

**State of Nebraska**  
**REQUEST FOR PROPOSAL FOR**  
**CONTRACTUAL SERVICES FORM**

RETURN TO:  
 Nebraska Real Estate Commission  
 PO Box 94667  
 Lincoln, NE 68509  
 Phone: (402) 471-2004  
 Fax: (402) 471-4492

SOLICITATION NUMBER	RELEASE DATE
<b>RFP 2010-2(O3)</b>	<b>July 23, 2010</b>
OPENING DATE AND TIME	PROCUREMENT CONTACT
<b>August 23, 2010 2:00 p.m. Central Time</b>	<b>Greg Lemon, NE Real Estate Commission</b>

This form is part of the specification package and must be signed and returned, along with proposal documents, by the opening date and time specified.

**PLEASE READ CAREFULLY!**

**SCOPE OF SERVICE**

The State of Nebraska, Nebraska Real Estate Commission, is issuing this Request for Proposal, RFP Number 2010-2(O3) for the purpose of selecting a qualified contractor to provide Errors and Omissions Insurance to Nebraska Real Estate Licensees.

Written questions are due no later than August 4, 2010, and should be submitted via e-mail to greg.lemon@nebraska.gov. Written questions may also be sent by facsimile to (402) 471-4492.

Bidder should submit one (1) original and nine (9) copies of the entire proposal. In the event of any inconsistencies among the proposals, the language contained in the original proposal shall govern. Proposals must be submitted by the proposal due date and time.

PROPOSALS MUST MEET THE REQUIREMENTS OUTLINED IN THIS REQUEST FOR PROPOSAL TO BE CONSIDERED VALID. PROPOSALS WILL BE REJECTED IF NOT IN COMPLIANCE WITH THESE REQUIREMENTS.

1. Sealed proposals must be received in the Nebraska Real Estate Commission by the date and time of proposal opening indicated above. No late proposals will be accepted. No electronic, e-mail, fax, voice, or telephone proposals will be accepted.
2. This form "REQUEST FOR PROPOSAL FOR CONTRACTUAL SERVICES" MUST be manually signed, in ink, and returned by the proposal opening date and time along with bidder's proposal and any other requirements as specified in the Request for Proposal in order to be considered for an award.
3. It is the responsibility of the bidder to check the website for all information relevant to this solicitation to include addenda and/or amendments issued prior to the opening date. Website address is as follows:  
<http://www.das.state.ne.us/materiel/purchasing/>
4. It is understood by the parties that in the State of Nebraska's opinion, any limitation on the contractor's liability is unconstitutional under the Nebraska State Constitution, Article XIII, Section 3, and that any limitation of liability shall not be binding on the State of Nebraska despite inclusion of such language in documents supplied with the contractor's bid or in the final contract.

**BIDDER MUST COMPLETE THE FOLLOWING**

By signing this Request for Proposal For Contractual Services form, the bidder guarantees compliance with the provisions stated in this Request for Proposal, agrees to the terms and conditions (see Section III) and certifies that bidder maintains a drug free work place environment.

FIRM: \_\_\_\_\_

COMPLETE ADDRESS: \_\_\_\_\_

TELEPHONE NUMBER: \_\_\_\_\_ FAX NUMBER: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

TYPED NAME & TITLE OF SIGNER: \_\_\_\_\_

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## GLOSSARY OF TERMS

**Acceptance Test Procedure:** Benchmarks and other performance criteria, developed by the State of Nebraska or other sources of testing standards, for measuring the effectiveness of products or services and the means used for testing such performance.

**Addendum:** Something added or deleted.

**Agency:** Any state agency, board, or commission other than the University of Nebraska, the Nebraska State colleges, the courts, the Legislature, or any officer or agency established by the Constitution of Nebraska.

**Agent:** A person authorized by a superior or organization to act on their behalf.

**Amend:** To alter or change by adding, subtracting, or substituting. A contract can be amended only by the parties participating in the contract. A written contract can only be amended in writing.

**Amendment:** Written correction or alteration.

**Appropriation:** Legislative authorization to expend public funds for a specific purpose. Money set apart for a specific use.

**Award:** All purchases, leases, or contracts which are based on competitive proposals will be awarded according to the provisions in the Request for Proposal. The State reserves the right to reject any or all proposals, wholly or in part, or to award to multiple bidders in whole or in part. The State reserves the right to waive any deviations or errors that are not material, do not invalidate the legitimacy of the proposal, and do not improve the bidder's competitive position. All awards will be made in a manner deemed in the best interest of the State.

**Best and Final Offer (BAFO):** A second-stage bid in a public procurement for services.

**Bid:** The executed document submitted by a bidder in response to a Request for Proposal.

**Bid Bond:** A bond given by a surety on behalf of the bidder to ensure that the bidder will enter into the contract as bid and is retained by the State from the date of the bid opening to the date of contract signing.

**Bidder:** Any person or entity submitting a competitive bid response to a solicitation.

**Business:** Any corporation, partnership, individual, sole proprietorship, joint-stock company, joint venture, or any other private legal entity.

**Business Day:** Any weekday, excepting public holidays.

**Calendar Day:** Every day shown on the calendar; Saturdays, Sundays and State/Federal holidays included. Not to be confused with "Work Day".

**Collusion:** A secret agreement or cooperation between two or more persons or entities to accomplish a fraudulent, deceitful or unlawful purpose.

**Competition:** The process by which two or more vendors vie to secure the business of a purchaser by offering the most favorable terms as to price, quality, delivery and/or service.

**Confidential Information:** Unless otherwise defined below, "Confidential Information" shall also mean proprietary trade secrets, academic and scientific research work which is in progress and unpublished, and other information which if released would give advantage to business competitors and serve no public purpose

(see Neb. Rev. Stat. §84-712.05(3)). In accordance with Nebraska Attorney General Opinions 92068 and 97033, proof that information is proprietary requires identification of specific, named competitor(s) who would be advantaged by release of the information and the specific advantage the competitor(s) would provide.

**Contract:** An agreement between two or more persons to perform a specific act or acts.

**Contract Administration:** The Management of various facets of contracts to assure that the contractors total performance is in accordance with the contractual commitments and obligations to the purchaser are fulfilled.

**Contract Management:** Includes reviewing and approving of changes, executing renewals, handling disciplinary actions, adding additional users, and any other form of action that could change the contract.

**Contractor:** Any person or entity that supplies goods and/or services.

**Conversion Period:** A period of time not to exceed six (6) months, during which the State converts to a new Operating System under "Conversion" as per this RFP.

**Copyright:** A grant to a writer/artist that recognizes sole authorship/creation of a work and protects the creator's interest(s) therein.

**CPU:** Any computer or computer system that is used by the State to store, process, or retrieve data or perform other functions using Operating Systems and applications software.

**Critical Program Error:** Any Program Error, whether or not known to the State, which prohibits or significantly impairs use of the Licensed Software as set forth in the documentation and intended in the contract.

**Default:** The omission or failure to perform a contractual duty.

**Deviation:** Any proposed change(s) or alteration(s) to either the contractual language or deliverables within the scope of this Request for Proposal.

**Documentation:** The user manuals and any other materials in any form or medium customarily provided by the contractor to the users of the Licensed Software which will provide the State with sufficient information to operate, diagnose, and maintain the Licensed Software properly, safely, and efficiently.

**Evaluation Committee:** A committee (or committees) appointed by the requesting agency that advises and assists the procuring office in the evaluation of proposals.

**Evaluation of Proposal:** The process of examining a proposal after opening to determine the bidder's responsibility, responsiveness to requirements, and to ascertain other characteristics of the proposal that relate to determination of the successful bidder.

**Extension:** A provision, or exercise of a provision, of a contract that allows a continuance of the contract (at the option of the State of Nebraska) for an additional time according to contract conditions. Not to be confused with "Renewals."

**F.O.B. Destination:** Free on Board. The delivery charges have been included in the quoted price and prepaid by the vendor. Vendor is responsible for all claims associated with damages during delivery of product.

**Foreign Corporation:** A foreign corporation is a corporation that was formed (i.e. incorporated) in another state but transacting business in Nebraska pursuant to a certificate of authority issued by the Nebraska Secretary of State.

**Installation Date:** The date when the procedures described in "Installation by Contractor, and Installation by State", as found in the RFP, are completed.

**Late Proposal:** A proposal received at the place specified in the solicitation after the date and time designated for all proposals to be received.

**Licensed Software:** Any and all software and documentation by which the State acquires or is granted any rights under this contract.

**May:** Denotes discretion.

**Mandatory:** Required, compulsory or obligatory.

**Module:** A collection of routines and data structures that perform a specific function of the Licensed Software.

**Must:** Denotes the imperative, required, compulsory or obligatory

**Opening Date:** Specified date and time for the public opening of received, labeled and sealed formal proposals. Not to be confused with "Release Date".

**Operating System:** The control program in a computer that provides the interface to the computer hardware and peripheral devices, and the usage and allocation of memory resources, processor resources, input/output resources, and security resources.

**Outsourcing:** Acquiring computing or related services from a source outside of the State of Nebraska which may include programming and/or executing the State's Licensed Software on the State's CPU's, programming, and/or executing the State's programs and Licensed Software on the contractor's CPU's or any mix thereof.

**Outsourcing Company:** A company that provides Outsourcing Services under contract to the State.

**Performance Bond:** A bond given by a surety on behalf of the contractor to ensure the timely and proper (in sole estimation of the State) performance of a contract.

**Platform:** A specific hardware and Operating System combination that is different from other hardware and Operating System combinations to the extent that a different version of the Licensed Software product is required to execute properly in the environment established by such hardware and Operating System combination.

