

STATE OF SOUTH DAKOTA  
OFFICE OF PROCUREMENT MANAGEMENT  
523 EAST CAPITOL AVENUE  
PIERRE, SOUTH DAKOTA 57501-3182

Insurer Financial Condition Examination Services

**PROPOSALS ARE DUE NO LATER THAN: 5:00 P.M. CST, May 18, 2023.**

RFP: # 23RFP8440:

Contracting Agency: Division of  
Insurance, Johanna Nickelson

PHONE: (605) 773-3563  
Email: Johanna.Nickelso@state.sd.us

FIRM NAME: \_\_\_\_\_ AUTHORIZED SIGNATURE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_ TYPE OR PRINT NAME: \_\_\_\_\_

CITY/STATE: \_\_\_\_\_ TELEPHONE NO: \_\_\_\_\_

ZIP (9 DIGIT): \_\_\_\_\_ FAX NO: \_\_\_\_\_

FEDERAL TAX ID#: \_\_\_\_\_ E-MAIL: \_\_\_\_\_

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EXAMINER PRIMARY CONTACT INFORMATION

CONTACT NAME: \_\_\_\_\_ TELEPHONE NO: \_\_\_\_\_

FAX NO: \_\_\_\_\_ E-MAIL: \_\_\_\_\_

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## 1.0 GENERAL INFORMATION

### 1.1 PURPOSE OF REQUEST FOR PROPOSAL (RFP)

The Division of Insurance (Division) is seeking a firm to conduct financial condition examinations of insurance companies domiciled in South Dakota.

### 1.2 ISSUING OFFICE AND RFP REFERENCE NUMBER

The Bureau of Administration, Office of Procurement Management is the issuing office for this document and all subsequent addenda relating to it, on behalf of the Division of Insurance. The reference number for the transaction is RFP # 23RFP8440. This number must be referred to on all proposals, correspondence, and documentation relating to the RFP.

### 1.3 SCHEDULE OF ACTIVITIES (SUBJECT TO CHANGE)

RFP Publication	March 1, 2023
Deadline for Submission of Written Inquiries	April 1, 2023
Responses to Vendor Questions	April 15, 2023
Proposal Submission	May 1, 2023, 5:00 P.M. CDT
Oral Presentations/discussions (if required)	TBD
Proposal Revisions (if required)	TBD
Anticipated Award Decision/Contract Negotiation	June 1, 2023

### 1.4 SUBMITTING YOUR PROPOSAL

All proposals must be completed and received by the Division of Insurance by the date and time indicated in the Schedule of Activities.

Proposals received after the deadline will be late and may be ineligible for consideration.

An original and an identical electronic copy of the proposal shall be submitted. The original proposal must be mailed as instructed below. **The Electronic copy shall be emailed to [Johanna.Nickelso@state.sd.us](mailto:Johanna.Nickelso@state.sd.us), with subject line of the email being "Request for Proposal # 23RFP8440"**

All proposals must be signed, in ink, by an officer of the responder, legally authorized to bind the responder to the proposal, and sealed in the form intended by the respondent. Proposals that are not properly signed may be rejected. The sealed envelope must be marked with the appropriate RFP Number and Title. The words "Sealed Proposal Enclosed" must be prominently denoted on the outside of the shipping container. **Proposals must be addressed and labeled as follows:**

**REQUEST FOR PROPOSAL # 23RFP8440  
PROPOSALS DUE MAY 18, 2023  
SOUTH DAKOTA DIVISION OF INSURANCE  
ATTN: Johanna Nickelson  
124 S. EUCLID AVE., 2<sup>ND</sup> FLOOR  
PIERRE, SD 57501**

No proposal shall be accepted from, or no contract or purchase order shall be awarded to any person, firm or corporation that is in arrears upon any obligations to the State of South Dakota, or that otherwise may be deemed irresponsible or unreliable by the State of South Dakota.

**1.5 CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION – LOWER TIER COVERED TRANSACTIONS**

By signing and submitting this proposal, the vendor certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation, by any Federal department or agency, from transactions involving the use of Federal funds. Where the vendor is unable to certify to any of the statements in this certification, the bidder shall attach an explanation to their offer.

