



Potomac and Rappahannock  
Transportation Commission

**DATE:** March 12, 2009  
**REQUEST FOR PROPOSAL:** RFP #09-04  
**SUBJECT:** Property and Casualty Insurance

**PROPOSAL DUE**

**DATE:** April 30, 2009  
**TIME:** 3:00 P.M. LOCAL TIME  
**SUBMIT TO:** Marsha Reid  
Potomac and Rappahannock Transportation  
Commission  
14700 Potomac Mills Road  
Woodbridge, VA 22192

Please direct contractual questions concerning RFP to Marsha Reid, Manager of Personnel Administration, (703) 580-6118; [mreid@omniride.com](mailto:mreid@omniride.com).

[www.PRTCtransit.org](http://www.PRTCtransit.org)

## **SECTION I**

### **INTRODUCTION**

This Request for Proposal (RFP) plus the resulting proposal and contract shall be consistent with and governed by the Virginia Public Procurement Act, § 2.2-4300, Va. Code Ann., et seq. In the event of an inconsistency between the solicitation and the selection requirements set forth in this RFP versus those set forth in the Virginia Public Procurement Act, the inconsistency shall be resolved by giving precedence to the solicitation and selection requirements of the Virginia Public Procurement Act.

This section of the RFP sets forth the general information to all potential offerors to facilitate preparation of suitable proposals for the services identified in this RFP. The proposal submission requirements are addressed in Section II of this RFP, while PRTC's process for selecting the best proposal and developing a contract are summarized in Section III. The requirements and process set forth therein shall be binding on all Offerors.

#### **I.1 Purpose of the Request**

The Potomac and Rappahannock Transportation Commission ("PRTC") seeks proposals from a qualified insurance company or companies for the renewal of PRTC's property and casualty insurance coverage effective July 1, 2009. The successful bidder(s) will provide insurance services in accordance with the Scope of Work listed herein.

#### **I.2 Background Information**

The Potomac and Rappahannock Transportation Commission (PRTC) is a suburban Washington, D.C., transportation agency offering a variety of services to meet community needs. Founded in 1986, the Commission prides itself on providing high quality, progressive, and innovative transit services for residents of its member jurisdictions, which include Prince William and Stafford Counties and the Cities of Manassas, Manassas Park, and Fredericksburg.

The Commission's governing board (the "Commissioners") is comprised of fifteen members, including three from the General Assembly and one ex-officio representative from the Virginia Department of Rail and Public Transportation. The governing body of each member jurisdiction appoints, from among its members, its representatives to act as Commissioners. Each Commissioner, including the Virginia Department of Rail and Public Transportation representative, is entitled to one vote in all matters requiring action by the Commission. A majority vote of the Commission members present and voting, and a majority of the jurisdictions represented are required to act. The current list of Commissioners is found on p. 30 of this Request for Proposals.

PRTC, in partnership with the Northern Virginia Transportation Commission (NVTC), provide commuter rail service through the Virginia Railway Express (VRE). VRE is managed by the Commissions, with certain functions delegated to the VRE Operations Board, which consists of representatives of all contributing and participating jurisdictions and one ex-officio representative of the Virginia Department of Rail and Public Transportation. NVTC and VRE have their own property and casualty insurance. To the extent a claim arises out of VRE activities, VRE's insurance provides coverage to PRTC and NVTC.

PRTC owns a fleet of buses, which it leases to a bus contractor for the provision of commuter and local bus services. The bus contractor is responsible for providing insurance and maintenance for the buses as well as liability coverage for the drivers. PRTC owns and operates an office and maintenance facility at 14700 Potomac Mills Road, Woodbridge, Virginia. This facility includes office space for clerical staff, garage space for the maintenance and repair of buses, bus washing and refueling facilities, and public bus stops. The building has an intrusion alarm (burglar) system. Both the building intrusion and sprinkler systems are monitored by a central alarm station. In addition to the fleet of commuter buses, PRTC owns and operates some vehicles that are not used for public transportation, but are used in business and for maintenance of the building and grounds. Additional information with respect to our operations may be found in the specifications.

For FY09 (7/1/08 – 6/30/09), PRTC's operating budget is \$27,119,600 and capital improvement budget is \$17,608,031.

### **I.3 Scope of Work**

The purpose and intent of this Request for Proposals (RFP) is to request competitive negotiable proposals from a qualified insurance company or companies for the renewal of PRTC's property and casualty insurance coverage effective July 1, 2009. One of PRTC's objectives is to obtain insurance through an insurance company or companies that can provide the best cost factors along with proven claims, loss control and administrative services. The successful insurance company or companies may be retained for a minimum of one year with the possibility of nine additional one-year renewal periods, subject to the provisions contained herein.

No markets will be assigned to any agents. Proposers may approach any underwriters they desire.

PRTC also requests that competing firms quote per the RFP, but offer a separate section of recommendations regarding insurance matters or higher levels of coverage that they feel would be in the best interest of PRTC and its employees.

PRTC may award portions of the property and casualty insurance separately. Therefore, PRTC reserves the right to place the insurance with one or several insurance companies.

If any separation of coverage is contemplated, it would be discussed with the affected proposers before a final decision is made. If an offeror cannot quote a portion of this coverage, advise why.

PRTC reserves the right to consider joining a self-insurance pool or pools.

All proposals must be made on the basis of the specifications contained herein. Offerors shall be familiar with the specifications and other information as supplied in this Request for Proposal. Offerors shall be fully responsible for understanding this Request for Proposal and shall understand that PRTC will not be responsible for any errors or omissions on the part of the offeror in making up the proposal.

All proposals must be through insurance companies authorized to do business in the Commonwealth of Virginia, and all agents must be licensed in the Commonwealth of Virginia. All insurance companies must be rated "A-" or better with the A.M. Best Company. All insurance agencies must have a minimum of five years in business, with a minimum of three years experience in handling accounts of the type and scope of PRTC.

Please refer to the Insurance Checklist concerning the coverage insurance agencies must carry.

PRTC requires the carrier's counsel to keep PRTC's counsel advised of the progress of all cases and to permit PRTC's counsel, in appropriate cases, to handle or otherwise participate in the defense of the case. In addition, PRTC must be kept advised throughout the investigation and negotiation of claims.

All proposers must meet the eligibility guidelines. Proposals which do not meet these guidelines will not be considered.

1. Loss History - Loss runs are available upon request.

**The following represents the specifications for coverage that offerors will quote on the attached price proposal submission sheets.**

2. Property  
Coverage Shall be ISO special form or its equivalent; \$1000 Deductible; Replacement Cost Basis; 100% Coinsurance.
  - A. Buildings - Per Schedule \$8,235,166  
Contents - Per Schedule \$ 859,415  
Based on the following Schedules  
Buildings & Contents
    1. Main Building Located 14700 Potomac Mills Rd  
\$7,074,822 Building  
\$ 733,180 Contents

\$ 500,000 Extra Expense 40/80/100

Building is Masonry Non-combustible; Protection  
Class 4. Built in 1997.

2. Bus Wash Building Located 14700 Potomac Mills Rd  
\$211,629 Building  
\$ 2,565 Contents

Building is Masonry Non-combustible; Protection  
Class 4. Built in 1997.

3. Bus Fueling Station with Pumps 14700 Potomac Mills Rd  
\$211,169 Building  
\$ 32,065 Contents

Building is Masonry Non-Combustible; Protection  
Class 4. Built in 1997.

4. Information and Waiting Pavilion 14700 Potomac Mills Rd  
\$141,086 Building  
\$ 2,565 Contents

Building is Masonry Non-Combustible; Protection  
Class 4. Built in 1997.