**Pre-Proposal Conference:** A meeting scheduled for the purpose of providing clarification regarding a Request for Proposal and related expectations.

**Product:** A module, a system, or any other software-related item provided by the contractor to the State.

**Program Error:** Code in Licensed Software which produces unintended results or actions, or which produces results or actions other than those described in the specifications. A program error includes, without limitation, any "Critical Program Error."

**Program Set:** The group of programs and products, including the Licensed Software specified in the RFP, plus any additional programs and products licensed by the State under this contract for use by the State.

**Project:** The total of all software, documentation, and services to be provided by the contractor under this contract.

**Proposal:** The executed document submitted by a bidder in response to a Request for Proposal.

**Proprietary Information:** Proprietary information is defined as trade secrets, academic and scientific research work which is in progress and unpublished, and other information which if released would give advantage to business competitors and serve no public purpose (see Neb. Rev. Stat. §84-712.05(3)). In accordance with Attorney General Opinions 92068 and 97033, proof that information is proprietary requires identification of specific, named competitor(s) who would be advantaged by release of the information and the specific advantage the competitor(s) would receive.

**Protest:** A complaint about a governmental action or decision related to a Request for Proposal or the resultant contract, brought by a prospective bidder, a bidder, a contractor, or other interested party to AS Materiel Division or another designated agency with the intention of achieving a remedial result.

**Public Proposal Opening:** The process of opening proposals, conducted at the time and place specified in the Request for Proposal, and in the presence of anyone who wishes to attend.

**Recommended Hardware Configuration:** The data processing hardware (including all terminals, auxiliary storage, communication, and other peripheral devices) to the extent utilized by the State as recommended by the contractor.

**Release Date:** Date of release of the Request for Proposal to the public for submission of proposal responses. Not to be confused with "Opening Date".

**Renewal:** Continuance of a contract for an additional term after a formal signing by the parties.

**Representative:** Includes an agent, an officer of a corporation or association, a trustee, executor or administrator of an estate, or any other person legally empowered to act for another.

**Request for Proposal (RFP):** All documents, whether attached or incorporated by reference, utilized for soliciting competitive proposals.

**Responsible Bidder:** A bidder who has the capability in all respects to perform fully all requirements with integrity and reliability to assure good faith performance.

**Responsive Bidder:** A bidder who has submitted a bid which conforms in all respects to the solicitation document.

**Shall:** Denotes the imperative, required, compulsory or obligatory.

**Should:** Indicates an expectation.

**Solicitation:** The process of notifying prospective bidders or offerors that the State of Nebraska wishes to receive proposals for furnishing services. The process may consist of public advertising, posting notices, or mailing Request for Proposals and/or Request for Proposal announcement letter to prospective bidders, or all of these.

**Solicitation Document:** Request for Proposal.

**Specifications:** The information provided by or on behalf of the contractor that fully describes the capabilities and functionality of the Licensed Software as set forth in any material provided by the contractor, including the documentation and User's Manuals described herein.

**System:** Any collection or aggregation of two (2) or more Modules that is designed to function, or is represented by the contractor as functioning or being capable of functioning as an entity.

**Termination:** Occurs when either party pursuant to a power created by agreement or law puts an end to the contract. All obligations which are still executory on both sides are discharged but any right based on prior breach or performance survives.

**Trademark:** A distinguishing sign, symbol, mark, word, or arrangement of words in the form of a label or other indication, that is adopted and used by a manufacturer or distributor to designate its particular goods and which no other person has the legal right to use.

**Trade Secret:** Information, including, but not limited to, a drawing, formula, pattern, compilation, program, device, method, technique, code, or process that; (a) derives independent economic value, actual or potential, from not being known to, and not being ascertainable by proper means, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy (see Neb. Rev. Stat. §87-502(4)).

**Upgrade:** Any improvement or change in the Software that improves or alters its basic function.

**Vendor:** An actual or potential contractor; a contractor

**Will:** Denotes the imperative, required, compulsory or obligatory.

**I. SCOPE OF THE REQUEST FOR PROPOSAL**

The State of Nebraska, Nebraska Real Estate Commission (“NREC”), is issuing this Request for Proposal, RFP Number 2010-2(O3) for the purpose of selecting a qualified contractor to provide Errors and Omissions Insurance to Nebraska Real Estate Licensees.

A contract resulting from this Request for Proposal will be issued for a period of one (1) year and five (5) months, effective October 8, 2010 through December 31, 2011, with the option to renew for five (5) additional one (1) year periods as mutually agreed upon by all parties. One hundred twenty-five (125) days before the expiration of the Contract term, whether the initial term or a renewal term, Contractor shall notify NREC in writing of the proposed renewal rates, which rates may vary from the amounts in the initial Contract term. Within thirty (30) days of the receipt of the proposed renewal rates, NREC shall exercise its option to renew its proposed renewal rates by notifying Contractor in writing of its exercise of the option to renew. If the option to renew is timely exercised by NREC, this Contract will continue in effect for an additional one (1) year period, such period running from January 1 to December 31 for each renewal term, upon the same terms and conditions set forth herein, except as to any modification in the renewal rates of which Contractor has provided NREC timely notice. Notices under this section shall be deemed received on the date they are sent, if by telephone facsimile transmission or by telegram. Notices sent by certified mail shall be deemed received on the date of their actual receipt by certified mail.

ALL INFORMATION PERTINENT TO THIS REQUEST FOR PROPOSAL CAN BE FOUND ON THE INTERNET AT: <http://www.das.state.ne.us/materiel/purchasing/rfp.htm>

**A. SCHEDULE OF EVENTS**

The State expects to adhere to the tentative procurement schedule shown below. It should be noted, however, that some dates are approximate and subject to change.

	<b>ACTIVITY</b>	<b>DATE/TIME</b>
1.	Release Request for Proposal	July 23, 2010
2.	Last day to submit written questions	Aug 4, 2010
3.	State responds to written questions through Request for Proposal “Addendum” and/or “Amendment” to be posted to the Internet at: <a href="http://www.das.state.ne.us/materiel/purchasing/rfp.htm">http://www.das.state.ne.us/materiel/purchasing/rfp.htm</a>	Aug 11, 2010
4.	Proposal opening Location: Nebraska Real Estate Commission 1200 N St., Suite 402 Lincoln, NE, 68509	August 23, 2010 2:00 p.m. Central Time
5.	Review for conformance of mandatory requirements	August 23, 2010
6.	Evaluation period	August 24, 2010-Sept 3, 2010
7.	Oral Interviews/Presentations and/or Demonstrations	Sept. 7-10
8.	Post “Letter of Intent to Contract” to Internet at: <a href="http://www.das.state.ne.us/materiel/purchasing/rfp.htm">http://www.das.state.ne.us/materiel/purchasing/rfp.htm</a>	October 1, 2010
9.	Contract finalization period	October 2, 2010-October 7, 2010
10.	Contract award	October 8, 2010
11.	Contractor start date	October 8, 2010

## II. PROCUREMENT PROCEDURES

### A. PROCURING OFFICE AND CONTACT PERSON

Procurement responsibilities related to this Request for Proposal reside with the Nebraska Real Estate Commission. The point of contact for the procurement is as follows:

Name: Greg Lemon  
Agency: Nebraska Real Estate Commission  
Address: 1200 N St., Suite 402  
Lincoln, NE 68509

OR

Address: P.O. Box 94667  
Lincoln, NE 68509-4667  
Telephone: (402) 471-2004  
Facsimile: (402) 471-4492  
E-Mail: [greg.lemon@nebraska.gov](mailto:greg.lemon@nebraska.gov)

### B. GENERAL INFORMATION

The Request for Proposal is designed to solicit proposals from qualified vendors who will be responsible for providing Errors and Omissions Insurance to Nebraska Real Estate Licensees at a competitive and reasonable cost. Proposals that do not conform to the mandatory items as indicated in the Request for Proposal will not be considered.

Proposals shall conform to all instructions, conditions, and requirements included in the Request for Proposal. Prospective bidders are expected to carefully examine all documentation, schedules and requirements stipulated in this Request for Proposal, and respond to each requirement in the format prescribed.

A fixed-price contract will be awarded as a result of this proposal. In addition to the provisions of this Request for Proposal and the awarded proposal, which shall be incorporated by reference in the contract, any additional clauses or provisions required by the terms and conditions will be included as an amendment to the contract.

### C. COMMUNICATION WITH STATE STAFF

From the date the Request for Proposal is issued until a determination is announced regarding the selection of the contractor, contact regarding this project between potential contractors and individuals employed by the State is restricted to only written communication with the staff designated above as the point of contact for this Request for Proposal.

Once a contractor is preliminarily selected, as documented in the intent to contract, that contractor is restricted from communicating with State staff until a contract is signed. Violation of this condition may be considered sufficient cause to reject a contractor's proposal and/or selection irrespective of any other condition.

The following exceptions to these restrictions are permitted:

1. written communication with the person(s) designated as the point(s) of contact for this Request for Proposal or procurement;
2. contacts made pursuant to any pre-existing contracts or obligations; and
3. State-requested presentations, key personnel interviews, clarification sessions or discussions to finalize a contract.

Violations of these conditions may be considered sufficient cause to reject a bidder's proposal and/or selection irrespective of any other condition. No individual member of the State, employee of the State, or member of the Evaluation Committee is empowered to make binding statements regarding this Request for Proposal. The buyer will issue any clarifications or opinions regarding this Request for Proposal in writing.