**1.6 NON-DISCRIMINATION STATEMENT**

The State of South Dakota requires that all contractors, vendors, and suppliers doing business with any State agency, department, or institution, provide a statement of non-discrimination. By signing and submitting their proposal, the offeror certifies they do not discriminate in their employment practices with regard to race, color, creed, religion, age, sex, ancestry, national origin or disability.

**1.7 MODIFICATION OR WITHDRAWAL OF PROPOSALS**

Proposals may be modified or withdrawn by the vendor prior to the established due date and time.

No oral, telephonic, telegraphic or facsimile responses or modifications to informal, formal bids, or Request for Proposals will be considered.

**1.8 VENDOR INQUIRIES**

Vendors may email inquiries concerning this RFP to obtain clarification of requirements. No inquiries will be accepted after the date and time indicated in the Schedule of Activities. Email inquiries must be sent to Johanna Nickelson, [Johanna.Nickelson@state.sd.us](mailto:Johanna.Nickelson@state.sd.us) with the subject line "RFP # 23RFP8440."

A copy of inquiries received and the Division's response will be posted on the State's e-procurement system no later than April 24, 2023. Vendors may not rely on any other statements, either of a written or oral nature, that alter any specification or other term or condition of this RFP. Vendors will be notified in the same manner as indicated above regarding any modifications to this RFP.

**1.9 PROPRIETARY INFORMATION**

The proposal of the successful vendor(s) becomes public information. Proprietary information can be protected under limited circumstances such as client lists and non-public financial statements. Pricing and service elements are not considered proprietary. An entire proposal may not be marked as proprietary. Vendors must clearly identify in the Executive Summary and mark in the body of the proposal any specific proprietary information they are requesting to be protected. The Executive Summary must contain specific justification explaining why the information is to be protected. Proposals may be reviewed and evaluated by any person at the discretion of the State. All materials submitted become the property of the State of South Dakota and may be returned only at the State's option.

**1.10 LENGTH OF CONTRACT**

It is anticipated that the initial term of any contract resulting from this RFP will tentatively run from **July 1, 2023 through June 30, 2025**. At its sole discretion, the Division may renew the contract for up to four additional two-year option periods.

Renewal shall be contingent on satisfactory performance of the contract by the Contractor as determined by the Division of Insurance. If the Division of Insurance desires to renew the contract resulting from this RFP, it will provide written notice to the Contractor prior to the contract expiration date. Renewal is subject to the same terms, conditions and specifications contained within this RFP, unless otherwise agreed to in writing by the parties.

Payment for the services provided and expenses incurred will be made by the individual companies being examined. No payment will be made to the Contractor by the State of South Dakota or the Division of Insurance.

#### **1.11 GOVERNING LAW**

Venue for any and all legal action regarding or arising out of the transaction covered herein shall be solely in Circuit Court, Sixth Judicial Circuit, Hughes County, South Dakota. The laws and administrative rules of South Dakota shall govern this transaction.

#### **1.12 DISCUSSIONS WITH VENDORS (ORAL PRESENTATION/NEGOTIATIONS)**

An oral presentation by a vendor to clarify a proposal may be required at the sole discretion of the Division. However, the Division may award a contract based on the initial proposals received without discussion with the Vendor. If oral presentations are required, they will be scheduled after the submission of proposals. Oral presentations will be made at the vendor's expense.

This process is a Request for Proposal/Competitive Negotiation process. Each Proposal shall be evaluated, and each respondent shall be available for negotiation meetings at the Division's request. The Division reserves the right to negotiate on any and/or all components of every proposal submitted. From the time the proposals are submitted until the formal award of a contract, each proposal is considered a working document and as such, will be kept confidential. The negotiation discussions will also be held as confidential until such time as the award is completed.