5. Bus Stop Enclosures at various sites \$282,000  
\$6,000 each for a total of \$282,000. Located  
throughout Prince William County

Buildings are frame (plexiglass); Protection  
Class 4. Built in 1997 – 2008.

6. Self Cleaning Restrooms 14700 Potomac Mills Rd.  
\$314,000

Building is Masonry Non Combustible; Protection Class 4.  
Built in 2008.

7. 14811 Dumfries Road, Manassas, VA  
Contents in Storage- \$30,740  
Building is Frame; ISO 9

8. 550 Railroad Avenue, Quantico, VA  
Office Contents- \$58,300

- |    |  |           |
|----|--|-----------|
| B. | Money and Securities On or Off Premises  | \$25,000  |
| C. | Exterior Glass   | Included  |
| D. | Valuable Papers and Records  | \$25,000  |
| E. | Employee Dishonesty  | \$500,000 |
| F. | Business Property Off Premises   | \$50,000  |
| G. | Outdoor Property – Trees Shrubs and Plants   | \$5,000   |
| H. | Debris Removal – Additional Coverage   | \$25,000  |
| I. | Damage Due to Sewer Backup   | \$25,000  |
| J. | Systems Breakdown Endorsement<br>Comprehensive Coverage – Includes Boilers, Vessels,<br>Piping, Air Conditioning and Refrigeration Equipment,<br>Machinery and Electrical Equipment. |           |
3. Commercial General Liability  
Coverage must be on an occurrence basis.
- |    |  |                       |
|----|--|-----------------------|
| A. | General Aggregate Limit  | \$2,000,000           |
| B. | Products and Completed Operations Agg. Limit   | \$2,000,000           |
| C. | Each Occurrence Limit  | \$1,000,000           |
| D. | Personal and Advertising Injury Limit  | \$1,000,000           |
| E. | Fire Damage Limit  | \$ 50,000             |
| F. | Medical Expense Limit  | \$5,000/person        |
| G. | Employee Benefits Liability  | \$1,000,000/employee  |
|    | \$1,000 Ded per employee   | \$2,000,000 Aggregate |
| H. | Additional Insured - CG2026 (11/85)<br>Commonwealth of VA<br>Virginia Dept. of Rail/Transportation<br>1313 East Main St #300, Richmond, VA 23219 |                       |
4. Automobile
- |    |  |              |
|----|--|--------------|
| A. | Auto Liability – Scheduled and Non-Owned Autos     | \$1,000,000  |
| B. | Hired Auto Liability                               | NOT COVERED  |
| C. | Uninsured Motorists                                | \$1,000,000  |
| D. | Auto Medical Payments (private passenger vehicles) | \$2,000      |
| E. | Comprehensive                                      | \$100 ded.   |
| F. | Collision  | \$250 ded.   |
| G. | Schedule of Owned Autos                            |              |
|    | 1. 2001 Nissan #JN8DR09Y51W583555                  | L,UM,MP,C,CL |
|    | Garage Location - Washington, DC                   |              |
|    | Cost New - \$30,131                                |              |

Garage Location Vehicles 2-4 is Woodbridge, VA:

2. 1997 Nissan Pathfinder #JN8AR05Y7VW105944

L,UM,MP,C,CL

Cost New - \$26,000 Gross Weight – 5,000

3. 2003 Chev. S-10 P/U #1GC0T19X138231641 L,UM,MP,C,CL

Cost New - \$21,000 Gross Weight – 7,800

4. 2003 Ford Explorer #1FMZU72K43UB97508 L,UM,MP,C,CL

Cost New - \$29,155; Gross Weight – 10,000

Vehicles #1 and #2 will be replaced in the near future with Ford Escape Hybrids. Please quote the current vehicles scheduled. If the vehicles are replaced during the proposal period, PRTC will issue an addendum.

Vehicles #2, #3, and #4 may be driven by PRTC staff and/or security contractor personnel.

5. Umbrella – Covers over GL & Auto on a Blanket Excess Basis  
\$10,000,000 CSL; \$10,000,000 Aggregate

6. Premium Basis Used

Public Liability

1. Code 46622 – Parking Areas – Private	80,000 sq ft
2. Code 61212 – Buildings or Premises total for all buildings	38,616 sq ft
3. Code 46606-Public Parking Leased Public Parking Areas	41,695 sq ft

The current carrier for property, commercial general liability, and automobile insurance is Harleysville Insurance Company.

7. Underground Tank Pollution Liability

The 3 storage tanks were manufactured by Xerxes Corporation and were installed July 1997. Two tanks hold 15,000 gallons and one holds 6,000 gallons. The tanks are double walled, fiberglass reinforced plastic. The pipes to/from the tanks are double walled, fiberglass reinforced plastic; suction, no valve at tanks.

The procedures to verify volume: automatic gauges and ground water monitoring of tanks continuously. Interstitial monitoring/secondary containment of pipes.

Current Coverage	
Per occurrence	\$1,000,000
Per occurrence for compensating 3 <sup>rd</sup> parties	\$1,000,000
Annual aggregate	\$1,000,000
Deductible -\$5,000	
Retroactive Date - 7/01/99	
Current Carrier - Zurich American Insurance Co.	

- 8. Other Coverage
  - A. Directors and Officers Liability & EPL Liability
    - Limits of Liability (Claims Made Basis)
      - Each Loss \$1,000,000
      - Aggregate \$1,000,000
      - 1. Deductible
        - Each claim \$5,000
      - 3. Full Prior Acts Included
    - Current Carrier - Federal Insurance Company

SEE ATTACHED DIRECTORS AND OFFICERS/EPL APPLICATION FOR PRTC.

**I.4 Period of Contract**

The term for this Contract shall be for one year. PRTC shall have the option to extend the Contract for nine additional one-year periods, contingent upon availability of funds for the purpose. The option to renew shall be exercised at the sole discretion of PRTC.

PRTC shall give the Contractor reasonable written notice of intent to renew prior to the expiration date of the current Contract. In the absence of any notification to renew, the Contract shall automatically terminate on the expiration date specified in the Contract. Agreement to extend the contract term shall not be final until the Contractor provides written acknowledgement of the extension.

Coverage changes shall be negotiable by PRTC as necessary during the contract term.

**I.5 Decision Not to Respond**

Some recipients of this RFP may elect not to respond with a proposal for a variety of reasons. PRTC is very interested in learning whether problems with the solicitation process have discouraged responses, or whether there are other reasons.

Accordingly, if your firm elects not to submit a proposal, we ask that you communicate why you are unable or unwilling to respond. Due to the large number of firms listed on PRTC’s qualified list of offerors, it is necessary to delete from these lists, the names of



those persons, firms, or corporations who fail to respond after having been requested to respond on three (3) solicitations without giving a reason.

#### **I.6 Emergency Order**

In the event of any emergency, PRTC reserves the right to order the contracted services from other sources which could provide a faster delivery time.

#### **I.7 Posting/Notice of Award**

Notice of Contract award(s) made as a result of this solicitation will be made via letter following Commission approval. All participants will receive either notification that they were not selected or "Intent to Award."

#### **I.8 Contractor Qualifications**

The Contractor must demonstrate to the satisfaction of PRTC that it has the necessary experience, skilled personnel and financial resources to perform the services required under this solicitation. Qualified contractors shall have substantial recent experience in providing similar services on a scale equal to or greater than what PRTC is requesting.

