

# STATE OF ALASKA INFORMAL REQUEST FOR PROPOSALS (IRFP)



## ACTUARIAL SERVICES-REPOSTING IRFP 02-119-22

ISSUED JUNE 6, 2022

THE DEPARTMENT OF ADMINISTRATION, DIVISION OF RISK MANAGEMENT, IS SOLICITING PROPOSALS TO  
PROVIDE ACTUARIAL SERVICES.

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ISSUED BY:

DEPARTMENT OF ADMINISTRATION  
DIVISION OF RISK MANAGEMENT

PRIMARY CONTACT:

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**OFFERORS ARE NOT REQUIRED TO RETURN THIS FORM.**

**IMPORTANT NOTICE:** IF YOU RECEIVED THIS SOLICITATION FROM THE STATE OF ALASKA'S "ONLINE PUBLIC NOTICE" WEB SITE, YOU MUST REGISTER WITH THE PROCUREMENT OFFICER LISTED IN THIS DOCUMENT TO RECEIVE NOTIFICATION OF SUBSEQUENT AMENDMENTS. FAILURE TO CONTACT THE PROCUREMENT OFFICER MAY RESULT IN THE REJECTION OF YOUR OFFER.

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## SECTION 1. INTRODUCTION & INSTRUCTIONS

### SEC. 1.01 PURPOSE OF THE IRFP

The Department of Administration, Division of Risk Management, is soliciting proposals for actuarial services.

### SEC. 1.02 BUDGET

The Department of Administration, Division of Risk Management, estimates a budget not to exceed \$40,000.00 for the contract term including any renewal options the state may choose to exercise.

Payment for the contract is subject to funds already appropriated and identified.

### SEC. 1.03 DEADLINE FOR RECEIPT OF PROPOSALS

Proposals must be received **no later than 2:00 PM prevailing Alaska Time on June 13, 2022**. Late proposals or amendments will be disqualified and not opened or accepted for evaluation.

### SEC. 1.04 PRIOR EXPERIENCE

In order for offers to be considered responsive offerors must meet these minimum prior experience requirements:

#### **MANDATORY REQUIREMENTS:**

- **Offerors must demonstrate at least 10 years of prior working experience in actuarial (property & casualty) analysis and reporting on each of the following:**
  - **Self-Insured programs of governmental entities (which may or may not contain Excess Coverages with high Self-Insured Retentions).**
  - **Group or Individual Captive programs, or Risk Retention Groups, or Reciprocal or Joint Insuring Associations with annual loss reserves including, allocated loss adjustment expense (ALAE), averaging \$18 million or greater.**
- **Offerors must have one member of the proposed staff with a professional accreditation of, Fellow of the Casualty Actuarial Society (FCAS) and Member of the American Academy of Actuaries (MAAA).**

**An offeror's failure to meet these minimum prior experience requirements will cause their proposal to be considered non-responsive and rejected.**

### SEC. 1.05 REQUIRED REVIEW

Offerors should carefully review this solicitation for defects and questionable or objectionable material. Comments concerning defects and questionable or objectionable material should be made in writing and received by the procurement officer at least ten days before the deadline for receipt of proposals. This will allow time for the issuance of any necessary amendments. It will also help prevent the opening of a defective proposal and exposure of offeror's proposals upon which award could not be made.

### SEC. 1.06 QUESTIONS PRIOR TO DEADLINE FOR RECEIPT OF PROPOSALS

All questions must be in writing and directed to the procurement officer. The interested party must confirm telephone conversations in writing.

Two types of questions generally arise. One may be answered by directing the questioner to a specific section of the IRFP. These questions may be answered over the telephone. Other questions may be more complex and may require a written amendment to the IRFP. The procurement officer will make that decision.

PROCUREMENT OFFICER: Kyle Skeek – email address at: [doa.oppm.procurement@alaska.gov](mailto:doa.oppm.procurement@alaska.gov)

## SEC. 1.07 RETURN INSTRUCTIONS

Offerors must submit their proposal electronically to the procurement officer in a single PDF file. The services proposal and cost proposal must be saved as a separate PDF document and emailed to [doa.oppm.procurement@alaska.gov](mailto:doa.oppm.procurement@alaska.gov) as separate, clearly labeled attachments, such as “Firm Name – Service Proposal.pdf” and “Firm Name – Cost Proposal.pdf”. The email must contain the IRFP number in the subject line.

The **maximum** size of a single email (including all text and attachments) that can be received by the state is **20mb (megabytes)**. If the email containing the proposal exceeds this size, the proposal must be sent in multiple emails that are each less than 20 megabytes and each email must comply with the requirements described above.

Please note that email transmission is not instantaneous. Similar to sending a hard copy proposal, if you are emailing your proposal, the state recommends sending it enough ahead of time to ensure the email is delivered by the deadline for receipt of proposals.

It is the offeror’s responsibility to contact the issuing agency at [doa.oppm.procurement@alaska.gov](mailto:doa.oppm.procurement@alaska.gov) to confirm that the proposal has been received. The state is not responsible for unreadable, corrupt, or missing attachments.

## SEC. 1.08 PROPOSAL CONTENTS

The following information must be included in all proposals.

### (a) AUTHORIZED SIGNATURE

All proposals must be signed by an individual authorized to bind the offeror to the provisions of the IRFP. Proposals must remain open and valid for at least 90-days from the date set as the deadline for receipt of proposals.

### (b) OFFEROR'S CERTIFICATION

By signature on the proposal, offerors certify that they comply with the following:

- A. the laws of the State of Alaska;
- B. the applicable portion of the Federal Civil Rights Act of 1964;
- C. the Equal Employment Opportunity Act and the regulations issued thereunder by the federal government;
- D. the Americans with Disabilities Act of 1990 and the regulations issued thereunder by the federal government;
- E. all terms and conditions set out in this IRFP;
- F. a condition that the proposal submitted was independently arrived at, without collusion, under penalty of perjury; and
- G. that the offers will remain open and valid for at least 90 days.

If any offeror fails to comply with [a] through [g] of this paragraph, the state reserves the right to disregard the proposal, terminate the contract, or consider the contractor in default.

(c) VENDOR TAX ID

A valid Vendor Tax ID must be submitted to the issuing office with the proposal or within five days of the state's request.