#### **1.13 RESTRICTION ON CONTRACTS WITH PROHIBITED ENTITIES**

For contractors, vendors, suppliers, or subcontractors who enter into a contract with the State of South Dakota by submitting a response to this solicitation or agreeing to contract with the State, the bidder or offeror certifies and agrees that the following information is correct:

The bidder or offeror, in preparing its response or offer or in considering proposals submitted from qualified, potential vendors, suppliers, and subcontractors, or in the solicitation, selection, or commercial treatment of any vendor, supplier, or subcontractor, is not an entity, regardless of its principal place of business, that is ultimately owned or controlled, directly or indirectly, by a foreign national, a foreign parent entity, or foreign government from China, Iran, North Korea, Russia, Cuba, or Venezuela, as defined by South Dakota Executive Order 2023-02. It is understood and agreed that, if this certification is false, such false certification will constitute grounds for the State to reject the bid or response submitted by the bidder or offeror on this project and terminate any contract awarded based on the bid or response. The successful bidder or offeror further agrees to provide immediate written notice to the contracting executive branch agency if during the term of the contract it no longer complies with this certification and agrees such noncompliance may be grounds for contract termination.

#### **1.14 RESTRICTION ON BOYCOTT OF ISRAEL**

For contractors, Vendors, suppliers, or subcontractors with five (5) or more employees who enter into a contract with the State of South Dakota that involves the expenditure of one hundred thousand dollars

(\$100,000) or more, by submitting a response to this solicitation or agreeing to contract with the State, the bidder or offeror certifies and agrees that the following information is correct:

The bidder or offeror, in preparing its response or offer or in considering proposals submitted from qualified, potential vendors, suppliers, and subcontractors, or in the solicitation, selection, or commercial treatment of any vendor, supplier, or subcontractor, has not refused to transact business activities, has not terminated business activities, and has not taken other similar actions intended to limit its commercial relations, related to the subject matter of the bid or offer, with a person or entity on the basis of Israeli national origin, or residence or incorporation in Israel or its territories, with the specific intent to accomplish a boycott or divestment of Israel in a discriminatory manner. It is understood and agreed that, if this certification is false, such false certification will constitute grounds for the State to reject the bid or response submitted by the bidder or offeror on this project and terminate any contract awarded based on the bid or response. The successful bidder or offeror further agrees to provide immediate written notice to the contracting executive branch agency if during the term of the contract it no longer complies with this certification and agrees such noncompliance may be grounds for contract termination.

## **2.0 STANDARD CONTRACT TERMS AND CONDITIONS**

Any contract or agreement resulting from this RFP will include the State's standard terms and conditions as listed below, along with any additional terms and conditions as negotiated by the parties. The vendor should indicate in their response any issues they have with any specific contract terms. If the vendor does not indicate any contract term issues, the Division will assume the terms are acceptable.

- 2.1 The Contractor will perform those services described in the Scope of Work, which will be attached to the contract as Exhibit A and incorporated by reference. The Contractor's response to this RFP shall be considered part of the Scope of Work.
- 2.2 The services to be provided under the contract shall commence and terminate on mutually agreed upon dates. Terms for early termination shall be included in the agreement as negotiated by the parties.
- 2.3 The Contractor will not use State equipment, supplies or facilities. The Contractor will provide the State with its Employer Identification Number, Federal Tax Identification Number or Social Security Number upon execution of this Agreement.
- 2.4 The Prompt Payment Act, SDCL 5-26 does not apply to this contract. Neither the State nor the Division of Insurance has any obligation to pay under this contract.
- 2.5 The agreement shall indicate whether or not the State shall have the option to renew the agreement. If a renewal option is specified, the State shall have the option to renew the agreement (unless otherwise modified by a special contract term, condition, or specification), under the same terms and conditions, for two (2) year intervals. Notice of intent to renew shall be given by the State to the Contractor as mutually agreed upon prior to the end of the current contract term. If the notice of intent to renew is given, the Agreement shall renew unless terminated by either party pursuant to the Termination Provision of the Agreement.
- 2.6 The Contractor agrees to indemnify and hold the State of South Dakota, its officers, agents and employees, harmless from and against any and all actions, suits, damages, liability or other proceedings that may arise as the result of performing services hereunder. This section does not require the Contractor to be responsible for or defend against claims or damages arising solely from errors or omissions of the State, its officers, agents and employees.
- 2.7 The Contractor, at all times during the term of the Agreement, shall obtain and maintain in force insurance coverage of the types and with the limits as follows:

A. Commercial General Liability Insurance:

The Contractor shall maintain occurrence based commercial general liability insurance or equivalent form with a limit of not less than \$1,000,000.00 for each occurrence. If such insurance contains a general aggregate limit it shall apply separately to this Agreement or be no less than two times the occurrence limit.

B. Professional Liability Insurance or Miscellaneous Professional Liability Insurance:

The Contractor agrees to procure and maintain professional liability insurance or miscellaneous professional liability insurance with a limit not less than \$1,000,000.00.

C. Business automobile liability insurance:

The Contractor shall maintain business automobile liability insurance or equivalent form with a limit of not less than \$1,000,000.00 for each accident. Such insurance shall include coverage for owned, hired and non-owned vehicles.

D. Worker's compensation insurance:

The Contractor shall procure and maintain workers' compensation and employers' liability insurance as required by South Dakota law.

Before beginning work under this Agreement, Contractor shall furnish the State with properly executed Certificates of Insurance which shall clearly evidence all insurance required in this Agreement. In the event of a substantial change in insurance, issuance of a new policy, cancellation or nonrenewal of the policy, the Consultant agrees to provide immediate notice to the State and provide a new certificate of insurance showing continuous coverage in the amounts required. Consultant shall furnish copies of insurance policies if requested by the State.

2.8 While performing services under agreement with the State, the Contractor is an independent contractor and not an officer, agent, or employee of the State of South Dakota.

2.9 Contractor agrees to report to the State any event encountered in the course of performance of this Agreement which results in injury to the person or property of third parties, or which may otherwise subject Consultant or the State to liability. Consultant shall report any such event to the State immediately upon discovery.

Contractor's obligation under this section shall only be to report the occurrence of any event to the State and to make any other report provided for by their duties or applicable law. Contractor's obligation to report shall not require disclosure of any information subject to privilege or confidentiality under law (e.g., attorney-client communications). Reporting to the State under this section shall not excuse or satisfy any obligation of Contractor to report any event to law enforcement or other entities under the requirement of any applicable law.

2.10 **Termination Provision:** The Agreement may be terminated by either party hereto upon thirty (30) days written notice. In the event the Contractor breaches any of the terms or conditions of the Agreement, the Agreement may be terminated by the State at any time with or without notice. If termination for such a default is effected by the State, any payments due to Contractor at the time of termination may be adjusted to cover any additional costs to the State because of Contractor's default. Upon termination the State may take over the work and may award another party an agreement to complete the work under the Agreement. If after the State termination for a default by Contractor it is determined that Contractor was not at fault, then the Contractor shall be paid for eligible services rendered and expenses incurred up to the date of termination.