#### **I.9 Clarification of Terms**

In order to ensure an impartial competitive process, questions and private communications with the prospective bidders during proposal preparation and the evaluation period will not be accepted. If a prospective contractor has questions about the specifications or other solicitation documents, the prospective contractor should contact the person whose name appears on the cover page of this solicitation. Inquiries regarding this RFP will be allowed until April 15, 2009, and will be distributed to all RFP recipients. Any revisions to the solicitation will be made only by addendum issued by PRTC.

## SECTION II

### PROPOSAL REQUIREMENTS

All information requested and the requirements of this RFP must be supplied in writing in order for PRTC to consider the proposal complete.

#### **II.1 Effect of Proposal Submission**

Submission of a proposal shall constitute agreement to include the provisions contained in this RFP and/or in the Offeror's proposal in any contract negotiated between the parties unless an exception or clarification specifically refers to the applicable objective or specification included in the Scope of Work.

By submitting a proposal, the Offeror also agrees that it is satisfied from its own investigation of the conditions and requirements to be met, that it fully understands their obligation, and that it will not make any claim for or have the right to cancellation of or relief from the contract because of any misunderstanding or lack of information.

#### **II.2 Due Date and Copies Returned**

Responses are due no later than 3:00 p.m. local time on Thursday, April 30, 2009; after which, responses will not be accepted.

All firms are to submit one (1) original and two (2) copies of the proposal.

Proposals received by PRTC after the date, time and location prescribed shall not be considered for contract award and shall be returned unopened to the Offeror.

Offerors should include the required RFP Submission Form (see following paragraphs), the Insurance Checklist (see Section III of this RFP), and completed price proposal sheets. These should be packaged together and clearly labeled "RFP No. 09-04."

Offerors should deliver the sealed proposal to:

Marsha Reid  
Potomac and Rappahannock Transportation Commission  
14700 Potomac Mills Road  
Woodbridge, VA 22192

#### **II.3 RFP Submission Form**

Each Offeror submitting a proposal must complete and include the RFP Submission Form regarding company identification and ownership disclosures, conflicts of interest, and

collusion. The certification on this form must bear an original signature and may be included with a letter of transmittal. Failure by the Offeror to include this RFP Submission Form with its proposal may be cause for rejection of the proposal. A brief explanation of the certifications on the form follows.

#### **II.4 Conflicts of Interest**

This solicitation is subject to the provisions of §§ 2.2-3100, *et seq.*, Va. Code Ann., the “Virginia Conflicts of Interest Act.” No member of the Potomac and Rappahannock Transportation Commission, or any other officer or employee of PRTC, or the spouse or any other relative who resides in the same household as any of the foregoing, may be a contractor or subcontractor in connection with any bid, or have a personal interest therein as defined by § 2.2-3101, Va. Code Ann.

#### **II.5 Collusion**

All proposals submitted must be made without prior understanding, agreement, or connection with any corporation, partnership, firm, or person submitting a proposal for the same requirements, without collusion or fraud. Collusive bidding is a violation of State and Federal law and can result in fines, prison sentences, and civil damage awards.

#### **II.6 Ownership**

PRTC requires all firms submitting proposals to indicate their form of organization and current principal place of business. In addition, proposals must list the names and addresses of any ownership interest of 3% or more in the firm(s) responding to this RFP.

#### **II.7 Confidentiality**

PRTC shall not discuss or disclose proposals or their proposed cost with competing firms during the selection process or otherwise disclose them to the public except as may be required under the Federal and State Freedom of Information Acts (FOIA) and other relevant law (i.e., Virginia’s Public Procurement Act). Proprietary information which is submitted must be identified as such at the time of submission, and shall not be disclosed to the public or competing offerors at any point in time.

No responsibility shall be attached to the PRTC Executive Director or his representative(s) for the premature opening or disclosure of a proposal not properly addressed and identified.

#### **II.8 Proposal Format Instructions**

PRTC will follow the evaluation process and selection criteria described in Section III of this RFP. In order to enhance this process and provide each firm an equal opportunity for consideration, adherence to a standardized proposal format is required. Proposals should

communicate how the firm's complete range of services will best aid the Commission. Proposals are to follow this format and include at least the following:

1. Provide a brief history of the firm including:
  - a. Types and amounts of insurance currently serviced
  - b. Number of current clients
  - c. Number of claim reporting staff available. If the claim staff is not local, describe how your firm will handle claim situations.
  - d. Number of staff available to serve the Commission
2. Provide detailed resumes of the individuals who will be assigned to service the Commission account.
3. Provide a list of at least three (3) current references (on the reference form provided) for whom comparable work has been performed. This list shall include company name, person to contact, address, and telephone number.
4. Experience with transit or governmental insurance services.
5. Describe insurance services the firm is capable of providing that will best aid the Commission.
6. Completed price proposal submission sheets.
7. Include copies of all documents the proposer believes will be helpful in making our decision. This can include, but is not limited to, policies, endorsements, company handouts, articles, A.M. Best ratings, sample copies of loss runs, coverage charts and comparisons. Discuss anything relevant to your proposal.
8. Completed RFP submission form.
9. Completed insurance checklist.

Price proposals must be submitted on Request for Proposal price proposal submission sheets only. Include other information as requested or required. Price proposals which are not completed on the price proposal submission forms will be considered unresponsive, and will not be considered.

Provide a monthly/quarterly payment plan for all coverages. Advise what your minimum deposit would be and whether there would be any interest charges on the unpaid balance. Please state your net costs after dividends. You must include specific details of your dividend program along with an estimated projection of future dividends to PRTC on a separate sheet.

PRTC will not hold a pre-proposal conference. Questions and inquiries, both verbal and written, will be accepted by PRTC's Manager of Personnel Administration, Marsha Reid, from any and all firms. Material questions will be answered in writing and will be distributed to all firms who receive the RFP provided, however, that all questions are received at least fifteen (15) days in advance of the proposal submission date.

All negotiated prices shall remain valid for a minimum period of ninety (90) calendar days from date of offer or until such time a contract is signed, unless extended in writing.

PRTC is exempt from the payment of any Federal excise tax and Virginia sales tax. However, when under established trade practice, any Federal excise tax is included in the list price, the Offeror may quote the list price and shall show separately the amount of Federal tax, as a flat sum, which shall be deducted by PRTC.

### **SECTION III**

#### **SELECTION OF CONTRACTOR**

##### **III.1 Approving Authority**

The Approving Authority for this RFP is the Potomac and Rappahannock Transportation Commission and the authority to approve acquisition is contingent upon appropriation of funds for the total amount of the Contract within each fiscal year.

##### **III.2 Selection Committee**

For this RFP, PRTC will appoint a Selection Committee to review and evaluate all proposals received. In turn, the Selection Committee will make its recommendation for selection of a firm to the Approving Authority.

##### **III.3 Basis for Award**

The Selection Committee will base its recommendation on the "Evaluation Criteria" set forth in this RFP. The Committee shall conduct an evaluation based on information set forth in the proposal, past performance, and references of each firm.

During the evaluation process, the Committee may, at its discretion, request one or more proposers to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the panel may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

The selection panel shall recommend to PRTC's Executive Director a rank ordering of overall submissions. Negotiations with the top-ranked proposer(s) will commence in order to achieve agreement on contract terms. If negotiations with the top ranked

proposer(s) are not successful, discussions will commence with the next highest-rated proposer and negotiations will continue in this manner until acceptable contract(s) is achieved.

### **III.4 Evaluation Criteria**

Proposals satisfying the mandatory elements set forth below will be evaluated using the criteria appearing after the mandatory elements.