**D. WRITTEN QUESTIONS AND ANSWERS**

Any explanation desired by a bidder regarding the meaning or interpretation of any Request for Proposal provision must be submitted in writing to the Nebraska Real Estate Commission and clearly marked "RFP Number 2010-2(O3); Errors and Omissions Insurance for Nebraska Real Estate Licensees Questions". It is preferred that questions be sent via e-mail to [greg.lemon@nebraska.gov](mailto:greg.lemon@nebraska.gov) Questions may also be sent by facsimile to (402) 471-4492, but must include a cover sheet clearly indicating that the transmission is to the attention of Greg Lemon, showing the total number of pages transmitted, and clearly marked "RFP Number 2010-2; Errors and Omissions Insurance for Nebraska Real Estate Licensees Questions".

Written answers will be provided through an addendum to be posted on the Internet at <http://www.das.state.ne.us/materiel/purchasing/rfp.htm> on or before the date shown in the Schedule of Events.

**E. ORAL INTERVIEWS/PRESENTATIONS AND/OR DEMONSTRATIONS**

The Evaluation Committee(s) may conclude after the completion of the Technical and Cost Proposal evaluation that oral interviews/presentations and/or demonstrations are required in order to determine the successful bidder. All bidders may not have an opportunity to interview/present and/or give demonstrations; the State reserves the right to select only the top scoring bidders to present/give oral interviews in its sole discretion. The scores from the oral interviews/presentations and/or demonstrations will be added to the scores from the Technical and Cost Proposals. The presentation process will allow the bidders to demonstrate their proposal offering, explaining and/or clarifying any unusual or significant elements related to their proposals. Bidders' key personnel may be requested to participate in a structured interview to determine their understanding of the requirements of this proposal, their authority and reporting relationships within their firm, and their management style and philosophy. Bidders shall not be allowed to alter or amend their proposals. Only representatives of the State and the presenting bidders will be permitted to attend the oral interviews/presentations and/or demonstrations.

Once the oral interviews/presentations and/or demonstrations have been completed the State reserves the right to make a contract award without any further discussion with the bidders regarding the proposals received.

Detailed notes of oral interviews/presentations and/or demonstrations may be recorded and supplemental information (such as briefing charts, et cetera) may be accepted; however, such supplemental information shall not be considered an amendment to a bidders' proposal. Additional written information gathered in this manner shall not constitute replacement of proposal contents.

Any cost incidental to the oral interviews/presentations and/or demonstrations shall be borne entirely by the bidder and will not be compensated by the State.

**F. SUBMISSION OF PROPOSALS**

The following describes the requirements related to proposal submission, proposal handling and review by the State.

To facilitate the proposal evaluation process, one (1) original, clearly identified as such, and nine (9) copies of the entire proposal should be submitted. The copy marked "original" shall take precedence over any other copies, should there be a discrepancy. Proposals must be submitted by the proposal due date and time. A separate sheet must be provided that clearly states which sections have been submitted as proprietary or have copyrighted materials. All proprietary information the bidder wishes the State to withhold must be submitted in accordance with the instructions outlined in Section III, Proprietary Information. Proposal responses should include the completed Form A, Bidder Contact Sheet. In addition, one (1) electronic copy of the proposal should be submitted on a separate CD and packaged as required below in section JJ. Proprietary Information. Proposals must reference the request for proposal number and be sent to the specified address. Container(s) utilized for original documents should be clearly marked "ORIGINAL DOCUMENTS". Please note that the address label should appear in Section II part A as specified on the face of each container or bidder's bid response packet. Rejected late proposals will be returned to the bidder unopened, if requested, at bidder's expense. If a recipient phone number is required for delivery purposes, (402) 471-2004 should be used. The request for proposal number must be included in all correspondence.

Emphasis should be concentrated on conformance to the Request for Proposal instructions, responsiveness to requirements, completeness and clarity of content. If the bidder's proposal is presented in such a fashion that makes evaluation difficult or overly time consuming, it is likely that points will be lost in the evaluation process. Elaborate and lengthy proposals are neither necessary nor desired.

The Technical and Cost Proposals should be presented in separate sections (loose-leaf binders are preferred) on standard 8 ½" x 11" paper, except that charts, diagrams and the like may be on fold-outs which, when folded, fit into the 8 ½" by 11" format. Pages may be consecutively numbered for the entire proposal, or may be numbered consecutively within sections. Figures and tables must be numbered consecutively within sections. Figures and tables must be numbered and referenced in the text by that number. They should be placed as close as possible to the referencing text.

**G. PROPOSAL OPENING**

The sealed proposals will be publicly opened and the bidding entities announced on the date, time and location shown in the Schedule of Events. Proposals will be available for viewing by those present after the proposal opening. Vendors may also contact the State to schedule an appointment for viewing proposals after the opening date.

**H. LATE PROPOSALS**

Proposals received after the time and date of the proposal opening will be considered late proposals. Rejected late proposals will be returned to the bidder unopened, if requested, at bidder's expense. The State is not responsible for proposals that are late or lost due to mail service inadequacies, traffic or any other reason(s).

**I. REJECTION OF PROPOSALS**

The State reserves the right to reject any or all proposals, wholly or in part, or to award to multiple bidders in whole or in part. The State reserves the right to waive any deviations or errors that are not material, do not invalidate the legitimacy of the proposal and do not improve

the bidder's competitive position. All awards will be made in a manner deemed in the best interest of the State.

#### **J. EVALUATION OF PROPOSALS**

All responses to this Request for Proposal which fulfill all mandatory requirements will be evaluated. Each category will have a maximum possible point potential. The State will conduct a fair, impartial and comprehensive evaluation of all proposals in accordance with the criteria set forth below. Areas that will be addressed and scored during the evaluation include:

1. Corporate Overview shall include but is not limited to;
  - a. the ability, capacity and skill of the bidder to deliver and implement the services that meet the requirements of the Request for Proposal;
  - b. the character, integrity, reputation, judgment, experience and efficiency of the bidder;
  - c. whether the bidder can perform the contract within the specified time frame;
  - d. the quality of bidder performance on prior contracts;
  - e. such other information that may be secured and that has a bearing on the decision to award the contract;
2. Technical Approach and Policy Information; and
3. Cost Proposal.

Evaluation criteria will become public information at the time of the Request for Proposal opening. Evaluation criteria and a list of respondents will be posted to the Internet at: <http://www.das.state.ne.us/materiel/purchasing/rfp.htm>. Evaluation criteria will not be released prior to the proposal opening.

#### **K. EVALUATION COMMITTEE**

Proposals will be independently evaluated by members of the Evaluation Committee(s). The committee(s) will consist of persons with the appropriate expertise to conduct such proposal evaluations. Names of the members of the Evaluation Committee(s) will not become public information.

Prior to award, bidders are advised that only the point of contact indicated on the front cover of this Request For Proposal For Contractual Services Form can clarify issues or render any opinion regarding this Request for Proposal. No individual member of the State, employee of the State or member of the Evaluation Committee(s) is empowered to make binding statements regarding this Request for Proposal.

#### **L. MANDATORY REQUIREMENTS**

The proposals will first be examined to determine if all mandatory requirements listed below have been addressed to warrant further evaluation. Proposals not meeting mandatory requirements will be excluded from further evaluation. The mandatory requirement items are as follows:

1. Signed Request For Proposal For Contractual Services form;
2. Corporate Overview;
3. Technical Approach and Policy Information; and
4. Cost Proposal.

**M. REFERENCE CHECKS**

The State reserves the right to check any reference(s), regardless of the source of the reference information, including but not limited to, those that are identified by the company in the proposal, those indicated through the explicitly specified contacts, those that are identified during the review of the proposal, or those that result from communication with other entities involved with similar projects.

Information to be requested and evaluated from references may include, but is not limited to, some or all of the following: project description and background, job performed, functional and technical abilities, communication skills and timeliness, cost and schedule estimates and accuracy, problems (poor quality deliverables, contract disputes, work stoppages, et cetera), overall performance, and whether or not the reference would rehire the firm or individual. Only top scoring bidders may receive reference checks and negative references may eliminate bidders from consideration for award.

**N. SECRETARY OF STATE/TAX COMMISSIONER REGISTRATION REQUIREMENTS**

All bidders are expected to comply with any statutory registration requirements. It is the responsibility of the bidder who is the recipient of an Intent to Award to comply with any statutory registration requirements pertaining to types of business entities (e.g. a foreign or Nebraska corporation, non-resident contractor, limited partnership, or other type of business entity). The bidder who is the recipient of Intent to Award will be required to certify that it has so complied and produce a true and exact copy of its registration certificate, or, in the case registration is not required, to provide the reason as to why none is required. This must be accomplished prior to the award of contract.

**O. VIOLATION OF TERMS AND CONDITIONS**

Violation of the terms and conditions contained in this Request for Proposal or any resultant contract, at any time before or after the award, shall be grounds for action by the State which may include, but is not limited to, the following:

1. rejection of a bidder's proposal;
2. suspension of the bidder from further bidding with the State for the period of time relative to the seriousness of the violation, such period to be within the sole discretion of the State.

### III. TERMS AND CONDITIONS

By signing the "Request For Proposal For Contractual Services" form, the Bidder guarantees compliance with the provisions stated in this Request for Proposal, agrees to the terms and conditions and certifies bidder maintains a drug free work place environment.

Bidders are expected to closely read the Terms and Conditions and provide a binding signature of intent to comply with the Terms and Conditions; provided, however, a bidder may indicate any exceptions to the Terms and Conditions by (1) clearly indentifying the term or condition by subsection, (2) including an explanation for the bidder's inability to comply with such term or condition which includes a statement recommending terms and conditions the bidder would find acceptable. Rejection in whole or in part of the Terms and Conditions may be cause for rejection of a bidder's proposal.