- 2.11 The Agreement may not be assigned without the express prior written consent of the State. This Agreement may not be amended except in writing, which writing shall be expressly identified as a part thereof, and be signed by an authorized representative of each of the parties thereto.
- 2.12 The Agreement shall be governed by and construed in accordance with the laws of the State of South Dakota. Any lawsuit pertaining to or affecting the Agreement shall be venued in Circuit Court, Sixth Judicial Circuit, Hughes County, South Dakota.
- 2.13 The Contractor will comply with all federal, state and local laws, regulations, ordinances, guidelines, permits and requirements applicable to providing services pursuant to the Agreement, and will be solely responsible for obtaining current information on such requirements.
- 2.14 In the event that any court of competent jurisdiction shall hold any provision of the Agreement unenforceable or invalid, such holding shall not invalidate or render unenforceable any other provision thereof.
- 2.15 All other prior discussions, communications and representations concerning the subject matter of the Agreement are superseded by the terms of the Agreement, and except as specifically provided therein, the Agreement constitutes the entire agreement with respect to the subject matter thereof.
- 2.16 Any notice or other communication required under this Agreement shall be in writing and sent to the address set forth above. Notices shall be given by and to **Johanna Nickelson** on behalf of the State, and by \_\_\_\_\_, on behalf of the Consultant, or such authorized designees as either party may from time to time designate in writing. Notices or communications to or between the parties shall be deemed to have been delivered when mailed by first class mail, provided that notice of default or termination shall be sent by registered or certified mail, or, if personally delivered, when received by such party.
- 2.17 The Contractor may not use subcontractors to perform the services described in the Agreement without the express prior written consent of the State. The Contractor will include provisions in its subcontracts requiring its subcontractors to comply with the applicable provisions of the Agreement, to indemnify the State, and to provide insurance coverage for the benefit of the State in a manner consistent with the Agreement. The Contractor will cause its subcontractors, agents, and employees to comply, with applicable federal, state and local laws, regulations, ordinances, guidelines, permits and requirements and will adopt such review and inspection procedures as are necessary to assure such compliance.
- 2.18 Contractor hereby acknowledges and agrees that all reports, plans, specifications, technical data, miscellaneous drawings, software system programs and documentation, procedures, or files, operating instructions and procedures, source code(s) and documentation, including those necessary to upgrade and maintain the software program, and all information contained therein provided to the State by the Contractor in connection with its performance of services under this Agreement shall belong to and is the property of the State and will not be used in any way by the Contractor without the written consent of the State. Papers, reports, forms, software programs, source codes(s) and other material which are part of the work under this Agreement will not be copyrighted without written approval of the State.
- 2.19 The Contractor certifies that neither the Contractor nor its principals are presently debarred, suspended, proposed from debarment or suspension, or declared ineligible from participating in transactions by the federal government or any state or local government department or agency. Contractor further agrees that it will immediately notify the State if during the term of this Agreement, Contractor further agrees that it will immediately notify the State if during the term of this Agreement, Contractor or its principals become subject to debarment, suspension or ineligibility from participating in transactions by the federal government.
- 2.20 The Consultant shall not divulge to third parties any confidential information obtained by the Consultant or its agents, officers or employees in the course of performing work under this Agreement, including but not limited to security procedures, business operations information, or commercial proprietary information.

The Consultant shall take the appropriate steps necessary to ensure confidentiality. The warranties of this paragraph shall survive this Agreement.

2.21 Contractor certifies and agrees that the following information is correct:

In preparing its response or offer or in considering proposals submitted from qualified, potential vendors, suppliers, and subcontractors, or in the solicitation, selection, or commercial treatment of any vendor, supplier, or subcontractor, Contractor is not an entity, regardless of its principal place of business, that is ultimately owned or controlled, directly or indirectly, by a foreign national, a foreign parent entity, or foreign government from China, Iran, North Korea, Russia, Cuba, or Venezuela, as defined by South Dakota Executive Order 2023-02.

Contractor further agrees that, if this certification is false, such false certification will constitute grounds for the State to terminate this Agreement. Contractor further agrees to provide immediate written notice to the State if during the term of this Agreement it no longer complies with this certification and agrees such noncompliance may be grounds for termination of this Agreement.

2.22 Executive Order 2020-01 provides that for contractors, vendors, suppliers or subcontractors with five (5) or more employees who enter into a contract with the State that involves the expenditure of one hundred thousand dollars (\$100,000) or more, by signing this Agreement Contractor certifies and agrees that it has not refused to transact business activities, has not terminated business activities, and has not taken other similar actions intended to limit its commercial relations, related to the subject matter of this Agreement, with a person or entity that is either the State of Israel, or a company doing business in or with Israel or authorized by, licensed by, or organized under the laws of the State of Israel to do business, or doing business in the State of Israel, with the specific intent to accomplish a boycott or divestment of Israel in a discriminatory manner. It is understood and agreed that, if this certification is false, such false certification will constitute grounds for the State to terminate this Agreement. Contractor further agrees to provide immediate written notice to the State if during the term of this Agreement it no longer complies with this certification and agrees such noncompliance may be grounds for termination of this Agreement.