#### **A. Mandatory Elements**

1. The A.M. Best Key Rating of the proposed insurance companies. Ratings of only A- or above will be considered along with the financial strength of the carriers.
2. Admitted to conduct business in the Commonwealth of Virginia.
3. Insurance agencies must have a minimum of five years in business, with a minimum of three years experience in handling accounts of the type and scope of PRTC.
4. Carrier's counsel is required to keep PRTC's counsel advised of the progress of all cases and to permit PRTC's counsel, in appropriate cases, to handle or otherwise participate in the defense of the case. PRTC must be kept advised throughout the investigation and negotiation of claims.
5. Adheres to the instructions in this request for proposals for preparing and submitting the proposal.

#### **B. Cost Factors (35 points)**

Considerations include but are not limited to the following:

1. Net costs after dividends.
2. Premium payment schedules.
3. Rating basis for coverages proposed.

#### **C. Coverage Factors (30 points)**

Considerations include but are not limited to the following:

1. Terms of insurance agreements.
2. Exclusions.

3. Warranties or other mandatory conditions.
4. Coverage forms and special conditions.
5. Advantages to PRTC.

D. Agency Services (20 points)

Considerations include but are not limited to the following:

1. Give claims service and assistance as required.
2. Provide timely claims information on paid losses and reserves.
3. Coordinate and review loss control activities of PRTC.
4. Provide a continuous survey of market for broadest coverage at most competitive price.
5. Aid in subrogation claims.
6. Unlimited service regarding all insurance questions.
7. Obtain details concerning any type of insurance coverage requested by PRTC.

E. Insurance Company Services (15 points)

Considerations include but are not limited to the following:

1. Handle all claims as presented by PRTC.
2. Provide claims information as requested.
3. Provide loss control and safety services, at no cost to the insured.
4. Provide semi-annual loss runs for all coverages.
5. Work with PRTC regarding all insurance questions and problems to obtain a satisfactory solution.
6. Availability of toll-free number for claims processing.
7. Availability of on-line services.

After review and evaluation, and based on its sole discretion, PRTC reserves the right to reject any or all proposals received in response to this request and will not compensate offerors for the cost of proposal preparation whether or not an award is consummated.

### **III.5 Prime Contractor**

The selected Offeror will be required to assume full responsibility for the complete effort as required by this RFP whether work is performed by the Offeror or subcontractors. The selected Offeror is to be the sole point of contact with regard to all contractual responsibilities.

PRTC also reserves the right to contract with more than one firm for specific aspects of the RFP if that is in PRTC's best interest.

### **III.6 Contract Development**

Once a firm is tentatively selected based on the "Evaluation Criteria," PRTC reserves the right to negotiate further with the selected firm. As a result of this contract discussion and negotiation, PRTC may propose a contract which amends the scope of the RFP or the firm's proposal prior to signing the contract. At the same time, this RFP and the firm's proposal may be incorporated by reference directly into the final contract.

The contract, this RFP, and the Offeror's proposal submission in response thereto shall constitute the whole agreement between the parties.

If a satisfactorily proposed contract cannot be negotiated with the highest ranked firm, negotiations will be formally terminated. Negotiations shall then be undertaken with the second most qualified firm and so on. The Selection Committee will make appropriate recommendations to the Approving Authority prior to actual award of the contract.

### **III.7 Contingency of the Contract**

Award of the contract to the selected firm is contingent upon:

- the budget and appropriation of funds (if necessary); and
- the successful negotiation of contractual terms agreeable to both parties

Failure to achieve the foregoing will result in no award at this time.

### **III.8 Standard Contract for Services**

PRTC expects to enter into its "Standard Contract for Services" in a form substantially as attached hereto.

Specific obligations of each party will be specified in the final signed contract.



PRTC will consider contracts proposed by Offerors. Any contract awarded, however, shall be in a form acceptable to PRTC.

Offerors are reminded that the proposal will form the basis of the contract negotiations phase between PRTC and the selected firm. Accordingly, the proposal should be written in a concise, forthright manner, and respond in the manner described in Section II of the RFP. PRTC reserves the right to incorporate all statements and claims made in the proposal (to include any attachments) in the final contract.

### **III.9 Insurance**

The successful Offeror will be required to provide evidence of the minimum coverages described within the enclosed "Insurance Checklist." No contract shall be finalized and no work shall commence until PRTC's insurance requirements are met.

Each Offeror shall comply with the Insurance Requirements set forth in the following numbered paragraphs, plus the coverages and limits indicated on the "Insurance Checklist" at the end of this section of the Solicitation. Proposals must note any desired exceptions to the insurance coverage which may include the submission of proposed alternatives.

1. The firm shall be responsible for its work and every part thereof, and for all materials, equipment, and property of any and all description used in connection therewith. The firm assumes all risks of direct and indirect damage or injury to any person or property wherever located, resulting from any action, omission, commission, or operation under the contract, or in connection in any way whatsoever with the contracted work.

2. The firm shall, during the continuance of all work under the contract provide and agree to maintain the following unless omitted from the attached "Insurance Checklist":

a. Workers' Compensation and Employers' Liability insurance under the Commonwealth of Virginia statutory requirements, to protect the firm from any liability or damages for any injuries (including death and disability) to any and all of its employees, volunteers, or subcontractors, including any and all liability or damage which may arise by virtue of any statute or law in force within the Commonwealth of Virginia, or which may be hereinafter enacted.

b. General Liability insurance in the amount prescribed by PRTC, to protect the Contractor, its subcontractors, and the interest of PRTC, against any and all injuries to third parties, including bodily injury and personal injury, wherever located, resulting from any action or operation under the Contract or in connection with the contracted work. The General Liability insurance shall also include the Broad Form General Liability endorsement, in addition to coverages for explosion, collapse, and underground

hazards, where required. Completed Operations Liability coverage shall continue in force for one year after completion of work.

c. Automobile Liability insurance, including property damage, covering all owned, non-owned, borrowed, leased, or rented vehicles operated by the Contractor. In addition, all mobile equipment used by the Contractor in connection with the contracted work, will be insured under either a standard Automobile Liability policy, or a Commercial General Liability policy.

3. Liability insurance may be arranged by General Liability and Automobile Liability policies for the full limits required, or by a combination of underlying Liability policies for lesser limits with the remaining limits provided by an Excess or Umbrella Liability policy.

4. The Contractor agrees to provide insurance issued by companies admitted within the Commonwealth of Virginia, with the Best's Key Rating of at least A:VI.

5. The Contractor will provide an original, signed Certificate of Insurance, evidencing such insurance and such endorsements as prescribed herein, and shall have it filed with the PRTC Executive Director before a contract is executed and any work is started.

6. The Contractor will secure and maintain all insurance policies of its subcontractors which shall be made available to PRTC on demand.

7. The Contractor will provide on demand, certified copies of all insurance coverage on behalf of the Contract within ten (10) days of demand by PRTC. These certified copies will be sent to PRTC from the Contractor's insurance agent or representative.

8. No change, cancellation, or non-renewal shall be made in any insurance coverage without a thirty (30) day written notice to the PRTC Executive Director. The Contractor shall furnish a new certificate prior to any change or cancellation date. The failure of the Contractor to deliver a new and valid certificate will result in suspension of all payments until the new certificate is furnished to the PRTC Executive Director.

9. Insurance coverage required in these specifications shall be in force throughout the Contract term. Should the Contractor fail to provide acceptable evidence of current insurance within five (5) days of written notice at any time during the Contract term, PRTC shall have the absolute right to terminate the Contract without any further obligation to the Contractor, and the Contractor shall be liable to PRTC for the entire additional cost of procuring the incomplete portion of the Contract at time of termination.

10. Compliance by the Contractor and all subcontractors with the foregoing requirements as to carrying insurance shall not relieve the Contractor and all subcontractors of their liabilities and obligations under this hearing or under any other section or provisions of the Contract.