#### A. GENERAL

Accept  
& Initial

The contract resulting from this Request for Proposal shall incorporate the following documents:

1. the signed Request For Proposal form;
2. the original Request for Proposal document;
3. any Request for Proposal addenda and/or amendments to include questions and answers;
4. the contractor's proposal;
5. any contract amendments, in order of significance; and
6. contract award.

Unless otherwise specifically stated in a contract amendment, in case of any conflict between the incorporated documents, the documents shall govern in the following order of preference with number one (1) receiving preference over all other documents and with each lower numbered document having preference over any higher numbered document: 1) the contract award, 2) contract amendments with the latest dated amendment having the highest priority, 3) Request for Proposal addenda and/or amendments with the latest dated amendment having the highest priority, 4) the original Request for Proposal, 5) the signed Request For Proposal form, 6) the contractor's proposal.

Any ambiguity in any provision of this contract which shall be discovered after its execution shall be resolved in accordance with the rules of contract interpretation as established in the State of Nebraska.

Once proposals are opened they become the property of the State of Nebraska and will not be returned.

#### B. AWARD

Accept  
& Initial

All purchases, leases, or contracts which are based on competitive proposals will be awarded according to the provisions in the Request for Proposal. The State reserves the right to reject any or all proposals, wholly or in part, or to award to multiple bidders in whole or in part, and at its discretion, may withdraw or amend the Request for Proposal at any time. The State reserves the right to waive any deviations or errors that are not material, do not invalidate the legitimacy of the proposal, and do not improve the bidder's competitive position. All awards will be made in a manner deemed in the best interest of the State. The Request for Proposal does not commit the State to award a contract. If, in the opinion of the State, revisions or amendments will require substantive changes in proposals, the due date may be extended.

By submitting a proposal in response to this Request for Proposal, the bidder grants to the State the right to contact or arrange a visit in person with any or all of the bidder's clients.

Once an intent to award decision has been determined, it will be posted to the Internet at:

<http://www.das.state.ne.us/materiel/purchasing/rfp.htm>

Grievance and protest procedure is available on the Internet at:

<http://www.das.state.ne.us/materiel/purchasing/agencycommoditiesprocurementmanual/ProtestGrievanceProcedureForCommodities&Services.doc>

Any protests must be filed by a vendor within ten (10) calendar days after the intent to award decision is posted to the Internet.

**C. COMPLIANCE WITH CIVIL RIGHTS LAWS AND EQUAL OPPORTUNITY EMPLOYMENT / NONDISCRIMINATION**

Accept  
& Initial

The contractor shall comply with all applicable local, State and Federal statutes and regulations regarding civil rights laws and equal opportunity employment. The Nebraska Fair Employment Practice Act prohibits contractors of the State of Nebraska, and their subcontractors, from discriminating against any employee or applicant for employment, with respect to hire, tenure, terms, conditions or privileges of employment because of race, color, religion, sex, disability, or national origin (Neb. Rev. Stat. §48-1101 to 48-1125). The contractor guarantees compliance with the Nebraska Fair Employment Practice Act, and breach of this provision shall be regarded as a material breach of contract. The contractor shall insert a similar provision in all subcontracts for services to be covered by any contract resulting from this Request for Proposal.

**D. PERMITS, REGULATIONS, LAWS**

Accept  
& Initial

The contractor shall procure and pay for all permits, licenses and approvals necessary for the execution of the contract. The contractor shall comply with all applicable local, state, and federal laws, ordinances, rules, orders and regulations.

**E. OWNERSHIP OF INFORMATION AND DATA**

Accept  
& Initial

The State of Nebraska shall have the unlimited right to publish, duplicate, use and disclose all information and data developed or derived by the contractor pursuant to this contract.

The contractor must guarantee that it has the full legal right to the materials, supplies, equipment, and other rights or titles (e.g. rights to licenses transfer or assign deliverables) necessary to execute this contract. The contract price shall, without exception, include compensation for all royalties and costs arising from patents, trademarks and copyrights that are in any way involved in the contract. It shall be the responsibility of the contractor to pay for all royalties and costs, and the State must be held harmless from any such claims.

**F. INSURANCE REQUIREMENTS**

Accept  
& Initial

The contractor shall not commence work under this contract until he or she has obtained all the insurance required hereunder and such insurance has been approved by the State. The contractor shall not allow any subcontractor to commence work on his or her subcontract until all similar insurance required of the subcontractor has been obtained and approved by the State (or contractor). Approval of the insurance by the State shall not limit, relieve or decrease the liability of the contractor hereunder.

If by the terms of any insurance a mandatory deductible is required, or if the contractor elects to increase the mandatory deductible amount, the contractor shall be responsible for payment of the amount of the deductible in the event of a paid claim.

**1. WORKERS' COMPENSATION INSURANCE**

The contractor shall take out and maintain during the life of this contract the statutory Workers' Compensation and Employer's Liability Insurance for all of the contractors' employees to be engaged in work on the project under this contract and, in case any such work is sublet, the contractor shall require the subcontractor similarly to provide Worker's Compensation and Employer's Liability Insurance for all of the subcontractor's employees to be engaged in such work. This policy shall be written to meet the statutory requirements for the state in which the work is to be performed, including Occupational Disease. This policy shall include a waiver of subrogation in favor of the State. The amounts of such insurance shall not be less than the limits stated hereinafter.

**2. COMMERCIAL GENERAL LIABILITY INSURANCE**

The contractor shall take out and maintain during the life of this contract such Commercial General Liability Insurance as shall protect contractor and any subcontractor performing work covered by this contract from claims for damages for bodily injury, including death, as well as from claims for property damage, which may arise from operations under this contract, whether such operation be by the contractor or by any subcontractor or by anyone directly or indirectly employed by either of them, and the amounts of such insurance shall not be less than limits stated hereinafter.

The Commercial General Liability Insurance shall be written on an occurrence basis, and provide Premises/Operations, Products/Completed Operations, Independent Contractors, Personal Injury and Contractual Liability coverage. The policy shall include the State, and others as required by the contract documents, as an Additional Insured. This policy shall be primary, and any insurance or self-insurance carried by the State shall be considered excess and non-contributory.

**3. INSURANCE COVERAGE AMOUNTS REQUIRED**

**a. WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY**

Coverage A	Statutory
Coverage B	
Bodily Injury by Accident	\$100,000 each accident
Bodily Injury by Disease	\$500,000 policy limit
Bodily Injury by Disease	\$100,000 each employee

**b. COMMERCIAL GENERAL LIABILITY**

General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$2,000,000
Personal/Advertising Injury	\$1,000,000 any one person
Bodily Injury/Property Damage	\$1,000,000 per occurrence
Fire Damage	\$50,000 any one fire
Medical Payments	\$5,000 any one person

**4. EVIDENCE OF COVERAGE**

The Contractor should furnish the State, with their proposal response, a certificate of insurance coverage complying with the above requirements, which shall be submitted to the Nebraska Real Estate Commission, 1200 N St. Suite 402, P.O. Box 94667, Lincoln, NE 68509-4667 (facsimile (402) 471-4492). These certificates or the cover sheet shall reference the RFP number, and the certificates shall include the name of the company, policy numbers, effective dates, dates of expiration and amounts and types of coverage afforded. If the State is damaged by the failure of the contractor to

maintain such insurance, then the contractor shall be responsible for all reasonable costs properly attributable thereto.

Notice of cancellation of any required insurance policy must be submitted to Administrative Services Risk Management when issued and a new coverage binder shall be submitted immediately to ensure no break in coverage.

**G. COOPERATION WITH OTHER CONTRACTORS**

Accept  
& Initial

The State may already have in place or choose to award supplemental contracts for work related to this Request for Proposal, or any portion thereof.

1. The State reserves the right to award the contract jointly between two or more potential contractors, if such an arrangement is in the best interest of the State.
2. The contractor shall agree to cooperate with such other contractors, and shall not commit or permit any act which may interfere with the performance of work by any other contractor.

**H. INDEPENDENT CONTRACTOR**

Accept  
& Initial

It is agreed that nothing contained herein is intended or should be construed in any manner as creating or establishing the relationship of partners between the parties hereto. The contractor represents that it has, or will secure at its own expense, all personnel required to perform the services under the contract. The contractor's employees and other persons engaged in work or services required by the contractor under the contract shall have no contractual relationship with the State; they shall not be considered employees of the State.

All claims on behalf of any person arising out of employment or alleged employment (including without limit claims of discrimination against the contractor, its officers or its agents) shall in no way be the responsibility of the State. The contractor will hold the State harmless from any and all such claims. Such personnel or other persons shall not require nor be entitled to any compensation, rights or benefits from the State including without limit, tenure rights, medical and hospital care, sick and vacation leave, severance pay or retirement benefits.

**I. CONTRACTOR RESPONSIBILITY**

Accept  
& Initial

The contractor is solely responsible for fulfilling the contract, with responsibility for all services offered and products to be delivered as stated in the Request for Proposal, the contractor's proposal, and the resulting contract. The contractor shall be the sole point of contact regarding all contractual matters.

If the contractor intends to utilize any subcontractors' services, the subcontractors' level of effort, tasks and time allocation must be clearly defined in the contractor's proposal. The contractor shall agree that it will not utilize any subcontractors not specifically included in its proposal, in the performance of the contract, without the prior written authorization of the State. Following execution of the contract, the contractor shall proceed diligently with all services and shall perform such services with qualified personnel in accordance with the contract.