### **3.0 SCOPE OF WORK**

- 3.1 The Contractor(s) will conduct financial examinations of South Dakota domiciled insurers in accordance with the SDCL Chapter 58-3 and the procedures set forth in the NAIC Financial Condition Examiners Handbook. The Contractor(s) will, with approval of the Division of Insurance, designate an Examiner in Charge (EIC) for each examination.
- 3.2 The EIC and other financial examiners will comply with the risk focused examination approach as explained in the NAIC Financial Condition Examiners Handbook.
- 3.3 The EIC will participate in pre-examination planning meetings with the Division of Insurance and the company being examined and provide time and cost estimates for the examination.
- 3.4 The EIC will hold meetings with the examined company's designated contact person weekly, or as otherwise arranged. The EIC will also provide the Division of Insurance with a written progress report biweekly, detailing what work was performed, any new findings, status of new and open requests for information, and any change to the scope or time frame of the examination.
- 3.5 The EIC and any other examiners will make themselves available for additional questioning by the Division of Insurance and will also be available to participate in any hearings or other matters arising out of the examination.



- 3.6 The EIC will schedule and participate in an exit conference along with the Division of Insurance and the Contractor's contact person. Within 45 days of completion of the examination, the EIC shall file a written report of examination, under oath, with the Division of Insurance.
- 3.7 The Contractor(s) will provide the Division of Insurance and the examined company with an invoice of hours worked, hourly rate, and related expenses with copies of receipts every month for payment by the examined company.

#### **4.0 PROPOSAL REQUIREMENTS AND COMPANY QUALIFICATIONS**

- 4.1 The vendor is cautioned that it is the vendor's sole responsibility to submit information related to the evaluation categories and that the State of South Dakota is under no obligation to solicit such information if it is not included with the proposal. The vendor's failure to submit such information may cause an adverse impact on the evaluation of the proposal.
- 4.2 **Vendor's Contacts:** Vendor and their agents (including subcontractors, employees, consultants, or anyone else acting on their behalf) must direct all of their questions or comments regarding the RFP, the evaluation, etc. to the buyer of record indicated on the first page of this RFP. Offerors and their agents may not contact any state employee other than the buyer of record regarding any of these matters during the solicitation and evaluation process. Inappropriate contacts are grounds for suspension and/or exclusion from specific procurements. Offerors and their agents who have questions regarding this matter should contact the buyer of record.
- 4.3 The vendor may be required to submit a copy of their most recent audited financial statements upon the State's request.
- 4.4 Provide the following information:
  - 4.4.1 Specialized expertise, capabilities, and technical competence as demonstrated by the proposed approach and methodology to meet the project requirements;
  - 4.4.2 Resources available to perform the work, including any specialized services, within the specified time limits for the project;
  - 4.4.3 Record of past performance, including price and cost data from previous projects, quality of work, ability to meet schedules, cost control, and contract administration;
  - 4.4.4 Availability to the project locale;
  - 4.4.5 Familiarity with the project locale;
  - 4.4.6 Proposed project management techniques; and
  - 4.4.7 Ability and proven history in handling special project constraints.
- 4.5 Provide the following information related to at least three previous and current service/contracts, performed by the vendor's organization, which are similar to the requirements of this RFP. Provide this information for any service/contract that has been terminated, expired or not renewed in the past three years.
  - a. Name, address and telephone number of client/contracting agency and a representative of that agency who may be contacted for verification of all information submitted;

- b. Dates of the service/contract; and
  - c. A brief, written description of the specific prior services performed and requirements thereof.
- 4.6 The Vendor must be able to provide sufficient numbers of examiners with sufficient expertise to perform any examinations that may be conducted by the Division of Insurance during the term of the contract.