11. Contractual and other Liability insurance provided under the Contract shall not contain a supervision, inspection, or services exclusion that would preclude PRTC from supervising and/or inspecting the project as to the end result. The Contractor shall assume all on-the-job responsibilities as to the control of persons directly employed by it and of the subcontractors and any person employed by the subcontractor.
12. Nothing contained herein shall be construed as creating any contractual relationship between the subcontractor and PRTC. The Contractor shall be as fully responsible to PRTC for the acts and omissions of the subcontractors and of persons employed by them as it is for acts and omissions of persons directly employed by it.
13. Precaution shall be exercised at all times for the protection of persons (including employees) and property.
14. The Contractor and all subcontractors and sub-subcontractors are to comply with the Occupational Safety and Health Act of 1970, Public Law 91-956, as it may apply to the Contract.
15. If the Contractor does not meet the specifications of these insurance requirements, alternate insurance coverage, satisfactory to the PRTC Executive Director, may be considered.
16. PRTC shall be named an additional insured in the General Liability policies and stated so on the Certificate.

### **III.10 Non-Discrimination Against Faith-Based Organizations**

PRTC does not discriminate against faith-based organizations in procuring supplies and services.

### **III.11 Small, Women/Minority Owned Businesses Subcontracting and Evidence of Compliance**

It is the goal of PRTC that 40% of its purchases and contracts be made from and to small businesses. Unless the bidder/offeror is registered as a DMBE-certified small business and where it is practicable for any portion of the awarded contract to be subcontracted to other suppliers, the contractor is encouraged to offer such subcontracting opportunities to DMBE-certified small businesses. This shall not exclude DMBE-certified women-owned and minority-owned businesses when they have received DMBE small business certification.

No bidder/offeror or subcontractor shall be considered a Small Business, a Women-Owned Business or a Minority-Owned Business unless certified as such by the Department of Minority Business Enterprise (DMBE) by the due date for receipt of bids or proposals. If small business subcontractors are used, the prime contractor agrees to

report the use of small business subcontractors by providing to PRTC at a minimum the following information: name of small business with DMBE certification number, phone number, total dollar amount subcontracted, category type (small, women-owned, or minority-owned), and type of product/service provided.

**RFP SUBMISSION FORM**

Opening Date \_\_\_\_\_ Name of RFP \_\_\_\_\_  
Opening Time \_\_\_\_\_ RFP Number \_\_\_\_\_

**SECTION I - COMPANY IDENTIFICATION AND OWNERSHIP DISCLOSURE**

Company \_\_\_\_\_ Contact Person \_\_\_\_\_  
Address \_\_\_\_\_ Title \_\_\_\_\_  
Remittance Address \_\_\_\_\_ Telephone No. \_\_\_\_\_  
FAX No. \_\_\_\_\_  
Email \_\_\_\_\_

Indicate Which: Corporation  Partnership  Sole Proprietorship   
Minority Owned/Controlled Business Yes  No  Small Business Yes  No

Organized under the laws of the State of \_\_\_\_\_  
Principal place of business at \_\_\_\_\_

Following are the names and addresses of all persons having an ownership interest of 3% or more in the company: (Attach more sheets if necessary)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**SECTION II - CONFLICTS OF INTEREST**

This solicitation is subject to the provisions of §§ 2.2-3100, *et seq.*, Va. Code Ann., the “State and Local Government Conflicts of Interest Act.”

The Offeror **is** [ ] **is not** [ ] aware of any information bearing on the existence of any potential organizational conflict of interest.

**SECTION III - COLLUSION**

I certify that this offer is made without prior understanding, agreement, or in connection with any corporation, firm, or person submitting an offer for the same services, materials, or equipment, and is in all respects fair and without collusion or fraud. I understand collusive bidding is a violation of the State and Federal law and result in fines, prison sentences, and civil damage awards.

I hereby certify that the responses to the above representations, certifications, and other statements are accurate and complete. I agree to abide by all conditions of this Request for Proposal and certify that I am authorized to sign for the Offeror.

Signature \_\_\_\_\_ Date \_\_\_\_\_  
Name (Printed) \_\_\_\_\_ Title \_\_\_\_\_

**OFFEROR MUST RETURN THIS COMPLETED FORM WITH PROPOSAL SUBMISSION**

W:\DFR\PRTC\Bid Submission Form

**POTOMAC AND RAPPAHANANOCK TRANSPORTATION COMMISSION  
INSURANCE CHECKLIST**

Items marked "X" are required to be provided if award is made to your firm. See specification section entitled "General Insurance Requirements." Contractor's Insurance Agent shall mark a "check" ("Yes" or "No") as to availability of insurance. Note: If you have answered "No" to any of the requirements, provide written explanation on a separate sheet.

COVERAGE REQUIRED		LIMITS (FIGURES DENOTES MINIMUM)	
Yes	No*		
___	___	X 1. Workers' Compensation and Employers' Liability;	1. Statutory Limits of the Commonwealth of VA:
___	___	Admitted in Virginia	Yes
___	___	X Employers' Liability	\$100,000
___	___	X All States Endorsement	Statutory
___	___	USL&H Endorsement	Statutory
___	___	X Voluntary Compensation	Statutory
___	___	X 2. General Liability	2. \$1,000,000 Combined
___	___	X M&C/CGL	Single Limit Bodily
___	___	X Products	Injury and Property
___	___	Completed Operations	Damage Each Occurrence
___	___	X Contractual Liability	
___	___	X Personal Injury	
___	___	X Independent Contractors	
___	___	XCU Prop. Damage Excl. Deleted	
___	___	X 3. Automobile Liability	3. \$1,000,000 Combined
___	___	X Owned, Hired, & Non-Owned	Single Limit Bodily
___	___	Motor Carrier Act End.	Injury and Property
___	___		Damage Each Occurrence
___	___	X 4. Prof. Errors and Omissions	4. \$5,000,000 Limit Each Occurrence
___	___	5. Garage Liability	
___	___	6. Garagekeepers' Legal Liability	
___	___	7. Fire Legal Liability	
___	___	8. Other Insurance:	
___	___	X 9. PRTC named as additional insured on General Liability Policy (This coverage is primary to all other coverages PRTC may possess)	
___	___	X 10. 30 day cancellation notice required.	
___	___	X 11. Best's Guide Rating - A:VI or Better, or Equivalent	
___	___	X 12. The Certificate must state RFP No. and RFP Title	
___	___	13. Umbrella Liability	

OFFEROR AND INSURANCE AGENT STATEMENT

We understand the Insurance Requirements of these specifications and will comply in full if awarded this contract.

\_\_\_\_\_  
OFFEROR

\_\_\_\_\_  
INSURANCE AGENCY

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
SIGNATURE

Price Proposal Submission Sheet  
General Liability & Umbrella

Name of Insurance Company \_\_\_\_\_

A.M. Best Rating of Company \_\_\_\_\_

Please show premium details below

Class Code	Square Footage	Rate per \$1,000	Premium
46622	80,000	_____	_____
61212	38,616	_____	_____
46606	41,695	_____	_____

Net total general liability premium \_\_\_\_\_

Is premium subject to audit? \_\_\_\_\_

UMBRELLA

Name of Insurance Company \_\_\_\_\_

A.M. Best Rating of Company \_\_\_\_\_

Please show premium details below:

1. Flat Fee – Not Subject to Audit - \$ \_\_\_\_\_
2. If not flat fee, please describe pricing variables, if any:

Price Proposal Submission Sheet  
Automobile

Name of Insurance Company \_\_\_\_\_

A.M. Best Rating of Company \_\_\_\_\_

Please show premium details below.