**J. CONTRACTOR PERSONNEL**

Accept  
& Initial

The contractor warrants that all persons assigned to the project shall be employees of the contractor or specified subcontractors, and shall be fully qualified to perform the work required herein. Personnel employed by the contractor to fulfill the terms of the contract shall remain under the sole direction and control of the contractor. The contractor shall include a similar provision in any contract with any subcontractor selected to perform work on the project.

Personnel commitments made in the contractor's proposal shall not be changed without the prior written approval of the State. Replacement of key personnel, if approved by the State, shall be with personnel of equal or greater ability and qualifications.

The State reserves the right to require the contractor to reassign or remove from the project any contractor or subcontractor employee.

In respect to its employees, the contractor agrees to be responsible for the following:

1. any and all employment taxes and/or other payroll withholding;
2. any and all vehicles used by the contractor's employees, including all insurance required by state law;
3. damages incurred by contractor's employees within the scope of their duties under the contract;
4. maintaining workers' compensation and health insurance and submitting any reports on such insurance to the extent required by governing State law; and
5. determining the hours to be worked and the duties to be performed by the contractor's employees.

Notice of cancellation of any required insurance policy must be submitted to the State when issued and a new coverage binder shall be submitted immediately to ensure no break in coverage.

**K. STATE OF NEBRASKA PERSONNEL RECRUITMENT PROHIBITION**

The contractor shall not, at any time, recruit or employ any State employee or agent who has worked on the Request for Proposal or project, or who had any influence on decisions affecting the Request for Proposal or project.

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Accept  
& Initial

**L. CONFLICT OF INTEREST**

By submitting a proposal, bidder certifies that there does not now exist any relationship between the bidder and any person or entity which is or gives the appearance of a conflict of interest related to this Request for Proposal or project.

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Accept  
& Initial

The bidder certifies that it shall not take any action or acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of its services hereunder or which creates an actual or appearance of conflict of interest.

The bidder certifies that it will not employ any individual known by bidder to have a conflict of interest.

**M. PROPOSAL PREPARATION COSTS**

The State shall not incur any liability for any costs incurred by bidders in replying to this Request for Proposal, in the demonstrations, or oral presentations, or in any other activity related to bidding on this Request for Proposal.

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Accept  
& Initial

**N. ERRORS AND OMISSIONS**

The bidder shall not take advantage of any errors and/or omissions in this Request for Proposal or resulting contract. The bidder must promptly notify the State of any errors and/or omissions that are discovered.

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Accept  
& Initial

**O. BEGINNING OF WORK**

Accept  
& Initial

The bidder shall not commence any billable work until a valid contract has been fully executed by the State and the successful contractor. The contractor will be notified in writing when work may begin.

**P. ASSIGNMENT BY THE STATE**

Accept  
& Initial

The State shall have the right to assign or transfer the contract or any of its interests herein to any agency, board, commission, or political subdivision of the State of Nebraska. There shall be no charge to the State for any assignment hereunder.

**Q. ASSIGNMENT BY THE CONTRACTOR**

Accept  
& Initial

The contractor may not assign, voluntarily or involuntarily, the contract or any of its rights or obligations hereunder (including without limitation rights and duties of performance) to any third party, without the prior written consent of the State, which will not be unreasonably withheld.

**R. DEVIATIONS FROM THE REQUEST FOR PROPOSAL**

Accept  
& Initial

The requirements contained in the Request for Proposal become a part of the terms and conditions of the contract resulting from this Request for Proposal. Any deviations from the Request for Proposal must be clearly defined by the bidder in its proposal and, if accepted by the State, will become part of the contract. Any specifically defined deviations must not be in conflict with the basic nature of the Request for Proposal or mandatory requirements. "Deviation", for the purposes of this RFP, means any proposed changes or alterations to either the contractual language or deliverables within the scope of this RFP. The State discourages deviations and reserves the right to reject proposed deviations.

**S. GOVERNING LAW**

Accept  
& Initial

The contract shall be governed in all respects by the laws and statutes of the State of Nebraska. Any legal proceedings against the State of Nebraska regarding this Request for Proposal or any resultant contract shall be brought in the State of Nebraska administrative or judicial forums as defined by State law. The contractor must be in compliance with all Nebraska statutory and regulatory law.

**T. ATTORNEY'S FEES**

Accept  
& Initial

In the event of any litigation, appeal or other legal action to enforce any provision of the contract, the contractor agrees to pay all expenses of such action, as permitted by law, including attorney's fees and costs, if the State is the prevailing party.

**U. ADVERTISING**

Accept  
& Initial

The contractor agrees not to refer to the contract award in advertising in such a manner as to state or imply that the company or its services are endorsed or preferred by the State. News releases pertaining to the project shall not be issued without prior written approval from the State.

**V. STATE PROPERTY**

Accept  
& Initial

The contractor shall be responsible for the proper care and custody of any State-owned property which is furnished for the contractor's use during the performance of the contract. The contractor shall reimburse the State for any loss or damage of such property, normal wear and tear is expected.

**W. SITE RULES AND REGULATIONS**

Accept  
& Initial

The contractor shall use its best efforts to ensure that its employees, agents and subcontractors comply with site rules and regulations while on State premises. If the contractor must perform on-site work outside of the daily operational hours set forth by the State, it must make arrangements with the State to ensure access to the facility and the equipment has been arranged. No additional payment will be made by the State on the basis of lack of access, unless the State fails to provide access as agreed to between the State and the contractor.

**X. NOTIFICATION**

Accept  
& Initial

During the bid process, all communication between the State and a bidder shall be between the bidder's representative clearly noted in its proposal and the buyer noted in Section II, A. Procuring Office and Contact Person of this RFP. After the award of the contract, all notices under the contract shall be deemed duly given upon delivery to the staff designated as the point of contact for this Request for Proposal, in person, or upon delivery by U.S. Mail, facsimile, or e-mail. Each bidder should provide in its proposal the name, title and complete address of its designee to receive notices.

1. Except as otherwise expressly specified herein, all notices, requests or other communications shall be in writing and shall be deemed to have been given if delivered personally or mailed, by U.S. Mail, postage prepaid, return receipt requested, to the parties at their respective addresses set forth above, or at such other addresses as may be specified in writing by either of the parties. All notices, requests, or communications shall be deemed effective upon personal delivery or three (3) days following deposit in the mail.
2. Whenever the contractor encounters any difficulty which is delaying or threatens to delay its timely performance under the contract, the contractor shall immediately give notice thereof in writing to the State reciting all relevant information with respect thereto. Such notice shall not in any way constitute a basis for an extension of the delivery schedule or be construed as a waiver by the State of any of its rights or remedies to which it is entitled by law or equity or pursuant to the provisions of the contract. Failure to give such notice, however, may be grounds for denial of any request for an extension of the delivery schedule because of such delay.

Either party may change its address for notification purposes by giving notice of the change, and setting forth the new address and an effective date.

For the duration of the contract, all communication between contractor and the State regarding the contract shall take place between the contractor and individuals specified by the State in writing. Communication about the contract between contractor and individuals not designated as points of contact by the State is strictly forbidden.

**Y. EARLY TERMINATION**

Accept  
& Initial

The contract may be terminated as follows:

1. The State and the contractor, by mutual written agreement, may terminate the contract at any time.
2. The State, in its sole discretion, may terminate the contract for any reason upon 30 days written notice to the contractor. Such termination shall not relieve the contractor of warranty or other service obligations incurred under the terms of the contract. In the event of cancellation the contractor shall be entitled to payment, determined on a pro rata basis, for products or services satisfactorily performed or provided.

3. The State may terminate the contract immediately for the following reasons:
- a. if directed to do so by statute;
  - b. contractor has made an assignment for the benefit of creditors, has admitted in writing its inability to pay debts as they mature, or has ceased operating in the normal course of business;
  - c. a trustee or receiver of the contractor or of any substantial part of the contractor's assets has been appointed by a court;
  - d. fraud, misappropriation, embezzlement, malfeasance, misfeasance, or illegal conduct pertaining to performance under the contract by its contractor, its employees, officers, directors or shareholders;
  - e. an involuntary proceeding has been commenced by any party against the contractor under any one of the chapters of Title 11 of the United States Code and (i) the proceeding has been pending for at least sixty (60) days; or (ii) the contractor has consented, either expressly or by operation of law, to the entry of an order for relief; or (iii) the contractor has been decreed or adjudged a debtor;
  - f. a voluntary petition has been filed by the contractor under any of the chapters of Title 11 of the United States Code;
  - g. contractor intentionally discloses confidential information;
  - h. contractor has or announces it will discontinue support of the deliverable;
  - i. second or subsequent documented "vendor performance report" form deemed acceptable by the State Purchasing Bureau.

**Z. FUNDING OUT CLAUSE OR LOSS OF APPROPRIATIONS**

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Accept  
& Initial

The State may terminate the contract, in whole or in part, in the event funding is no longer available. The State's obligation to pay amounts due for fiscal years following the current fiscal year is contingent upon legislative appropriation of funds for the contract. Should said funds not be appropriated, the State may terminate the contract with respect to those payments for the fiscal years for which such funds are not appropriated. The State will give the contractor written notice thirty (30) days prior to the effective date of any termination, and advise the contractor of the location (address and room number) of any related equipment. All obligations of the State to make payments after the termination date will cease and all interest of the State in any related equipment will terminate. The contractor shall be entitled to receive just and equitable compensation for any authorized work which has been satisfactorily completed as of the termination date. In no event shall the contractor be paid for a loss of anticipated profit.