(d) CONFLICT OF INTEREST

Each proposal shall include a statement indicating whether or not the firm or any individuals working on the contract has a possible conflict of interest (e.g., currently employed by the State of Alaska or formerly employed by the State of Alaska within the past two years) and, if so, the nature of that conflict. The procurement officer reserves the right to **consider a proposal non-responsive and reject it** or cancel the award if any interest disclosed from any source could either give the appearance of a conflict or cause speculation as to the objectivity of the contract to be performed by the offeror.

## SEC. 1.09 ASSISTANCE TO OFFERORS WITH A DISABILITY

Offerors with a disability may receive accommodation regarding the means of communicating this IRFP or participating in the procurement process. For more information, contact the procurement officer no later than ten days prior to the deadline for receipt of proposals.

## SEC. 1.10 AMENDMENTS TO PROPOSALS

Amendments to or withdrawals of proposals will only be allowed if acceptable requests are received prior to the deadline that is set for receipt of proposals. No amendments or withdrawals will be accepted after the deadline unless they are in response to the state's request in accordance with 2 AAC 12.290.

## SEC. 1.11 AMENDMENTS TO THE IRFP

If an amendment is issued, it will be provided to all who were notified of the IRFP and to those who have registered with the procurement officer after receiving the IRFP from the State of Alaska Online Public Notice website.

## SEC. 1.12 IRFP SCHEDULE

The IRFP schedule set out herein represents the State of Alaska's best estimate of the schedule that will be followed. If a component of this schedule, such as the deadline for receipt of proposals, is delayed, the rest of the schedule may be shifted accordingly. All times are Alaska Time.

- Issue IRFP June 6, 2022,
- Questions submittal timeline June 8, 2022,
- Deadline for Receipt of Proposals June 13, 2022,
- Proposal Evaluation Committee complete evaluation approximately week of June 20, 2022,
- State of Alaska issues Notice of Award approximately week of June 27, 2022,
- Contract start July 1, 2022.

This IRFP does not, by itself, obligate the state. The state's obligation will commence when the contract is approved by the Commissioner of the Department of Administration, or the Commissioner's designee. Upon written notice to the contractor, the state may set a different starting date for the contract. The state will not be responsible for any work done by the contractor, even work done in good faith, if it occurs prior to the contract start date set by the state.

## SEC. 1.13 ALTERNATE PROPOSALS

Offerors may only submit one proposal for evaluation.

In accordance with 2 AAC 12.830 alternate proposals (proposals that offer something different than what is asked for) will be rejected.

## SECTION 2. BACKGROUND INFORMATION

### SEC. 2.01 BACKGROUND INFORMATION

The Annual Actuarial Report is required by AS 37.05.287(b) and is used as a resource to properly budget for the anticipated payment of losses each fiscal year. The report is also used as a resource and rating reference for pricing and underwriting the State insurance program.

The Annual Actuarial Report must be professionally completed and signed by a Fellow of the Casualty Actuarial Society (FCAS) who is also a Member of the American Academy of Actuaries (MAAA).

The following is the full text of AS 37.05.287(b):

(b) The Department of Administration shall annually review the state insurance program to ensure that, to the extent reasonable, adequate insurance coverage or reserves are maintained to satisfy all reasonably foreseeable claims or judgments for which payment may be due under the state insurance program during the next fiscal year. The department shall annually obtain an independent actuarial assessment of the state insurance program. No later than February 1 of each calendar year, the department shall submit to the presiding officers of each house of the legislature a review of the state insurance program, an independent actuarial assessment, and a certified audit of the state insurance catastrophe reserve account.



## **SECTION 3. SCOPE OF WORK & CONTRACT INFORMATION**

### **SEC. 3.01 SCOPE OF WORK**

The Department of Administration, Division of Risk Management, is soliciting proposals for actuarial services.

The Contractor shall provide an annual property/casualty/workers' compensation actuarial report complete with statistical exhibits and graphs outlining the State's experience and actuarial forecasts for the last 10 years (utilizing data from FY 1982 to present) as well as in the immediate future. This written report must include color graphs, which provides complete documentation of the methodologies and assumptions employed in the analysis.

During the course of the study, the contractor must consider:

1. Historical payment development and incurred loss development for each coverage analyzed.
2. Claim Development patterns and recent changes in such patterns.
3. Individual claim reserves where appropriate.
4. Reasonableness of the data provided for the analysis.

### **SEC. 3.02 CONTRACT TERM AND WORK SCHEDULE**

The length of the contract will be from the date of award, approximately July 1, 2022, through June 30, 2023, with four one-year renewal options at the State's discretion.

Unless otherwise provided in this IRFP, the State and the successful offeror/contractor agree: (1) that any extension of the contract excluding any exercised renewal options, will be considered as a month-to-month extension, and all other terms and conditions shall remain in full force and effect and (2) the procurement officer will provide written notice to the contractor of the intent to cancel such month-to-month extension at least 30 days before the desired date of cancellation. A month-to-month extension may only be executed by the procurement officer via a written contract amendment.

### **SEC. 3.03 DELIVERABLES**

The Contractor shall be required to provide the following deliverables:

1. Estimate net ultimate loss and allocated loss adjustment expense and reserves for fiscal accident years 1982 through 2022 as of June 30, 2022, separately for the following self-insured coverage's:
  - General Liability
  - Workers' Compensation
  - Property
  - Marine Liability
  - Automobile Liability
  - Aviation
  - Medical Malpractice (combined into General Liability from Fiscal Year 95 on)
2. Estimate projected fiscal accident years for the three following years (2023, 2024, and 2025) net ultimate loss and allocated loss adjustment expense for coverage mentioned in #1 above.

3. Estimate net loss and loss adjustment expense payments during fiscal years 2023, 2024, and 2025 for fiscal accident years 1982 through 2022 for each coverage mentioned in #1 above.
4. Estimate total net loss and loss adjustment expense reserves at the expected and 75%, 85% and 95% confidence levels as of June 30, 2023, June 30, 2024, and June 30, 2025.
5. Perform an analysis assuming the lesser of actual or \$1 million self-insured retentions for each item 1 through 4 mentioned above.

#### **SEC. 3.04 CONTRACT TYPE**

This contract is a firm fixed price contract.

#### **SEC. 3.05 PROPOSED PAYMENT PROCEDURES**

The state will make payments based on a negotiated payment schedule. Each billing must consist of an invoice and progress report. No payment will be made until the progress report and invoice has been approved by the project director.