\$1,000,000 liability – 4 vehicles \_\_\_\_\_

Non-Owned Auto Liability \_\_\_\_\_

\$2,000 Auto medical payments – 4 vehicles \_\_\_\_\_

\$1,000,000 uninsured motorists – 4 vehicles \_\_\_\_\_

\$1,000,000 underinsured motorists – 4 vehicles \_\_\_\_\_

\$100 deductible comprehensive – 4 vehicles \_\_\_\_\_

\$250 deductible collision – 4 vehicles \_\_\_\_\_

Hired Private Passenger Car Physical Damage \_\_\_\_\_

Net total auto premium \_\_\_\_\_



Price Proposal Submission Sheet  
Property

Name of Insurance Company \_\_\_\_\_

A.M. Best Rating of Company \_\_\_\_\_

Please show premium details below

- \$7,074,822 Building Coverage – Main Building \_\_\_\_\_
- \$211,629 Building Coverage – Bus Wash \_\_\_\_\_
- \$211,169 Building Coverage – Bus Fuel Station \_\_\_\_\_
- \$141,086 Building Coverage – Waiting Pavilion \_\_\_\_\_
- \$282,000 Building Coverage – Bus Stops \_\_\_\_\_
- \$314,000 Building Coverage – Rest Rooms \_\_\_\_\_
- \$733,180 Contents – Main Building \_\_\_\_\_
- \$2,565 Contents – Bus Wash Building \_\_\_\_\_
- \$32,065 Contents – Bus Fueling Station \_\_\_\_\_
- \$2,565 Contents – Waiting Pavilion \_\_\_\_\_
- \$30,740 Contents – Storage \_\_\_\_\_
- \$58,300 Contents – Off-site Office \_\_\_\_\_
- \$500,000 Extra Expense – 40/80/100 \_\_\_\_\_
- \$25,000 Money and Securities on Premises \_\_\_\_\_
- \$25,000 Money and Securities off Premises \_\_\_\_\_
- Exterior Glass – No per pane limit \_\_\_\_\_
- \$25,000 Valuable Papers and Records \_\_\_\_\_
- \$500,000 Employee Dishonesty \_\_\_\_\_
- \$50,000 Business Property off Premises \_\_\_\_\_
- \$5,000 Outdoor Property - \$500 per Plant \_\_\_\_\_
- \$25,000 Debris Removal \_\_\_\_\_
- \$25,000 Sewer Backup \_\_\_\_\_
- Systems Breakdown or Boiler and Machine \_\_\_\_\_

Price Proposal Submission Sheet  
Underground Tank Pollution Liability  
Per Specifications

Name of Insurance Company \_\_\_\_\_

A.M. Best Rating of Company \_\_\_\_\_

- \$1,000,000 per occurrence for corrective action
- \$1,000,000 per occurrence for compensating third parties
- \$1,000,000 annual aggregate

Net Total Annual Underground Tank Pollution Liability Premium \_\_\_\_\_

Please provide a sample copy of the coverage form and all endorsements and exclusions.

Price Proposal Submission Sheet  
Directors & Officers  
EPL Liability  
Per Specifications

Name of Insurance Company \_\_\_\_\_

A. M. Best Rating of Company \_\_\_\_\_

NET TOTAL D&O Liability Premium \_\_\_\_\_

Plus

NET TOTAL EPL Liability Premium \_\_\_\_\_

EQUALS TOTAL WRONGFUL ACTS LIABILITY PREMIUM \_\_\_\_\_

Please provide a sample copy of coverage forms, endorsements, & exclusions.

Price Proposal Submission Sheet  
Bid Totals

General Liability & Umbrella \_\_\_\_\_  
 Automobile \_\_\_\_\_  
 Property \_\_\_\_\_  
 Underground Tank Pollution Liability \_\_\_\_\_  
 Directors & Officers and EPL Liability \_\_\_\_\_  
 WRONGFUL ACTS LIABILITY PREMIUM \_\_\_\_\_  
 Net Total Annual Premium per Specifications \_\_\_\_\_

Please provide details of payment plans available:

Is there any finance charge or installment charge?

Please list all coverages requested under the specifications which are not included in your quote below. If any coverages are missing which are not listed below, the PRTC will expect reimbursement for uncovered claims from the agency or their Errors and Omissions Carrier.

Please explain why any coverages listed above are not included.

Price Proposal Submission Sheet  
General Information

Name of Insurance Agency \_\_\_\_\_

When was agency established? \_\_\_\_\_

How long under Current Ownership \_\_\_\_\_

Name of Errors and Omission Carrier \_\_\_\_\_

Limits of Liability for E&O \_\_\_\_\_

Name of Primary Agent Assigned to Our Account \_\_\_\_\_

How long has the primary agent been in the insurance business? \_\_\_\_\_

Does the primary agent have any advanced insurance designations, such as CIC, CRM, or CPCU?

\_\_\_\_\_

Name of Primary Customer Service Representative Assigned to our account \_\_\_\_\_

How long has the primary Customer Service Rep been in the insurance business? \_\_\_\_\_

Does the primary customer service rep have any advanced insurance designations, such as CIC, CRM, or CPCU? \_\_\_\_\_

Are any of the premiums and coverages quoted subject to change based on inspection by the insurance companies? \_\_\_\_\_

PRTC COMMISSIONERS

Prince William County:

Maureen Caddigan  
Wally Covington  
John Jenkins  
Michael May  
Martin Nohe  
Frank Principi

Stafford County:

Paul Milde  
George Schwartz

City of Fredericksburg:

Matthew Kelly

City of Manassas:

Jonathan Way

City of Manassas Park:

Frances Jones

Virginia General Assembly:

Scott Lingamfelter  
Jackson Miller

Virginia Senate:

Linda Puller

Virginia Department of Rail and Public Transportation:

Corey Hill

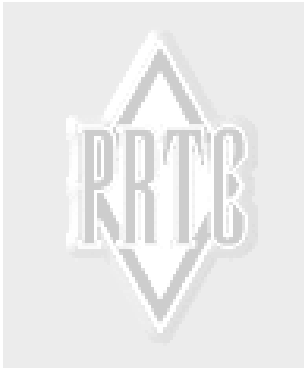
References for: \_\_\_\_\_

Offerors shall provide references on this form.

- 1. Firm Name \_\_\_\_\_  
Contact \_\_\_\_\_  
Title \_\_\_\_\_  
Mailing Address \_\_\_\_\_  
Phone \_\_\_\_\_
- 2. Firm Name \_\_\_\_\_  
Contact \_\_\_\_\_  
Title \_\_\_\_\_  
Mailing Address \_\_\_\_\_  
Phone \_\_\_\_\_
- 3. Firm Name \_\_\_\_\_  
Contact \_\_\_\_\_  
Title \_\_\_\_\_  
Mailing Address \_\_\_\_\_  
Phone \_\_\_\_\_
- 4. Firm Name \_\_\_\_\_  
Contact \_\_\_\_\_  
Title \_\_\_\_\_  
Mailing Address \_\_\_\_\_

Phone \_\_\_\_\_

**POTOMAC AND RAPPAHANNOCK  
TRANSPORTATION COMMISSION  
Services Contract**



CONTRACT: \_\_\_\_\_

SUBJECT: \_\_\_\_\_

Between:

Potomac and Rappahannock Transportation Commission  
14700 Potomac Mills Road  
Woodbridge, VA 22192

And the Contractor:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

This Contract is entered into this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between the Potomac and Rappahannock Transportation Commission, or its authorized agents, and the Contractor identified above for supplies and services identified herein, on the following terms and conditions. This Contract is prepared in accordance with the Virginia Public Procurement Act, § 2.2-4300, Va. Code Ann., which is incorporated herein by reference.