**AA. BREACH BY CONTRACTOR**

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Accept  
& Initial

The State may terminate the contract, in whole or in part, if the contractor fails to perform its obligations under the contract in a timely and proper manner. The State may, by providing a written notice of default to the contractor, allow the contractor to cure a failure or breach of contract within a period of thirty (30) days (or longer at State's discretion considering the gravity and nature of the default). Said notice shall be delivered by Certified Mail, Return Receipt Requested or in person with proof of delivery. Allowing the contractor time to cure a failure or breach of contract does not waive the State's right to immediately terminate the contract for the same or different contract breach which may occur at a different time. In case of default of the contractor, the State may contract the service from other sources and hold the contractor responsible for any excess cost occasioned thereby.

**BB. ASSURANCES BEFORE BREACH**

Accept  
& Initial

If any document or deliverable required pursuant to the contract does not fulfill the requirements of the Request for Proposal/resulting contract, upon written notice from the State, the contractor shall deliver assurances in the form of additional contractor resources at no additional cost to the project in order to complete the deliverable, and to ensure that other project schedules will not be adversely affected.

**CC. FORCE MAJEURE**

Accept  
& Initial

Neither party shall be liable for any costs or damages resulting from its inability to perform any of its obligations under the contract due to a natural disaster, or other similar event outside the control and not the fault of the affected party ("Force Majeure Event"). A Force Majeure Event shall not constitute a breach of the contract. The party so affected shall immediately give notice to the other party of the Force Majeure Event. The State may grant relief from performance of the contract if the contractor is prevented from performance by a Force Majeure Event. The burden of proof for the need for such relief shall rest upon the contractor. To obtain release based on a Force Majeure Event, the contractor shall file a written request for such relief with the State Purchasing Bureau. Labor disputes with the impacted party's own employees will not be considered a Force Majeure Event and will not suspend performance requirements under the contract.

**DD. AUDIT REQUIREMENTS**

Accept  
& Initial

All contractor books, records and documents relating to work performed or monies received under the contract shall be subject to audit at any reasonable time upon the provision of reasonable notice by the State. These records shall be maintained for a period of five (5) full years from the date of final payment, or until all issues related to an audit, litigation or other action are resolved, whichever is longer. All records shall be maintained in accordance with generally accepted accounting principles.

In addition to, and in no way in limitation of any obligation in the contract, the contractor shall agree that it will be held liable for any State audit exceptions, and shall return to the State all payments made under the contract for which an exception has been taken or which has been disallowed because of such an exception. The contractor agrees to correct immediately any material weakness or condition reported to the State in the course of an audit.

**EE. TAXES**

Accept  
& Initial

The State is not required to pay taxes of any kind and assumes no such liability as a result of this solicitation. Any property tax payable on the contractor's equipment which may be installed in a state-owned facility is the responsibility of the contractor.

**FF. INSPECTION AND APPROVAL**

Accept  
& Initial

Final inspection and approval of all work required under the contract shall be performed by the designated State officials. The State and/or its authorized representatives shall have the right to enter any premises where the contractor or subcontractor duties under the contract are being performed, and to inspect, monitor or otherwise evaluate the work being performed. All inspections and evaluations shall be at reasonable times and in a manner that will not unreasonably delay work.

**GG. CHANGES IN SCOPE/CHANGE ORDERS**

Accept  
& Initial

The State may, at any time with written notice to the contractor, make changes within the general scope of the contract. Changes in scope shall only be conducted with the written approval of the State's designee as so defined by the State from time to time. (The State retains the right to employ the services of a third party to perform any change order(s)).

The State may, at any time work is in progress, by written order, make alterations in the terms of work as shown in the specifications, require the performance of extra work, decrease the quantity of work, or make such other changes as the State may find necessary or desirable. The contractor shall not claim forfeiture of contract by reasons of such changes by the State. Changes in work and the amount of compensation to be paid to the contractor for any extra work so ordered shall be determined in accordance with the applicable unit prices of the contractor's proposal.

Corrections of any deliverable services or performance of work required pursuant to the contract shall not be deemed a modification requiring a change order.

**HH. SEVERABILITY**

Accept  
& Initial

If any term or condition of the contract is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and conditions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the contract did not contain the particular provision held to be invalid.

**II. CONFIDENTIALITY**

Accept  
& Initial

All materials and information provided by the State or acquired by the contractor on behalf of the State shall be regarded as confidential information. All materials and information provided by the State or acquired by the contractor on behalf of the State shall be handled in accordance with Federal and State Law, and ethical standards. The contractor must ensure the confidentiality of such materials or information. Should said confidentiality be breached by a contractor; contractor shall notify the State immediately of said breach and take immediate corrective action.

It is incumbent upon the contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a (i)(1), which is made applicable to contractors by 5 U.S.C. 552a (m)(1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.

**JJ. PROPRIETARY INFORMATION**

Accept  
& Initial

Data contained in the proposal and all documentation provided therein, become the property of the State of Nebraska and the data becomes public information upon opening the proposal. If the bidder wishes to have any information withheld from the public, such information must fall within the definition of proprietary information contained within Nebraska's public record statutes. All proprietary information the bidder wishes the State to withhold must be submitted in a sealed package, which is separate from the remainder

of the proposal. The separate package must be clearly marked PROPRIETARY on the outside of the package. Bidders may not mark their entire Request for Proposal as proprietary. Bidder's cost proposals may not be marked as proprietary information. Failure of the bidder to follow the instructions for submitting proprietary and copyrighted information may result in the information being viewed by other bidders and the public. Proprietary information is defined as trade secrets, academic and scientific research work which is in progress and unpublished, and other information which if released would give advantage to business competitors and serve no public purpose (see Neb. Rev. Stat. §84-712.05(3)). In accordance with Attorney General Opinions 92068 and 97033, bidders submitting information as proprietary may be required to prove specific, named competitor(s) who would be advantaged by release of the information and the specific advantage the competitor(s) would receive. Although every effort will be made to withhold information that is properly submitted as proprietary and meets the State's definition of proprietary information, the State is under no obligation to maintain the confidentiality of proprietary information and accepts no liability for the release of such information.

**KK. CERTIFICATION OF INDEPENDENT PRICE DETERMINATION/COLLUSIVE BIDDING**

---

Accept  
& Initial

By submission of this proposal, the bidder certifies, that he or she is the party making the foregoing proposal that the proposal is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the proposal is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham proposal, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham proposal, or that anyone shall refrain from bidding; that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the proposal price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the proposal price, or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the proposal are true; and further that the bidder has not, directly or indirectly, submitted his or her proposal price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, proposal depository, or to any member or agent thereof to effectuate a collusive or sham proposal.

**LL. PRICES**

---

Accept  
& Initial

All prices, costs, terms and conditions outlined in the proposal shall remain fixed and valid commencing on the opening date of the proposal until an award is made (and for bidder receiving award prices shall remain as bid for the duration of the contract unless otherwise so stated in the contract) or the Request for Proposal is cancelled.

Contractor represents and warrants that all prices for services, now or subsequently specified are as low as and no higher than prices which the contractor has charged or intends to charge customers other than the State for the same or similar products and services of the same or equivalent quantity and quality for delivery or performance during the same periods of time. If, during the term of the contract, the contractor shall reduce any and/or all prices charged to any customers other than the State for the same or similar products or services specified herein, the contractor shall make an equal or equivalent reduction in corresponding prices for said specified products or services.

Contractor also represents and warrants that all prices set forth in the contract and all prices in addition, which the contractor may charge under the terms of the contract, do not and will not violate any existing federal, state or municipal law or regulations concerning price discrimination and/or price fixing. Contractor agrees to hold the State harmless from any such violation. Prices quoted shall not be subject to increase throughout the contract period unless specifically allowed by these specifications.

**MM. BEST AND FINAL OFFER**

---

Accept  
& Initial

The State will compile the final scores for all parts of each proposal. The award may be granted to the highest scoring responsive and responsible bidder. Alternatively, the highest scoring bidder or bidders may be requested to submit best and final offers. If best and final offers are requested by the State and submitted by the bidder, they will be evaluated (using the stated criteria), scored and ranked by the Evaluation Committee. The award will then be granted to the highest scoring bidder. However, a bidder should provide its best offer in its original proposal. Bidders should not expect that the State will request a best and final offer.

**NN. ETHICS IN PUBLIC CONTRACTING**

---

Accept  
& Initial

No bidder shall pay or offer to pay, either directly or indirectly, any fee, commission compensation, gift, gratuity, or anything of value to any State officer, legislator or employee based on the understanding that the receiving person's vote, actions or judgment will be influenced thereby. No bidder shall give any item of value to any employee of the State Purchasing Bureau.

Bidders shall be prohibited from utilizing the services of lobbyists, attorneys, political activists, or consultants to secure the contract. It is the intent of this provision to assure that the prohibition of state contact during the procurement process is not subverted through the use of lobbyists, attorneys, political activists, or consultants. It is the intent of the State that the process of evaluation of proposals and award of the contract be completed without external influence. It is not the intent of this section to prohibit bidders from seeking professional advice, for example consulting legal counsel, regarding terms and conditions of this Request for Proposal or the format or content of their proposal.

If the bidder is found to be in non-compliance with this section of the Request for Proposal, they may forfeit the contract if awarded to them or be disqualified from the selection process.

**OO. INDEMNIFICATION**

---

Accept  
& Initial

**1. GENERAL**

The contractor agrees to defend, indemnify, hold, and save harmless the State and its employees, volunteers, agents, and its elected and appointed officials ("the indemnified parties") from and against any and all claims, liens, demands, damages, liability, actions, causes of action, losses, judgments, costs, and expenses of every nature, including investigation costs and expenses, settlement costs, and attorney fees and expenses ("the claims"), sustained or asserted against the State, arising out of, resulting from, or attributable to the willful misconduct, negligence, error, or omission of the contractor, its employees, subcontractors, consultants, representatives, and agents, except to the extent

such contractor liability is attenuated by any action of the State which directly and proximately contributed to the claims.