## **5.0 PROPOSAL RESPONSE FORMAT**

5.1 An original of the proposal shall be submitted.

- 5.1.1 In addition, the vendor should provide one (1) copy of their entire proposal, including all attachments, in Microsoft Word or PDF electronic format. The Electronic copy shall be emailed to Johanna.Nickelson@state.sd.us, with subject line of the email being "Request for Proposal #23RFP8440"
- 5.1.2 The proposal should be page numbered and should have an index and/or a table of contents referencing the appropriate page number.

5.2 All proposals must be organized and tabbed with labels for the following headings:

- 5.2.1 **RFP Form.** The State's Request for Proposal form completed and signed.
- 5.2.2 **Executive Summary.** The one or two page executive summary is to briefly describe the vendor's proposal. This summary should highlight the major features of the proposal. It must indicate any requirements that cannot be met by the vendor. The reader should be able to determine the essence of the proposal by reading the executive summary. Proprietary information requests should be identified in this section.
- 5.2.3 **Detailed Response.** This section should constitute the major portion of the proposal and must contain at least the following information:
  - 5.2.3.1 A complete narrative of the vendor's assessment of the work to be performed, the vendor's ability and approach, and the resources necessary to fulfill the requirements. This should demonstrate the vendor's understanding of the desired overall performance expectations.
  - 5.2.3.2 A specific point-by-point response, in the order listed, to each requirement in the RFP, as detailed in Sections 3.0 and 4.3 through 4.6. The response should identify each requirement being addressed as enumerated in the RFP. Combined responses are acceptable when appropriate.
  - 5.2.3.3 A clear description of any options or alternatives proposed.
- 5.2.4 **Cost Proposal.** Cost will be evaluated independently from the technical proposal. All costs related to the provision of the required services must be included in each cost proposal offered.

See section 7.0 for more information related to the cost proposal.

## **6.0 PROPOSAL EVALUATION AND AWARD PROCESS**

- 6.1 After determining that a proposal satisfies the mandatory requirements stated in the Request for Proposal, the evaluator(s) shall use subjective judgment in conducting a comparative assessment of the proposal by considering each of the following criteria:
- 6.1.1 Specialized expertise, capabilities, and technical competence as demonstrated by the proposed approach and methodology to meet the project requirements;
  - 6.1.2 Resources available to perform the work, including any specialized services, within the specified time limits for the project;
  - 6.1.3 Record of past performance, including price and cost data from previous projects, quality of work, ability to meet schedules, cost control, and contract administration;
  - 6.1.4 Availability to the project locale;
  - 6.1.5 Familiarity with the project locale;
  - 6.1.6 Proposed project management techniques;
  - 6.1.7 Ability and proven history in handling special project constraints; and
  - 6.1.8 Cost of services to be provided.
- 6.2 Experience and reliability of the vendor's organization are considered subjectively in the evaluation process. Therefore, the vendor is advised to submit any information which documents successful and reliable experience in past performances, especially those performances related to the requirements of this RFP.
- 6.3 The qualifications of the personnel proposed by the vendor to perform the requirements of this RFP, whether from the vendor's organization or from a proposed subcontractor, will be subjectively evaluated. Therefore, the vendor should submit detailed information related to the experience and qualifications, including education and training, of proposed personnel.
- 6.4 The State reserves the right to reject any or all proposals, waive technicalities, and make award(s) as deemed to be in the best interest of the State of South Dakota.
- 6.5 **Award:** The requesting agency and the highest ranked offeror shall mutually discuss and refine the scope of services for the project and shall negotiate terms, including compensation and performance schedule.
- 6.5.1 If the agency and the highest ranked offeror are unable for any reason to negotiate a contract at a compensation level that is reasonable and fair to the agency, the agency shall, either orally or in writing, terminate negotiations with the contractor. The agency may then negotiate with the next highest ranked contractor.
  - 6.5.2 The negotiation process may continue through successive offerors, according to agency ranking, until an agreement is reached or the agency terminates the contracting process.

## **7.0 COST PROPOSAL**

The cost proposal must include the hourly rate for examination services. The rate is requested to be for all services performed by the Contractor. The cost proposal must also include the methodology proposed to be used for travel, lodging, meals and other miscellaneous costs that do not exceed the CONUS rates established by the GSA.