#### **SEC. 3.06 PROMPT PAYMENT FOR STATE PURCHASES**

The state is eligible to receive a **5%** discount for all invoices paid within **15** business days from the date of receipt of the commodities or services and/or a correct invoice, whichever is later. The discount shall be taken on the full invoice amount. The state shall consider payment being made as either the date a printed warrant is issued or the date an electronic funds transfer (EFT) is initiated.

#### **SEC. 3.07 CONTRACT PAYMENT**

No payment will be made until the contract is approved by the Commissioner of the Department of Administration or the Commissioner's designee. Under no conditions will the state be liable for the payment of any interest charges associated with the cost of the contract. The state is not responsible for and will not pay local, state, or federal taxes. All costs associated with the contract must be stated in U.S. currency.

#### **SEC. 3.08 LOCATION OF WORK**

The location(s) the work is to be performed, completed, and managed is at the contractor's office.

The state will not provide workspace for the contractor. The contractor must provide its own workspace.

By signature on their proposal, the offeror certifies that all services provided under this contract by the contractor and all subcontractors shall be performed in the United States.

If the offeror cannot certify that all work will be performed in the United States, the offeror must contact the procurement officer in writing to request a waiver at least 10 days prior to the deadline for receipt of proposals.

The request must include a detailed description of the portion of work that will be performed outside the United States, where, by whom, and the reason the waiver is necessary.

Failure to comply with these requirements may cause the state to reject the proposal as non-responsive or cancel the contract.

#### **SEC. 3.09 SUBCONTRACTORS**

Subcontractors will not be allowed.

## **SEC. 3.10 JOINT VENTURES**

Joint ventures will not be allowed.

## **SEC. 3.11 RIGHT TO INSPECT PLACE OF BUSINESS**

At reasonable times, the state may inspect those areas of the contractor's place of business that are related to the performance of a contract. If the state makes such an inspection, the contractor must provide reasonable assistance.

## **SEC. 3.12 CONTRACT PERSONNEL**

Any change of the project team members or subcontractors named in the proposal must be approved, in advance and in writing, by the project director or procurement officer. Changes that are not approved by the state may be grounds for the state to terminate the contract.

## **SEC. 3.13 CONTRACT CHANGES - UNANTICIPATED AMENDMENTS**

During the course of this contract, the contractor may be required to perform additional work. That work will be within the general scope of the initial contract. When additional work is required, the project director will provide the contractor a written description of the additional work and request the contractor to submit a firm time schedule for accomplishing the additional work and a firm price for the additional work. Cost and pricing data must be provided to justify the cost of such amendments per AS 36.30.400.

The contractor will not commence additional work until the procurement officer has secured any required state approvals necessary for the amendment and issued a written contract amendment, approved by the Commissioner of the Department of Administration or the Commissioner's designee.

## **SEC. 3.14 NONDISCLOSURE AND CONFIDENTIALITY**

Contractor agrees that all confidential information shall be used only for purposes of providing the deliverables and performing the services specified herein and shall not disseminate or allow dissemination of confidential information except as provided for in this section. The contractor shall hold as confidential and will use reasonable care (including both facility physical security and electronic security) to prevent unauthorized access by, storage, disclosure, publication, dissemination to and/or use by third parties of, the confidential information. "Reasonable care" means compliance by the contractor with all applicable federal and state law, including the Social Security Act and HIPAA. The contractor must promptly notify the state in writing if it becomes aware of any storage, disclosure, loss, unauthorized access to or use of the confidential information.

Confidential information, as used herein, means any data, files, software, information or materials (whether prepared by the state or its agents or advisors) in oral, electronic, tangible or intangible form and however stored, compiled or memorialized that is classified confidential as defined by State of Alaska classification and categorization guidelines provided by the state to the contractor or a contractor agent or otherwise made available to the contractor or a contractor agent in connection with this contract, or acquired, obtained or learned by the contractor or a contractor agent in the performance of this contract. Examples of confidential information include, but are not limited to: technology infrastructure, architecture, financial data, trade secrets, equipment specifications, user lists, passwords, research data, and technology data (infrastructure, architecture, operating systems, security tools, IP addresses, etc).

If confidential information is requested to be disclosed by the contractor pursuant to a request received by a third party and such disclosure of the confidential information is required under applicable state or federal law, regulation, governmental or regulatory authority, the contractor may disclose the confidential information after providing the state with written notice of the requested disclosure ( to the extent such notice to the state is permitted by applicable law) and giving the state opportunity to review the request. If the contractor receives no objection from the state, it may release the confidential information within 30 days. Notice of the requested disclosure of confidential information by the contractor must be provided to the state within a reasonable time after the contractor's receipt of notice of the requested disclosure and, upon request of the state, shall seek to obtain legal protection from the release of the confidential information.

The following information shall not be considered confidential information: information previously known to be public information when received from the other party; information freely available to the general public; information which now is or hereafter becomes publicly known by other than a breach of confidentiality hereof; or information which is disclosed by a party pursuant to subpoena or other legal process and which as a result becomes lawfully obtainable by the general public.

### SEC. 3.15 INDEMINFICATION

The contractor shall indemnify, hold harmless, and defend the state from and against any claim of, or liability for error, omission, or negligent act of the contractor under this agreement. The contractor shall not be required to indemnify the contracting agency for a claim of, or liability for, the independent negligence of the state. If there is a claim of, or liability for, the joint negligent error or omission of the contractor and the independent negligence of the state, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. "Contractor" and "state", as used within this and the following article, include the employees, agents and other contractors who are directly responsible, respectively, to each. The term "independent negligence" is negligence other than in the contracting agency's selection, administration, monitoring, or controlling of the contractor and in approving or accepting the contractor's work.

### SEC. 3.16 INSURANCE REQUIREMENTS

Without limiting contractor's indemnification, it is agreed that contractor shall purchase at its own expense and maintain in force at all times during the performance of services under this agreement the following policies of insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the contractor's policy contains higher limits, the state shall be entitled to coverage to the extent of such higher limits.

Certificates of Insurance must be furnished to the contracting officer prior to beginning work and must provide for a notice of cancellation, non-renewal, or material change of conditions in accordance with policy provisions. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach of this contract and shall be grounds for termination of the contractor's services. All insurance policies shall comply with and be issued by insurers licensed to transact the business of insurance under AS 21.

