided by law.

TERMINATION FOR CONVENIENCE

Except as otherwise provided in this contract, the AGENCY may, by 10 calendar days written notice, beginning on the second day after the mailing, terminate this contract, in whole or in part. If this contract is so terminated, the AGENCY shall be liable only for payment required under the terms of this contract for services rendered or goods delivered prior to the effective date of termination.

TERMINATION PROCEDURES

Upon termination of this contract, the AGENCY, in addition to any other rights provided in this contract, may require the CONTRACTOR to deliver to the AGENCY any property specifically produced or acquired for the performance of such part of this contract as has been terminated. The provisions of the "Treatment of Assets" clause shall apply in such property transfer.

The AGENCY shall pay to the CONTRACTOR the agreed upon price, if separately stated, for completed work and services accepted by the AGENCY, and the amount agreed upon by the CONTRACTOR and the AGENCY for (i) completed work and services for which no separate price is stated, (ii) partially completed work and services, (iii) other property or services that are accepted by the AGENCY, and (iv) the protection and preservation of property, unless the termination is for default, in which case the AGENT shall determine the extent of the liability of the AGENCY. Failure to agree with such determination shall be a dispute within the meaning of the "Disputes" clause of this contract. The AGENCY may withhold from any amounts due the CONTRACTOR such sum as the AGENT determines to be necessary to protect the AGENCY against potential loss or liability.

The rights and remedies of the AGENCY provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

After receipt of a notice of termination, and except as otherwise directed by the AGENT, the CONTRACTOR shall:

1. Stop work under the contract on the date, and to the extent specified, in the notice;
2. Place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the work under the contract that is not terminated;
3. Assign to the AGENCY, in the manner, at the times, and to the extent directed by the AGENT, all of the rights, title, and interest of the CONTRACTOR under the orders and subcontracts so terminated, in which case the AGENCY has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;
4. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the AGENT to the extent AGENT may require, which approval or ratification shall be final for all the purposes of this clause;
5. Transfer title to the AGENCY and deliver in the manner, at the times, and to the extent directed by the AGENT any property which, if the contract had been completed, would have been required to be furnished to the AGENCY;
6. Complete performance of such part of the work as shall not have been terminated by the AGENT; and
7. Take such action as may be necessary, or as the AGENT may direct, for the protection and preservation of the property related to this contract, which is in the possession of the CONTRACTOR and in which the AGENCY has or may acquire an interest.

TREATMENT OF ASSETS

- A. Title to all property furnished by the AGENCY shall remain in the AGENCY. Title to all property furnished by the CONTRACTOR, for the cost of which the CONTRACTOR is entitled to be reimbursed as a direct item of cost under this contract, shall pass to and vest in the AGENCY upon delivery of such property by the CONTRACTOR. Title to other property, the cost of which is reimbursable to the CONTRACTOR under this contract, shall pass to and vest in the AGENCY upon (i) issuance for use of such property in the performance of this contract, or (ii) commencement of use of such property in the performance of this contract, or (iii) reimbursement of the cost thereof by the AGENCY in whole or in part, whichever first occurs.
- B. Any property of the AGENCY furnished to the CONTRACTOR shall, unless otherwise provided herein or approved by the AGENCY, be used only for the performance of this contract.
- C. The CONTRACTOR shall be responsible for any loss or damage to property of the AGENCY that results from the negligence of the CONTRACTOR or which results from the failure on the part of the CONTRACTOR to maintain and administer that property in accordance with sound management practices.
- D. If any AGENCY property is lost, destroyed or damaged, the CONTRACTOR shall immediately notify the AGENCY and shall take all reasonable steps to protect the property from further damage.
- E. The CONTRACTOR shall surrender to the AGENCY all property of the AGENCY prior to settlement upon completion, termination or cancellation of this contract
- F. All reference to the CONTRACTOR under this clause shall also include CONTRACTOR'S employees, agents or SUBCONTRACTORS.

WAIVER

Waiver of any default or breach shall not be deemed a waiver of any subsequent default or breach. Any waiver shall not be construed to be a modification of the terms of this contract unless stated to be such in writing and signed by authorized representative of the AGENCY.