**SECTION I**  
**SPECIAL PROVISIONS**

**I.1 Definitions**

“Potomac and Rappahannock Transportation Commission” or “PRTC” shall mean the Potomac and Rappahannock Transportation Commission authorized by the Virginia Public Procurement Act or other law to enter into Contracts.

“Contract Administrator” assigned to administer this Contract for PRTC is \_\_\_\_\_.

“Contractor” shall mean:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

whose authorized representative is \_\_\_\_\_, who is responsible for the performance obligation of the Contractor under this Contract.

**I.2 Contract Term**

The term for this Contract shall be for \_\_\_\_\_ year(s), effective \_\_\_\_\_. PRTC shall have the option to renew the Contract for \_\_\_\_\_ additional \_\_\_\_\_ year periods, contingent upon availability of funds for the purpose and the needs of PRTC. The option to renew shall be exercised at the sole discretion of PRTC.

PRTC shall give the Contractor reasonable written notice of intent to renew prior to the expiration date of the current Contract. In the absence of any notification to renew, the Contract shall automatically terminate on the expiration date specified in the Contract. Agreement to extend the contract term shall not be final until the Contractor provides written acknowledgement of the extension.

**I.3a Incorporation of Documents**

The following documents are hereby incorporated by reference into this Contract:

1. Contractor’s Response dated \_\_\_\_\_
2. PRTC’s Request for Proposal Number \_\_\_\_\_ entitled “\_\_\_\_\_,” and dated \_\_\_\_\_.

**I.3b Precedence of Terms**

In the event of an inconsistency between the Request for Proposal, the Contract Terms and Conditions, other included documents, or the state procurement law, the inconsistency shall be resolved by the following order of precedence:

- a. Virginia Public Procurement Act, as amended
- b. Executed Contract
- c. Request for Proposal Number \_\_\_\_\_, entitled “\_\_\_\_\_” and dated \_\_\_\_\_
- d. Contractor’s Response dated \_\_\_\_\_

**I.4 Provision of Services**

The Contractor hereby agrees to provide \_\_\_\_\_ services to PRTC as described herein and further outlined and described in the Scope of Services for RFP entitled “Property and Casualty Insurance.”

**I.5 Contract Amount**

In return for the services identified above, and subject to the “Non-Appropriation of Funds” clause herein, PRTC certifies that sufficient funds are budgeted and appropriated and shall compensate the Contractor for \_\_\_\_\_ services at a rate of \_\_\_\_\_. This rate includes all expenses including travel time and per diem expenses.

**I.6 Method of Payment**

The Contractor shall submit invoices identifying the services performed. The invoice should cite the Purchase Order Number, Contract Number and date of services.

PRTC will make payment to the Contractor, net 30 days or in accordance with discount terms, if offered, after receipt of an acceptable invoice.

**I.7 Time of the Essence and Completion**

Time shall be of the essence to this Contract, except where it is herein specifically provided to the contrary.

**I.8 Key Personnel**

The Contractor shall assign to this Contract the following key personnel:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

During the period of performance, the Contractor shall make no substitutions of key personnel unless approved in writing by the Contract Administrator.

The Contractor shall provide a detailed explanation of the circumstances necessitating the proposed substitutions, complete resumés for the proposed substitutes, and any additional information requested by the Contract Administrator. Proposed substitutes should have comparable qualifications to those of the persons being replaced. The Contract Administrator will notify the Contractor within fifteen (15) calendar days after receipt of all required information of the decision on substitutions. This clause will be modified to reflect any approved changes of key personnel.

**I.9 Insurance**

The Contractor shall maintain insurance in an amount and form as set forth in \_\_\_\_\_.

**1.10 Hold Harmless**

The Contractor agrees to indemnify and hold harmless PRTC, its officers, agents and all employees and volunteers, from any and all claims for property damage, bodily injuries and personal injuries to the public, including cost of investigation, all reasonable attorneys fees, and the cost of appeals arising out of any such claims or suits, because of any and all acts of omission or commission of the Contractor, including its agents, subcontractors, employees and volunteers, in connection with work under this Contract.

**SECTION II**

**GENERAL PROVISIONS**

**II.1 Assignability of Contract**

Neither this Contract, nor any part hereof, may be assigned by the Contractor to any other party without the express written permission of PRTC.

**II.2 Modifications or Changes to the Contract**

All modifications and changes to the Contract shall be in writing.

The Executive Director of the Potomac and Rappahannock Transportation Commission shall, without notice to any sureties, have the authority to order changes in this Contract

which affect the cost or time of performance. Such changes shall be ordered in writing specifically designated to be a "Change Order." Such orders shall be limited to reasonable changes in the services to be performed or the time of performance; provided that the Contractor shall not be excused from performance under the changed contract by failure to agree to such changes, and it is the express purpose of this provision to permit unilateral changes in the Contract subject to the conditions and limitations herein.

The Contractor need not perform any work described in any change order unless it has received a certification from PRTC that there are funds budgeted and appropriated sufficient to cover the cost of such changes.

The Contractor shall make a demand for payment for completed changed work within \_\_\_\_\_ of receipt of a change order, unless such time period is extended in writing, or unless the PRTC Executive Director requires submission of a cost proposal prior to the initiation of any changed work or supplies. Later notification shall not bar the honoring of such claim or demand unless PRTC is prejudiced by such delay.

No claim for changes ordered hereunder shall be considered if made after final payment in accordance with the Contract.

### **II.3 Employment Discrimination for Contracts Over \$10,000**

1. During the performance of this Contract, the Contractor agrees as follows:
  - a. The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment notices setting forth the provision of this nondiscrimination clause.
  - b. The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, will state that such Contractor is an equal opportunity employer.
  - c. Notices, advertisements, and solicitations placed in accordance with Federal law, rule, or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.
2. The Contractor will include the provisions of the foregoing paragraphs a, b, and c in ever subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or contractor.

### **II.4 Drug-free Workplace to be Maintained by Contractor for Contracts Over \$10,000**

During the performance of this Contract, the Contractor agrees to (i) provide a drug-free workplace for the Contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the Contractor that the Contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontract or contractor.

For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific Contract awarded to a Contractor in accordance with this chapter, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession, or use of any controlled substance or marijuana during the performance of this Contract.

## **II.5 Claims/Disputes**

Contractual Disputes and Claims: In accordance with Section 2.2-4363, VA Code Ann., this provision shall be followed for consideration and handling of all disputes and claims by the Contractor under this Contract. Section 2.2-4365, VA Code Ann. is not applicable to this Contract. Under no circumstances is this Section an administrative appeals procedure governed by Section 2.2-4365, VA Code Ann. because Section 2.2-4365, VA Code Ann. is not applicable to this procurement.

Notice of the intent to submit a claim setting forth the basis for any claim shall be submitted in writing within ten (10) days after the occurrence or the event giving rise to the claim or within ten (10) days of discovering condition giving rise to the claim, whichever is later. In no event shall any claim arising out of this Contract be filed after submission of the request for Final Payment by the Contractor.

Claims by the Contractor with respect to this Contract shall be submitted in writing in the first instance for consideration by the Contract Administrator. The decision of the Contract Administrator shall be rendered in writing within thirty (30) days from the receipt of the claim from the Contractor. If the Contractor is not satisfied with the decision or resolution of the Contract Administrator, the Contractor may file a formal dispute with regard to the claim with the Executive Director of PRTC within thirty (30) days of the decision of the Contract Administrator. The Executive Director of PRTC shall reduce his/her decision to writing and shall mail or otherwise furnish a copy of its decision to the Contractor within thirty (30) days of the receipt of the claim from the Contractor. The decision of the Executive Director of PRTC shall be final and binding.