**Workers' Compensation Insurance:** The contractor shall provide and maintain, for all employees engaged in work under this contract, coverage as required by AS 23.30.045, and where applicable, any other statutory obligations including but not limited to Federal U.S.L. & H. and Jones Act requirements. The policy must waive subrogation against the State.

**Commercial General Liability Insurance:** covering all business premises and operations used by the Contractor in the performance of services under this agreement with minimum coverage limits of \$300,000 combined single limit per claim.

**Commercial Automobile Liability Insurance:** covering all vehicles used by the contractor in the performance of services under this agreement with minimum coverage limits of \$300,000 combined single limit per claim.

**Professional Liability Insurance:** covering all errors, omissions or negligent acts in the performance of professional services under this agreement with minimum coverage limits of \$300,000 per claim /annual aggregate.

### **SEC. 3.17      TERMINATION FOR DEFAULT**

If the project director or procurement officer determines that the contractor has refused to perform the work or has failed to perform the work with such diligence as to ensure its timely and accurate completion, the state may, by providing written notice to the contractor, terminate the contractor's right to proceed with part or all of the remaining work.

This clause does not restrict the state's termination rights under the contract provisions of Appendix A, attached in **SECTION 8. ATTACHMENTS**.

## SECTION 4. PROPOSAL FORMAT AND CONTENT

### SEC. 4.01 PROPOSAL FORMAT AND CONTENT

This IRFP contains Submittal Forms, which must be completed by the offeror and submitted as their proposal. An electronic copy of the forms is posted along with this IRFP. Offerors shall not re-create these forms, create their own forms, or edit the format structure of the forms.

Unless otherwise specified in this IRFP, the Submittal Forms shall be the offeror's entire proposal. Do not include any marketing information in the proposal.

**Any proposal that does not follow these requirements may be deemed non-responsive and rejected.**

**Page Limits:** Some Submittal Forms listed below have maximum page limit requirements. Offerors must not exceed the maximum page limits. Note, the page limit applies to the front side of a page only (for example, '1 Page' implies that the offeror can only provide a response on one side of a piece of paper).

Submittal Form	Anonymous Document	Maximum Page Limits
Submittal Form A – Offeror Information and Certifications		
<b>Submittal Form B – Experience and Qualifications</b>	<b>YES</b>	<b>5</b>
<b>Submittal Form C – Understanding of the Project</b>	<b>YES</b>	<b>5</b>
<b>Submittal Form D – Methodology Used for the Project</b>	<b>YES</b>	<b>5</b>
Submittal Form E – Cost Proposal		

### SEC. 4.02 INTRODUCTION

Proposals must include the complete name and address of offeror's firm and the name, mailing address, and telephone number of the person the state should contact regarding the proposal.

Proposals must confirm that the offeror will comply with all provisions in this IRFP; and, if applicable, provide notice that the firm qualifies as an Alaskan bidder. Proposals must be signed by a company officer empowered to bind the company. An offeror's failure to include these items in the proposals may cause the proposal to be determined to be non-responsive and the proposal may be rejected.

### SEC. 4.03 OFFEROR INFORMATION AND CERTIFICATIONS (SUBMITTAL FORM A)

The offeror must complete and submit this Submittal Form. The form must be signed by an individual authorized to bind the offeror to the provisions of the IRFP.

By signature on the form, the offeror certifies they comply with the following:

- a) the laws of the State of Alaska;
- b) the applicable portion of the Federal Civil Rights Act of 1964;
- c) the Equal Employment Opportunity Act and the regulations issued thereunder by the federal government;
- d) the Americans with Disabilities Act of 1990 and the regulations issued thereunder by the federal government;
- e) all terms and conditions set out in this IRFP;

- f) a condition that the proposal submitted was independently arrived at, without collusion, under penalty of perjury; and
- g) that the offers will remain open and valid for at least 90 days.

If any offeror fails to comply with [a] through [g] of this paragraph, the state reserves the right to disregard the proposal, terminate the contract, or consider the contractor in default.

The Submittal Form also requests the following information:

- a) The complete name and address of offeror's firm along with the offeror's Tax ID.
- b) Information on the person the state should contact regarding the proposal.
- c) Names of critical team members.
- d) Addenda acknowledgement.
- e) Conflict of interest statement.
- f) Federal requirements.
- g) Alaska preference qualifications.

An offeror's failure to address/respond/include these items may cause the proposal to be determined to be non-responsive and the proposal may be rejected.

#### **SEC. 4.04 EXPERIENCE AND QUALIFICATIONS (SUBMITTAL FORM B)**

Offerors must provide an organizational chart specific to the personnel assigned to accomplish the work called for in this IRFP; illustrate the lines of authority; designate the individual responsible and accountable for the completion of each component and deliverable of the IRFP.

Offerors must provide a narrative description of the organization of the project team and a personnel roster that identifies each person who will actually work on the contract and provide the following information about each person listed:

- title,
- resume,
- location(s) where work will be performed,
- itemize the total cost and the number of estimated hours for each individual named above.

NOTE: Full resumes should be included as supplemental attachments to your proposal. Resumes should not be included on Submittal Form B – Experience and Qualifications.

#### **SEC. 4.05 UNDERSTANDING OF THE PROJECT (SUBMITTAL FORM C)**

Offerors must provide comprehensive narrative statements that illustrate their understanding of the requirements of the project and the project schedule.

#### SEC. 4.06 METHODOLOGY USED FOR THE PROJECT (SUBMITTAL FORM D)

Offerors must provide comprehensive narrative statements that set out the methodology they intend to employ and illustrate how the methodology will serve to accomplish the work and meet the state's project schedule.

#### SEC. 4.07 COST PROPOSAL (SUBMITTAL FORM E)

Offerors must complete and submit the Submittal Form E. Cost proposals must include all direct and indirect costs associated with the performance of the contract, including, but not limited to, total number of hours at various hourly rates, direct expenses, payroll, supplies, overhead assigned to each person working on the project, percentage of each person's time devoted to the project, and profit. The cost identified on the cost proposal are the total amount of costs to be paid by the state. No additional charges shall be allowed.

Provide the total cost to complete all aspects of the services and deliverables required in the IRFP. For evaluation purposes, the cost per year will be multiplied to determine the total evaluated cost.