**2. INTELLECTUAL PROPERTY**

The contractor agrees it will at its sole cost and expense, defend, indemnify, and hold harmless the indemnified parties from and against any and all claims, to the extent such claims arise out of, result from, or are attributable to the actual or alleged infringement or misappropriation of any patent, copyright, trade secret, trademark, or confidential information of any third party by the contractor or its employees, subcontractors, consultants, representatives, and agents; provided, however, the State gives the contractor prompt notice in writing of the claim. The contractor may not settle any infringement claim that will affect the State's use of the Licensed Software without the State's prior written consent, which consent may be withheld for any reason.

If a judgment or settlement is obtained or reasonably anticipated against the State's use of any intellectual property for which the contractor has indemnified the State, the contractor shall at the contractor's sole cost and expense promptly modify the item or items which were determined to be infringing, acquire a license or licenses on the State's behalf to provide the necessary rights to the State to eliminate the infringement, or provide the State with a non-infringing substitute that provides the State the same functionality. At the State's election, the actual or anticipated judgment may be treated as a breach of warranty by the contractor, and the State may receive the remedies provided under this RFP.

**3. PERSONNEL**

The contractor shall, at its expense, indemnify and hold harmless the indemnified parties from and against any claim with respect to withholding taxes, worker's compensation, employee benefits, or any other claim, demand, liability, damage, or loss of any nature relating to any of the personnel provided by the contractor.

**PP. NEBRASKA TECHNOLOGY ACCESS STANDARDS**

Accept  
& Initial

Contractor shall review the Nebraska Technology Access Standards, found at <http://www.nitc.state.ne.us/standards/accessibility> and ensure that products and/or services provided under the contract comply with the applicable standards. In the event such standards change during the contractor's performance, the State may create an amendment to the contract to request that contract comply with the changed standard at a cost mutually acceptable to the parties.

**QQ. ANTITRUST**

Accept  
& Initial

The contractor hereby assigns to the State any and all claims for overcharges as to goods and/or services provided in connection with this contract resulting from antitrust violations which arise under antitrust laws of the United States and the antitrust laws of the State.

**RR. DISASTER RECOVERY/BACK UP PLAN**

Accept  
& Initial

The contractor shall have a disaster recovery and back-up plan, of which a copy should be provided to the State, which includes, but is not limited to equipment, personnel, facilities, and transportation, in order to continue services as specified under these specifications in the event of a disaster.

**SS. TIME IS OF THE ESSENCE**

Accept  
& Initial

Time is of the essence in this contract. The acceptance of late performance with or without objection or reservation by the State shall not waive any rights of the State nor constitute a waiver of the requirement of timely performance of any obligations on the part of the contractor remaining to be performed.

**TT. RECYCLING**

Accept  
& Initial

Preference will be given to items which are manufactured or produced from recycled material or which can be readily reused or recycled after their normal use as per state statute (Neb. Rev. Stat. §81-15, 159).

**UU. DRUG POLICY**

Accept  
& Initial

Contractor certifies that it maintains a drug free work place environment to ensure worker safety and workplace integrity. Contractor agrees to provide a copy of its drug free workplace policy at any time upon request by the State.

**VV. NEW EMPLOYEE WORK ELIGIBILITY STATUS**

Accept  
& Initial

The Contractor is required and hereby agrees to use a federal immigration verification system to determine the work eligibility status of new employees physically performing services within the State of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. 1324a, known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work eligibility status of a newly hired employee.

If the Contractor is an individual or sole proprietorship, the following applies:

1. The Contractor must complete the United States Citizenship Attestation Form, available on the Department of Administrative Services website at [www.das.state.ne.us](http://www.das.state.ne.us).
2. If the Contractor indicates on such attestation form that he or she is a qualified alien, the Contractor agrees to provide the US Citizenship and Immigration Services documentation required to verify the Contractor's lawful presence in the United States using the Systematic Alien Verification for Entitlements (SAVE) Program.
3. The Contractor understands and agrees that lawful presence in the United States is required and the Contractor may be disqualified or the contract terminated if such lawful presence cannot be verified as required by Neb. Rev. Stat. §4-108.

#### **IV. PROJECT DESCRIPTION AND SCOPE OF WORK**

##### **A. General Description**

The State of Nebraska, Nebraska Real Estate Commission (“NREC”), is issuing this Request for Proposal, RFP Number 2010-2(O3) for the purpose of selecting a qualified contractor to provide Errors and Omissions Insurance to Nebraska Real Estate Licensees.

The Errors and Omissions policies are written on a one calendar year policy basis to coincide with our license renewal cycle, the Commission is considering moving to a two year renewal cycle and reserves the right to request a two year policy option from the chosen vendor. Partial year policies are also provided to licensees on a pro-rated basis.

The chosen vendor will be responsible for administering the plan, including the collection and deposit of premiums and verification of coverage with the Commission.

The specific requirements for the Errors and Omissions policy are found in Neb. Rev. Stat. §§81-885.01 and 81-885.55 and Nebraska Administrative Code (Title 299 NAC Chapter 8) (these requirements are included as part of this RFP as Attachment A, Appendix 1 & 2), as well as throughout this RFP.

##### **B. Specific Duties and Responsibilities of Contractor**

###### **1. Provision of Errors and Omissions Insurance:**

Contractor agrees to provide a Plan of Errors and Omissions Insurance (“Plan”) which meets the following requirements:

- a.** At all times during the term of this Request for Proposal, the insurer issuing the policy of Errors and Omissions Insurance hereunder shall maintain not less than an A.M. Best Company “B+” rating and a Financial Size Category of Class VI or higher, and shall be approved by NREC prior to issuance.
- b.** The policy of Errors and Omissions Insurance shall be in the form of the policy appended hereto in Exhibit “A” and “B”, and incorporated herein by this reference.
- c.** Contractor shall at all times provide a Plan of Errors and Omissions Insurance which meets all of the terms, conditions, representations, requirements, and specifications set forth in Exhibits “A” and “B” respectively, to this Request for Proposal; provided, that the said insurance shall cover \$100,000.00 combined single limit coverage per occurrence, an annual aggregate limit of not less than \$300,000.00, subject to a \$1,000.00 deductible amount, such deductible being applicable to each claim for loss payments only. No deductible shall be applicable to payments for defense costs under the policy.
- d.** Contractor agrees, at all times during the term of this Request for Proposal, to keep said policy of insurance in place in substantially the same form, and subject to the same terms, conditions, requirements, and

specifications set forth herein. This responsibility shall include obtaining a new policy of insurance and/or carrier(s), in the event that Contractor learns of any act or omission by the existing carrier(s), or any one of them, which Contractor reasonably believes may threaten substantial and imminent jeopardy to the financial or other integrity of the Plan, or to the rights of insureds thereunder.

- e. Contractor agrees that early termination of this contract by either party shall in no way alter or rescind any existing obligations of contractor regarding all existing errors and omissions insurance policies written pursuant to this contract.

**2. Administrative and Related Services**

Contractor shall provide administrative services related to the provisions of Errors and Omissions insurance as provided in this RFP in accordance with the terms, conditions, representations, requirements, and specifications set forth in this RFP

**3. Plan Integrity**

Contractor shall do all things reasonably necessary to maintain the integrity of the Plan. This shall include, but not be limited to, selecting carriers for the provision of the Errors and Omissions Insurance Policy which maintain an A.M. Best Company rating of "B+" or better and a Financial Size Category of Class VI or higher during the term of this Request for Proposal as well as adequate reserves for payment of claims, as required by Nebraska law and the rules and regulations of the Nebraska Department of Insurance. In the event that NREC reasonably determines that the financial integrity of Contractor or any of the carriers assuming any part of the risk herein is materially threatened, such shall be cause for termination of any contract entered into pursuant to this Request for Proposal in accordance with its terms.

**4. Costs of Plan Administration**

Contractor shall bear all costs for Plan administration, policy issuance, solicitation, and any other costs arising out of or related to Contractor's administration of the Plan.

**5. Reporting**

Contractor shall be obligated to provide to NREC, upon request and at the termination of any contract entered into pursuant to this Request for Proposal, copies of all information, books, and records related to the Plan, including, but not limited to, correspondence to or from insured licensees, books of account, actuarial information, loss experience information including quarterly loss reports, claims information, and other documents or information concerning the Plan. All cost, if any, of the reproduction of these documents will be the responsibility of the NREC.

**6. New Applications and Renewals**

Information regarding the Plan for each calendar year (except for the first year of the contract, where information shall be sent as soon as practicable after contract, including enrollment forms and the terms and conditions of the Plan shall be sent by Contractor to NREC on or before August 31 of the year preceding the covered

calendar year so that said information can be included in the mailing of renewals to licensees. All premium payments for new or renewal enrollments shall be made by insured licensees directly to Contractor. Contractor shall provide a daily, printable report by electronic media, compatible with and readable by the NREC's Licensee database, to the NREC setting forth the premium payment status and coverage date for licensees; provided, however, that said coverage date for a new licensee who has paid the required premium shall not be later than the date of issuance by NREC of a real estate license to said licensee. Not later than noon, Central Standard Time on December 6 of each year, Contractor shall provide to NREC, by computer diskette, or e-mail file, compatible with and readable by NREC's licensee database, a summary of all licensees who have purchased coverage for the ensuing term. Failure to provide the information, reports, diskettes or e-mails in accordance with this paragraph shall constitute a material breach of this Contract.