Should any decision-maker designated under this procedure fail to make a decision on a claim within the time period specified, then the claim is deemed to have been denied by

the decision-maker. Pending a final determination of a claim, the Contractor shall proceed diligently with the performance of the work under this Contract.

In accordance with the provisions of Section 2.2-4363, VA Code Ann., full compliance with this disputes and claim resolution procedure set forth in this Section shall be a precondition of the filing of any lawsuit by the Contract against the Commission arising out of the Contract.

## **II.6 Termination for Convenience of the Potomac and Rappahannock Transportation Commission**

The parties agree that PRTC may terminate this Contract, or any work or delivery required hereunder, from time to time either in whole or in part, whenever the PRTC Executive Director shall determine that such termination is in the best interests of PRTC.

Termination, in whole or in part, shall be effected by delivery of a Notice of Termination signed by the PRTC Executive Director or his designee, mailed or delivered to the Contractor, and specifically setting forth the effective date of termination.

Upon receipt of such Notice, the Contractor shall:

1. cease any further deliveries or work due under this Contract, on the date, and to the extent, which may be specified in the Notice;
2. place no further orders with any subcontractors except as may be necessary to perform that portion of this Contract not subject to the Notice;
3. terminate all subcontracts except those made with respect to Contract performance not subject to the Notice;
4. settle all outstanding liabilities and claims which may arise out of such termination, with the ratification of the PRTC Executive Director; and
5. Use its best efforts to mitigate any damages which may be sustained by it as a consequence of termination under this clause.

After complying with the foregoing provisions, the Contractor shall submit a termination claim, in no event later than six (6) months after the effective date of its termination, unless an extension is granted by the PRTC Executive Director.

PRTC shall pay reasonable costs of termination, including a reasonable amount for profit on supplies or services delivered or completed. In no event shall this amount be greater than the original Contract price, reduced by any payments made prior to Notice of Termination and further reduced by the price of the supplies not delivered, or the services not provided. This Contract shall be amended accordingly, and the Contractor shall be paid the agreed amount.

In the event that the parties cannot agree on the whole amount to be paid to the Contractor by reason of termination under this clause, PRTC shall pay to the Contractor the amounts determined as follows, without duplicating any amounts which may have already been paid under the preceding paragraph of this clause:

1. With respect to all Contract performance prior to the effective date of Notice of Termination, the total of:
  - a. cost of work performed or supplies delivered;
  - b. the cost of settling and paying any reasonable claims as provided in subparagraph (4) above;
  - c. a sum as profit on (a) determined by the PRTC Executive Director to be fair and reasonable.
2. The total sum to be paid under (a) above shall not exceed the Contract price, as reduced by the amount of payments otherwise made, and as further reduced by the Contract price of work or supplies not provided. In the event that the Contractor is not satisfied with any payments, which the Executive Director shall determine to be due under this clause, the Contractor may appeal any claim in accordance with the "Claims and Disputes" clause of this contract.

The Contractor shall include similar provisions in any subcontract, and shall specifically include a requirement that subcontractors make all reasonable efforts to mitigate damages which may be suffered. Failure to include such provisions shall bar the Contractor from any recovery from PRTC whatsoever of loss or damage sustained by a subcontractor as a consequence of termination for convenience.

## **II.7 Termination for Default**

Either party may terminate this Contract, without further obligation, for the default of the other party or its agents or employees with respect to any agreement or provision contained herein.

## **II.8 Examination of Records**

The Contractor agrees that PRTC, or any duly authorized representative, shall, until the expiration of three (3) years after final payment hereunder, have access to and the right to examine and copy any directly pertinent books, documents, papers and records of the Contractor involving transactions related to this Contract.

The Contractor further agrees to include in any subcontract for more than \$10,000 entered into as a result of this Contract, a provision to the effect that the subcontractor agrees that PRTC or any duly authorized representative shall, until the expiration of three

(3) years after final payment under the subcontract, have access to and the right to examine and copy any directly pertinent books, documents, papers and records of such Contractor involved in transactions related to such subcontract, or this Contract. The term “subcontract” as used herein shall exclude subcontracts or purchase orders for public utility services at rates established for uniform applicability to the general public. The period of access provided herein for records, books, documents and papers which may relate to any arbitration, litigation, or the settlement of claims arising out of the performance of this Contract or any subcontract shall continue until any appeals, arbitration, litigation or claims shall have been finally disposed of.

## **II.9 Termination for Non-Appropriation of Funds**

If funds are not appropriated for any succeeding fiscal year subsequent to the one in which this Contract is entered into, for the purposes of this Contract, then PRTC may terminate this Contract upon thirty (30) days prior written notice to the Contractor. Should termination be accomplished in accordance with this Section, PRTC shall be liable only for payments due through the date of termination.

## **II.10 Payments to Subcontractors**

In the event that the Contractor utilizes a subcontractor for any portion of the work under this Contract, the Contractor hereby agrees to:

1. The Contractor shall take one of the two following actions within seven (7) days after receipt of amounts paid to the Contractor by PRTC for work performed by a subcontractor under the Contract.
  - a. Pay a subcontractor for the proportionate share of the total payment received from PRTC attributable to the work performed by that subcontractor under the Contract; or
  - b. Notify PRTC and any subcontractors, in writing, of its intention to withhold all or a part of the subcontractor’s payment with the reason for nonpayment.
2. The Contractor shall be obligated to pay interest to a subcontractor on all monies owed by the Contractor that remain unpaid after seven (7) days following receipt by the Contractor of payment from PRTC for work performed by a subcontractor under the Contract, except for amounts withheld under subsection 1.b. of this section. The Contractor’s obligation to pay an interest charge to a subcontractor pursuant to the provisions of this section may not be construed as an obligation by PRTC. A contract modification may not be made for the purpose of providing reimbursement for any such interest charge. A cost reimbursement claim may not include any amount for reimbursement for such interest charge.
3. Unless otherwise provided under the terms of this Contract, interest shall accrue at the rate of one percent (1%) per month.



4. The Contractor is hereby required to include in each of its subcontracts a provision requiring each subcontractor to otherwise be subject to the same payment and interest requirements set forth in subsection 2 and 3 of this section with respect to each lower-tier subcontractor.

**II.11 Ethics in Public Contracting**

The Contractor hereby certifies that it has familiarized itself with Article 6 of Title 2.2 of the Virginia Public Procurement Act, Sections 2.2-4367 through 2.2-4377, Va. Code Ann., and that all amounts received by it, pursuant to this Procurement, are proper and in accordance therewith.

**II.12 Governing Law**

This Contract and any disputes hereunder shall be governed by the laws of the Commonwealth of Virginia.

**II.13 Integration**

This Contract shall constitute the whole agreement between the parties. There are no promises, terms, conditions or obligations other than those contained herein, and this Contract shall supersede all previous communications, representations or agreements, written or verbal, between the parties hereto.



POTOMAC AND RAPPAHANNOCK  
TRANSPORTATION COMMISSION

CONTRACTOR:

\_\_\_\_\_  
Executive Director/Contracting Officer

\_\_\_\_\_  
Contractor Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

ATTEST:

\_\_\_\_\_  
Executive Assistant

APPROVED AS TO FORM COUNTY ATTORNEY'S OFFICE

\_\_\_\_\_ Date: \_\_\_\_\_