#### SEC. 4.08 EVALUATION CRITERIA

All proposals will be reviewed to determine if they are responsive. Proposals determined to be responsive will be evaluated using the criterion that is set out in **SECTION 5. EVALUATION CRITERIA AND CONTRACTOR SELECTION.**

An evaluation may not be based on discrimination due to the race, religion, color, national origin, sex, age, marital status, pregnancy, parenthood, disability, or political affiliation of the offeror.



## SECTION 5. EVALUATION CRITERIA AND CONTRACTOR SELECTION

THE TOTAL NUMBER OF POINTS USED TO SCORE THIS PROPOSAL IS 1000

### SEC. 5.01 EXPERIENCE AND QUALIFICATIONS (15%)

Proposals will be evaluated against the questions set out below:

#### **1) Questions regarding the personnel:**

- a) Do the individuals assigned to the project have experience on similar projects?
- b) Are resumes complete and do they demonstrate backgrounds that would be desirable for individuals engaged in the work the project requires?
- c) How extensive is the applicable education and experience of the personnel designated to work on the project?
- d) Has the firm shown that they have at least one member of the proposed staff with a professional accreditation of Fellow of the Casualty Actuarial Society (FCAS) and Member of the American Academy of Actuaries (MAAA)?

#### **2) Questions regarding the firm and subcontractor (if used):**

- a) How well has the firm demonstrated experience in completing similar projects on time and within budget?
- b) How successful is the general history of the firm regarding timely and successful completion of projects?
- c) Has the firm provided letters of reference from previous clients?

### SEC. 5.02 UNDERSTANDING OF THE PROJECT (15%)

Proposals will be evaluated against the questions set out below:

- 1) How well has the offeror demonstrated a thorough understanding of the purpose and scope of the project?
- 2) How well has the offeror identified pertinent issues and potential problems related to the project?
- 3) To what degree has the offeror demonstrated an understanding of the deliverables the state expects it to provide?
- 4) Has the offeror demonstrated an understanding of the state's time schedule and can meet it?

### SEC. 5.03 METHODOLOGY USED FOR THE PROJECT (20%)

Proposals will be evaluated against the questions set out below:

- 1) How comprehensive is the methodology and does it depict a logical approach to fulfilling the requirements of the IRFP?
- 2) How well does the methodology match and achieve the objectives set out in the IRFP?
- 3) Does the methodology interface with the time schedule in the IRFP?

#### **SEC. 5.04 CONTRACT COST (40%)**

Overall, a minimum of 40 % of the total evaluation points will be assigned to cost. The cost amount used for evaluation may be affected by one or more of the preferences referenced under Section 6.11.

##### **Converting Cost to Points**

The lowest cost proposal will receive the maximum number of points allocated to cost. The point allocations for cost on the other proposals will be determined through the method set out in Section 6.15.

#### **SEC. 5.05 ALASKA OFFEROR PREFERENCE (10%)**

If an offeror qualifies for the Alaska Bidder Preference, the offeror will receive an Alaska Offeror Preference. The preference will be 10% of the total available points. This amount will be added to the overall evaluation score of each Alaskan offeror.

## SECTION 6. GENERAL PROCESS INFORMATION

### SEC. 6.01 ALASKA BUSINESS LICENSE AND OTHER REQUIRED LICENSES

Prior to the award of a contract, an offeror must hold a valid Alaska business license. However, in order to receive the Alaska Bidder Preference and other related preferences, such as the Alaska Veteran Preference and Alaska Offeror Preference, an offeror must hold a valid Alaska business license prior to the deadline for receipt of proposals. Offerors should contact the **Department of Commerce, Community and Economic Development, Division of Corporations, Business, and Professional Licensing, PO Box 110806, Juneau, Alaska 99811-0806**, for information on these licenses. Acceptable evidence that the offeror possesses a valid Alaska business license may consist of any one of the following:

- copy of an Alaska business license;
- certification on the proposal that the offeror has a valid Alaska business license and has included the license number in the proposal;
- a canceled check for the Alaska business license fee;
- a copy of the Alaska business license application with a receipt stamp from the state's occupational licensing office; or
- a sworn and notarized statement that the offeror has applied and paid for the Alaska business license.

You are not required to hold a valid Alaska business license at the time proposals are opened if you possess one of the following licenses and are offering services or supplies under that specific line of business:

- fisheries business licenses issued by Alaska Department of Revenue or Alaska Department of Fish and Game,
- liquor licenses issued by Alaska Department of Revenue for alcohol sales only,
- insurance licenses issued by Alaska Department of Commerce, Community and Economic Development, Division of Insurance, or
- Mining licenses issued by Alaska Department of Revenue.

Prior the deadline for receipt of proposals, all offerors must hold any other necessary applicable professional licenses required by Alaska Statute.

### SEC. 6.02 SITE INSPECTION

The state may conduct on-site visits to evaluate the offeror's capacity to perform the contract. An offeror must agree, at risk of being found non-responsive and having its proposal rejected, to provide the state reasonable access to relevant portions of its work sites. Individuals designated by the procurement officer at the state's expense will make site inspection.

### SEC. 6.03 CLARIFICATION OF OFFERS

In order to determine if a proposal is reasonably susceptible for award, communications by the procurement officer or the proposal evaluation committee (PEC) are permitted with an offeror to clarify uncertainties or eliminate confusion concerning the contents of a proposal. Clarifications may not result in a material or

substantive change to the proposal. The evaluation by the procurement officer or the PEC may be adjusted as a result of a clarification under this section.

## **SEC. 6.04 DISCUSSIONS WITH OFFERORS**

The state may conduct discussions with offerors in accordance with AS 36.30.240 and 2 AAC 12.290. The purpose of these discussions will be to ensure full understanding of the requirements of the IRFP and proposal. Discussions will be limited to specific sections of the IRFP or proposal identified by the procurement officer. Discussions will only be held with offerors who have submitted a proposal deemed reasonably susceptible for award by the procurement officer. Discussions, if held, will be after initial evaluation of proposals by the procurement officer or the PEC. If modifications are made as a result of these discussions, they will be put in writing. Following discussions, the procurement officer may set a time for best and final proposal submissions from those offerors with whom discussions were held. Proposals may be reevaluated after receipt of best and final proposal submissions.

If an offeror does not submit a best and final proposal or a notice of withdrawal, the offeror's immediate previous proposal is considered the offeror's best and final proposal.

Offerors with a disability needing accommodation should contact the procurement officer prior to the date set for discussions so that reasonable accommodation can be made. Any oral modification of a proposal must be reduced to writing by the offeror.

## **SEC. 6.05 EVALUATION OF PROPOSALS**

The procurement officer, or an evaluation committee made up of at least three state employees or public officials, will evaluate proposals. The evaluation will be based solely on the evaluation factors set out in **SECTION 5. EVALUATION CRITERIA AND CONTRACTOR SELECTION**.

After receipt of proposals, if there is a need for any substantial clarification or material change in the IRFP, an amendment will be issued. The amendment will incorporate the clarification or change, and a new date and time established for new or amended proposals. Evaluations may be adjusted as a result of receiving new or amended proposals.

## **SEC. 6.06 CONTRACT NEGOTIATION**

After final evaluation, the procurement officer may negotiate with the offeror of the highest-ranked proposal. Negotiations, if held, shall be within the scope of the request for proposals and limited to those items which would not have an effect on the ranking of proposals. If the highest-ranked offeror fails to provide necessary information for negotiations in a timely manner, or fails to negotiate in good faith, the state may terminate negotiations and negotiate with the offeror of the next highest-ranked proposal. If contract negotiations are commenced, they may be held via Microsoft Teams.

## **SEC. 6.07 FAILURE TO NEGOTIATE**

If the selected offeror

- fails to provide the information required to begin negotiations in a timely manner; or
- fails to negotiate in good faith; or
- indicates they cannot perform the contract within the budgeted funds available for the project; or

- if the offeror and the state, after a good faith effort, simply cannot come to terms,

the state may terminate negotiations with the offeror initially selected and commence negotiations with the next highest ranked offeror.

## **SEC. 6.08 OFFEROR NOTIFICATION OF SELECTION**

After the completion of contract negotiation, the procurement officer will issue a written Notice of Intent to Award (NIA) and send copies to all offerors. The NIA will set out the names of all offerors and identify the proposal selected for award.

## **SEC. 6.09 PROTEST**

2 AAC 12.695 provides that an interested party may protest the content of the IRFP or the award of a contract.

An interested party is defined in 2 AAC 12.990(a)(7) as “an actual or prospective bidder or offeror whose economic interest might be affected substantially and directly the issuance of a contract solicitation, the award of a contract, or the failure to award a contract.”

Per 2 AAC 12.695, an interested party must first attempt to informally resolve the dispute with the procurement officer. If that attempt is unsuccessful, the interested party may file a written protest to the solicitation or the award of the contract. The protest must be filed with the Commissioner of the purchasing agency or the Commissioner’s designee. The protester must also file a copy of the protest with the procurement officer. The protest must include the following information:

- the name, address, and telephone number of the protester;
- the signature of the protester or the protester's representative;
- identification of the contracting agency and the solicitation or contract at issue;
- a detailed statement of the legal and factual grounds of the protest including copies of relevant documents; and
- the form of relief requested.

If an interested party wishes to protest the content of a solicitation, the protest must be filed before the date and time that proposals are due.

If an offeror wishes to protest the award of a contract not greater than \$50,000, the protest must be filed within 10 days from the date of the solicitation or award, whichever is later.

If an offeror wishes to protest the award of a contract greater than \$50,000, the protest must be filed within 10 days from the date that notice of award is made.

A protester must have submitted a proposal in order to have sufficient standing to protest the award of a contract.

The procurement officer shall immediately give notice of the protest to the contractor or, if no award has been made, to all offerors who submitted proposals.

If the protestor agrees, the Commissioner of the purchasing department or the Commissioner’s designee may assign the protest to the procurement officer or other state official for alternate dispute resolution. In other cases, the Commissioner or the Commissioner’s designee may issue a decision denying the protest and stating the

reasons for denial, issue a decision sustaining the protest, in whole or in part, and instruct the procurement officer to implement an appropriate remedy, or conduct a hearing using procedures set out in AS 36.30.670(b).

## SEC. 6.10 APPLICATION OF PREFERENCES

Certain preferences apply to all contracts for professional services, regardless of their dollar value. The Alaska Bidder, Alaska Veteran, and Alaska Offeror preferences are the most common preferences involved in the IRFP process. Additional preferences that may apply to this procurement are listed below. Guides that contain excerpts from the relevant statutes and codes, explain when the preferences apply and provide examples of how to calculate the preferences are available at the **Department of Administration, Division of Shared Service's** web site:

<http://doa.alaska.gov/dgs/pdf/pref1.pdf>

- Alaska Products Preference - AS 36.30.332
- Recycled Products Preference - AS 36.30.337
- Local Agriculture and Fisheries Products Preference - AS 36.15.050
- Employment Program Preference - AS 36.30.321(b)
- Alaskans with Disabilities Preference - AS 36.30.321(d)

The Division of Vocational Rehabilitation in the Department of Labor and Workforce Development keeps a list of qualified employment programs and individuals who qualify as persons with a disability. As evidence of a business' or an individual's right to the Employment Program or Alaskans with Disabilities preferences, the Division of Vocational Rehabilitation will issue a certification letter. To take advantage of these preferences, a business or individual must be on the appropriate Division of Vocational Rehabilitation list prior to the time designated for receipt of proposals. Offerors must attach a copy of their certification letter to the proposal. **An offeror's failure to provide this certification letter with their proposal will cause the state to disallow the preference.**

## Sec. 6.11 ALASKA BIDDER PREFERENCE

An Alaska Bidder Preference of 5% will be applied to the price in the proposal. The preference will be given to an offeror who:

- 1) holds a current Alaska business license prior to the deadline for receipt of proposals;
- 2) submits a proposal for goods or services under the name appearing on the offeror's current Alaska business license;
- 3) has maintained a place of business within the state staffed by the offeror, or an employee of the offeror, for a period of six months immediately preceding the date of the proposal;
- 4) is incorporated or qualified to do business under the laws of the state, is a sole proprietorship and the proprietor is a resident of the state, is a limited liability company (LLC) organized under AS 10.50 and all members are residents of the state, or is a partnership under AS 32.06 or AS 32.11 and all partners are residents of the state; and
- 5) if a joint venture, is composed entirely of ventures that qualify under (1)-(4) of this subsection.

### Alaska Bidder Preference Certification Form

In order to receive the Alaska Bidder Preference, the proposal must include the Alaska Bidder Preference Certification Form attached to this IRFP. An offeror does not need to complete the Alaska Veteran Preference questions on the form if not claiming the Alaska Veteran Preference. An offeror's failure to provide this completed form with their proposal will cause the state to disallow the preference.

## SEC. 6.12 ALASKA VETERAN PREFERENCE

An Alaska Veteran Preference of 5%, not to exceed \$5,000, will be applied to the price in the proposal. The preference will be given to an offeror who qualifies under AS 36.30.990(2) as an Alaska bidder and is a:

- A. sole proprietorship owned by an Alaska veteran;
- B. partnership under AS 32.06 or AS 32.11 if a majority of the partners are Alaska veterans;
- C. limited liability company organized under AS 10.50 if a majority of the members are Alaska veterans; or
- D. corporation that is wholly owned by individuals, and a majority of the individuals are Alaska veterans.

In accordance with AS 36.30.321(i), the bidder must also add value by actually performing, controlling, managing, and supervising the services provided, or for supplies, the bidder must have sold supplies of the general nature solicited to other state agencies, other government, or the general public.

### Alaska Veteran Preference Certification

In order to receive the Alaska Veteran Preference, the proposal must include the Alaska Bidder Preference Certification Form attached to this IRFP. An offeror's failure to provide this completed form with their proposal will cause the state to disallow the preference.

## SEC. 6.13 ALASKA OFFEROR PREFERENCE

2 AAC 12.260(e) provides Alaska offerors a 10% overall evaluation point preference. Alaska bidders, as defined in AS 36.30.990(2), are eligible for the preference. An Alaska offeror will receive 10 percent of the total available points added to their overall evaluation score as a preference.

## SEC. 6.14 FORMULA USED TO CONVERT COST TO POINTS

The distribution of points based on cost will be determined as set out in 2 AAC 12.260(c). The lowest cost proposal will receive the maximum number of points allocated to cost. The point allocations for cost on the other proposals will be determined using the formula:

$$[(\text{Price of Lowest Cost Proposal}) \times (\text{Maximum Points for Cost})] \div (\text{Cost of Each Higher Priced Proposal})$$

## SEC. 6.15 EXAMPLES: CONVERTING COST TO POINTS & APPLYING PREFERENCES

### (a) FORMULA USED TO CONVERT COST TO POINTS

#### STEP 1

List all proposal prices, adjusted where appropriate by the application of applicable preferences claimed by the offeror.

Offeror #1	\$40,000
Offeror #2	\$42,750
Offeror #3	\$47,500

## STEP 2

In this example, the IRFP allotted 40% of the available 100 points to cost. This means that the lowest cost will receive the maximum number of points.

### **Offeror #1 receives 40 points.**

The reason they receive that amount is because the lowest cost proposal, in this case \$40,000, receives the maximum number of points allocated to cost, 40 points.

### **Offeror #2 receives 37.4 points.**

$\$40,000 \text{ lowest cost} \times 40 \text{ maximum points for cost} = 1,600,000 \div \$42,750 \text{ cost of Offeror \#2's proposal} = 37.4$

### **Offeror #3 receives 33.7 points.**

$\$40,000 \text{ lowest cost} \times 40 \text{ maximum points for cost} = 1,600,000 \div \$47,500 \text{ cost of Offeror \#3's proposal} = 33.7$

## **(b) ALASKA OFFEROR PREFERENCE**

### STEP 1

Determine the number of points available to qualifying offerors under this preference.

100 Total Points Available in IRFP x 10% Alaska offerors preference = 10 Points for the Preference

### STEP 2

Determine which offerors qualify as Alaska bidders and thus, are eligible for the Alaska offerors preference. For the purpose of this example, presume that all of the proposals have been completely evaluated based on the evaluation criteria in the IRFP. The scores at this point are:

Offeror #1	83 points	No Preference	0 points
Offeror #2	74 points	Alaska Offerors Preference	10 points
Offeror #3	80 points	Alaska Offerors Preference	10 points

### STEP 3

Add the applicable Alaska offerors preference amounts to the offeror's scores:

Offeror #1	83 points	
Offeror #2	84 points	(74 points + 10 points)
<b>Offeror #3</b>	<b>90 points</b>	<b>(80 points + 10 points)</b>

### STEP 4

**Offeror #3** is the highest scoring offeror and would get the award, provided their proposal is responsible and responsive.



## SECTION 7. GENERAL LEGAL INFORMATION

### SEC. 7.01 STANDARD CONTRACT PROVISIONS

The contractor will be required to sign and submit the State's Standard Agreement Form for Professional Services Contracts (form SAF.DOC/Appendix A). This form is attached in **SECTION 8. EXHIBITS** for your review. The contractor must comply with the contract provisions set out in this attachment. No alteration of these provisions will be permitted without prior written approval from the Department of Law. Objections to any of the provisions in Appendix A must be set out in the offeror's proposal in a separate document. Please include the following information with any change that you are proposing:

1. Identify the provision the offeror takes exception with.
2. Identify why the provision is unjust, unreasonable, etc.
3. Identify exactly what suggested changes should be made.

### SEC. 7.02 QUALIFIED OFFERORS

Per 2 AAC 12.875, unless provided for otherwise in the IRFP, to qualify as an offeror for award of a contract issued under AS 36.30, the offeror must:

- 1) Add value in the contract by actually performing, controlling, managing, or supervising the services to be provided; or
- 2) Be in the business of selling and have actually sold on a regular basis the supplies that are the subject of the IRFP.

If the offeror leases services or supplies or acts as a broker or agency in providing the services or supplies in order to meet these requirements, the procurement officer may not accept the offeror as a qualified offeror under AS 36.30.

### SEC. 7.03 PROPOSAL AS PART OF THE CONTRACT

Part or all of this IRFP and the successful proposal may be incorporated into the contract.

### SEC. 7.04 ADDITIONAL TERMS AND CONDITIONS

The state reserves the right to add terms and conditions during contract negotiations. These terms and conditions will be within the scope of the IRFP and will not affect the proposal evaluations.

### SEC. 7.05 HUMAN TRAFFICKING

By signature on their proposal, the offeror certifies that the offeror is not established and headquartered or incorporated and headquartered in a country recognized as Tier 3 in the most recent United States Department of State's Trafficking in Persons Report.

The most recent United States Department of State's Trafficking in Persons Report can be found at the following website: <https://www.state.gov/trafficking-in-persons-report/>

Failure to comply with this requirement will cause the state to reject the proposal as non-responsive or cancel the contract.

## SEC. 7.06 RIGHT OF REJECTION

Offerors must comply with all of the terms of the IRFP, the State Procurement Code (AS 36.30), and all applicable local, state, and federal laws, codes, and regulations. The procurement officer may reject any proposal that does not comply with all of the material and substantial terms, conditions, and performance requirements of the IRFP.

Offerors may not qualify the proposal nor restrict the rights of the state. If an offeror does so, the procurement officer may determine the proposal to be a non-responsive counteroffer and the proposal may be rejected.

Minor informalities that:

- do not affect responsiveness;
- are merely a matter of form or format;
- do not change the relative standing or otherwise prejudice other offers;
- do not change the meaning or scope of the IRFP;
- are trivial, negligible, or immaterial in nature;
- do not reflect a material change in the work; or
- do not constitute a substantial reservation against a requirement or provision;

may be waived by the procurement officer.

The state reserves the right to refrain from making an award if it determines that to be in its best interest.

**A proposal from a debarred or suspended offeror shall be rejected.**

## SEC. 7.07 STATE NOT RESPONSIBLE FOR PREPARATION COSTS

The state will not pay any cost associated with the preparation, submittal, presentation, or evaluation of any proposal.

## SEC. 7.08 DISCLOSURE OF PROPOSAL CONTENTS

All proposals and other material submitted become the property of the State of Alaska and may be returned only at the state's option. AS 40.25.110 requires public records to be open to reasonable inspection. All proposal information, including detailed price and cost information, will be held in confidence during the evaluation process and prior to the time a Notice of Intent to Award is issued. Thereafter, proposals will become public information.

The Office of Procurement and Property Management (OPPM), or their designee recognizes that some information an offeror submits might be confidential under the United States or the State of Alaska Constitution, a federal statute or regulation, or a State of Alaska statute: i.e., might be confidential business information (CBI). *See, e.g.,* article 1, section 1 of the Alaska Constitution; AS 45.50.910 – 45.50.945 (the Alaska Uniform Trade Secrets Act); *DNR v. Arctic Slope Regional Corp.*, 834 P.2d 134, 137-39 (Alaska 1991). For OPPM or their designee to treat information an offeror submits with its proposal as CBI, the offeror must do the following when submitting their proposal: (1) mark the specific information it asserts is CBI; and (2) for each discrete set of such information, identify, in writing, each authority the offeror asserts make the information CBI. If the offeror does not do these things, the information will become public after the Notice of Intent to Award is issued. If the offeror does these things, OPPM or their designee will evaluate the offeror's assertion upon receiving a request for the information. If OPPM or their designee reject the assertion, they will, to the extent permitted by federal and State of Alaska

law, undertake reasonable measures to give the offeror an opportunity to object to the disclosure of the information.

## SEC. 7.09 ASSIGNMENTS

Per 2 AAC 12.480, the contractor may not transfer or assign any portion of the contract without prior written approval from the procurement officer. Proposals that are conditioned upon the state's approval of an assignment will be rejected as non-responsive.

## SEC. 7.10 DISPUTES

A contract resulting from this IRFP is governed by the laws of the State of Alaska. If the contractor has a claim arising in connection with the agreement that it cannot resolve with the state by mutual agreement, it shall pursue the claim, if at all, in accordance with the provisions of AS 36.30.620 – AS 36.30.632. To the extent not otherwise governed by the preceding, the claim shall be brought only in the Superior Court of the State of Alaska and not elsewhere.

## SEC. 7.11 SEVERABILITY

If any provision of the contract is found to be invalid or declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected; and the rights and obligations of the parties will be construed and enforced as if the contract did not contain the particular provision held to be invalid.

## SEC. 7.12 SUPPLEMENTAL TERMS AND CONDITIONS

Proposals must comply with **SEC. 7.06 RIGHT OF REJECTION**. However, if the state fails to identify or detect supplemental terms or conditions that conflict with those contained in this IRFP or that diminish the state's rights under any contract resulting from the IRFP, the term(s) or condition(s) will be considered null and void. After award of contract:

if conflict arises between a supplemental term or condition included in the proposal and a term or condition of the IRFP, the term or condition of the IRFP will prevail; and

if the state's rights would be diminished as a result of application of a supplemental term or condition included in the proposal, the supplemental term or condition will be considered null and void.

## SEC. 7.13 FEDERALLY IMPOSED TARRIFFS

Changes in price (increase or decrease) resulting directly from a new or updated Federal Tariff, excise tax, or duty, imposed after contract award may be adjusted during the contract period or before delivery into the United States via contract amendment.

- **Notification of Changes:** The Contractor must promptly notify the Procurement Officer in writing of any new, increased, or decreased Federal excise tax or duty that may result in either an increase or decrease in the contact price and shall take appropriate action as directed by the Procurement Officer.
- **After-imposed or Increased Taxes and Duties:** Any Federal excise tax or duty for goods or services covered by this contract that was exempted or excluded on the contract award date but later imposed on the contractor during the contract period, as the result of legislative, judicial, or administrative action may result in a price increase provided:
  - a) The tax or duty takes effect after the contract award date and isn't otherwise addressed by the contract.

- b) The contractor warrants, in writing, that no amount of the newly imposed Federal excise tax or duty or rate increase was included in the contract price, as a contingency or otherwise.
- **After-relieved or Decreased Taxes and Duties:** The contract price shall be decreased by the amount of any decrease in Federal excise tax or duty for goods or services under the contract, except social security or other employment taxes, that the Contractor is required to pay or bear, or does not obtain a refund of, through the Contractor's fault, negligence, or failure to follow instructions of the Procurement Officer.
  - **State's Ability to Make Changes:** The State reserves the right to request verification of Federal excise tax or duty amounts on goods or services covered by this contract and increase or decrease the contract price accordingly.
  - **Price Change Threshold:** No adjustment shall be made in the contract price under this clause unless the amount of the adjustment exceeds \$250.

## SECTION 8. ATTACHMENTS

### SEC. 8.01 ATTACHMENTS

**Attachments:**

- 1) Cost Proposal Submittal Form E (one page);
- 2) Submittal Forms A-D (10 pages);
- 3) Sample Standard Agreement Form - Appendix A (three pages).