**7. Excess Liability Option**

Contractor agrees that excess liability coverage in various amounts up to \$1,000,000 in the aggregate will be made available to brokerage firms whose licensees are insured under the master group policy contemplated by this Contract; provided, however, that each firm's self-insured retention shall not exceed \$100,000 per occurrence. This liability coverage is available to firms only and not to individual licensees. The excess carrier must meet normal industry standards, and coverage may be provided by a carrier other than the one placing primary coverage. The excess carrier must be financially responsible but is not bound by the same rating requirement applied to the primary carrier. The excess insurance shall be under terms and conditions which are standard in the industry for similar types of excess coverage.

Contractor will notify NREC of the name of the carrier to offer the excess coverage and amount of premium rates. Contractor will provide NREC a specimen copy of the excess policy.

**8. Representations and Warranties:**

- a. Contractor represents and warrants that it is duly organized and in good standing in its state of residence, that it holds all necessary licenses, permits, and approvals from the State of Nebraska Department of Insurance and/or other applicable state or federal regulatory agency to conduct the business contemplated under this Contract, that it is empowered and duly authorized to enter into this Contract, and that is in good standing to do business under the laws of the State of Nebraska.
- b. Contractor hereby represents and warrants that, at the effective date of this Contract and for its entire term, it shall meet and shall continue to meet all of the requirements set forth in this RFP and any and all attachments and exhibits hereto.

**C. Duties and Responsibilities of the NREC**

**1. Authorization to Provide Insurance and Related Administrative Services**

NREC hereby authorizes Contractor to provide, for calendar year 2011, an Errors and Omissions Policy for real estate licensees and related administrative services for the term of this Contract; provided, however, that Contractor shall fulfill all of the specifications, terms, conditions, requirements, representations, and warranties set forth in this RFP and in Exhibits "A" and "B" appended hereto as amended by this RFP.

**2. Provision of Information and Records**

NREC shall provide such information to Contractor as shall be reasonably necessary for Contractor to fulfill its duties and responsibilities under this Contract; provided, however, that NREC shall not be responsible for providing any reports, records, or other information or documents to Contractor which are privileged or confidential under any applicable state or federal law or regulation; and, further provided, that all such information shall remain the property of NREC, shall be held in strictest confidence by Contractor, shall not be used by Contractor or any of its agents, employees, carriers, or any other person in privity with it for any purposes other than those anticipated by this Contract, and shall be returned to NREC upon request or upon the termination of this Contract. However, nothing herein shall be construed as authorizing or requiring NREC to undertake any duties or responsibilities to Contractor or to individual insured licensees for administration or interpretation of the Plan.

## **V. PROPOSAL INSTRUCTIONS**

This section documents the mandatory requirements that must be met by bidders in preparing the Technical and Cost Proposal. Bidders should identify the subdivisions of “Project Description and Scope of Work” clearly in their proposals; failure to do so may result in disqualification. Failure to respond to a specific requirement may be the basis for elimination from consideration during the State’s comparative evaluation.

Proposals are due by the date and time shown in the Schedule of Events. Content requirements for the Technical and Cost Proposal are presented separately in the following subdivisions:

### **A. TECHNICAL PROPOSAL**

The Technical Proposal shall consist of three (3) sections:

1. SIGNED “State of Nebraska Request For Proposal For Contractual Services” form;
2. Corporate Overview and Qualifications; and
3. Technical Approach and Policy Information.

#### **1. REQUEST FOR PROPOSAL FORM**

By signing the “Request For Proposal For Contractual Services” form, the bidder guarantees compliance with the provisions stated in this Request for Proposal, agrees to the Terms and Conditions stated in this Request for Proposal and certifies bidder maintains a drug free work place environment.

The Request For Proposal For Contractual Services form must be signed in ink and returned by the stated date and time in order to be considered for an award.

#### **2. CORPORATE OVERVIEW AND QUALIFICATIONS**

The Corporate Overview section of the Technical Proposal must consist of the following subdivisions:

##### **a. BIDDER IDENTIFICATION AND INFORMATION**

The bidder must provide the full company or corporate name, address of the company's headquarters, entity organization (corporation, partnership, proprietorship), state in which the bidder is incorporated or otherwise organized to do business, year in which the bidder first organized to do business, whether the name and form of organization has changed since first organized, and if so when changed, and Federal Employer Identification Number and/or Social Security Number.

##### **b. FINANCIAL STATEMENTS**

The bidder must provide financial statements applicable to the firm. If publicly held, the bidder must provide a copy of the corporation's most recent audited financial reports and statements, and the name, address and telephone number of the fiscally responsible representative of the bidder’s financial or banking organization.

If the bidder is not a publicly held corporation, either the reports and statements required of a publicly held corporation, or a description of the organization, including size, longevity, client base, areas of specialization and expertise, and any other pertinent information must be submitted in such a manner that proposal evaluators may reasonably formulate a determination about the stability and financial strength of the organization. Additionally, a non-publicly held firm must provide a banking reference.

The bidder must disclose any and all judgments, pending or expected litigation, or other real or potential financial reversals, which might materially affect the viability or stability of the organization, or state that no such condition is known to exist.

Financial statements should be the most recent statements available covering at least the organization's 3 (three) immediately prior fiscal years.

**c. CHANGE OF OWNERSHIP**

If any change in ownership or control of the company is anticipated during the twelve (12) months following the proposal due date, the bidder must describe the circumstances of such change and indicate when the change will likely occur. Any change of ownership to an awarded vendor(s) will require notification to the State.

**d. OFFICE LOCATION**

The bidder's office location responsible for performance pursuant to an award of a contract with the State of Nebraska must be identified.

**e. RELATIONSHIPS WITH THE STATE**

The bidder shall describe any dealings with the State over the previous five (5) years. If the organization, its predecessor, or any party named in the bidder's proposal response has contracted with the State, the bidder shall identify the contract number(s) and/or any other information available to identify such contract(s). If no such contracts exist, so declare.

**f. BIDDER'S EMPLOYEE RELATIONS TO STATE**

If any party named in the bidder's proposal response is or was an employee of the State within the past twelve (12) months, identify the individual(s) by name, State agency with whom employed, job title or position held with the State, and separation date. If no such relationship exists or has existed, so declare.

If any employee of any agency of the State of Nebraska is employed by the bidder or is a subcontractor to the bidder, as of the due date for proposal submission, identify all such persons by name, position held with the bidder, and position held with the State (including job title and agency). Describe the responsibilities of such persons within the proposing organization. If, after review of this information by the State, it is determined that a conflict of interest exists or may exist, the bidder may be disqualified from further consideration in this proposal. If no such relationship exists, so declare.

**g. CONTRACT PERFORMANCE**

If the bidder or any proposed subcontractor has had a contract terminated for default during the past five (5) years, all such instances must be described as required below. Termination for default is defined as a notice to stop performance delivery due to the bidder's non-performance or poor performance, and the issue was either not litigated due to inaction on the part of the bidder or litigated and such litigation determined the bidder to be in default.

It is mandatory that the bidder submit full details of all termination for default experienced during the past five (5) years, including the other party's name, address and telephone number. The response to this section must present the bidder's position on the matter. The State will evaluate the facts and will score the bidder's proposal accordingly. If no such termination for default has been experienced by the bidder in the past five (5) years, so declare.

If at any time during the past five (5) years, the bidder has had a contract terminated for convenience, non-performance, non-allocation of funds, or any other reason, describe fully all circumstances surrounding such termination, including the name and address of the other contracting party.

**h. SUMMARY OF BIDDER'S CORPORATE EXPERIENCE**

The bidder shall provide a summary matrix listing the bidder's previous projects similar to this Request for Proposal in size, scope and complexity. The State will use no more than three (3) narrative project descriptions submitted by the bidder during its evaluation of the proposal.

The bidder must address the following:

- i.** Bidder must provide narrative descriptions to highlight the similarities between their experience and this Request for Proposal. These descriptions must include:
  - a)** the time period of the project;
  - b)** the contractor's responsibilities;
  - c)** for reference purposes, a customer name (including the name of a contact person, a current telephone number, a facsimile number and e-mail address); and
  - d)** each project description shall identify whether the work was performed as the prime contractor or as a subcontractor. If a bidder performed as the prime contractor, the description must provide the originally scheduled completion date and budget, as well as the actual (or currently planned) completion date and actual (or currently planned) budget.
- ii.** Contractor and subcontractor(s) experience must be listed separately. Narrative descriptions submitted for subcontractors must be specifically identified as subcontractor projects.

- iii. If the work was performed as a subcontractor, the narrative description shall identify the same information as requested for the contractors above. In addition, subcontractors shall identify what share of contract costs, project responsibilities, and time period were performed as a subcontractor.

**i. SUMMARY OF BIDDER'S PROPOSED PERSONNEL/MANAGEMENT APPROACH**

The bidder must present a detailed description of its proposed approach to the management of the project.

The bidder must identify the specific professionals who will work on the State's project if their company is awarded the contract resulting from this Request for Proposal. The names and titles of the team proposed for assignment to the State project shall be identified in full, with a description of the team leadership, interface and support functions, and reporting relationships. The primary work assigned to each person should also be identified.

The bidder shall provide resumes for all personnel proposed by the bidder to work on the project. The State will consider the resumes as a key indicator of the bidder's understanding of the skill mixes required to carry out the requirements of the Request for Proposal in addition to assessing the experience of specific individuals.

Resumes must not be longer than three (3) pages. Resumes shall include, at a minimum, academic background and degrees, professional certifications, understanding of the process, and at least three (3) references (name, address, and telephone number) who can attest to the competence and skill level of the individual. Any changes in proposed personnel shall only be implemented after written approval from the State.

**j. SUBCONTRACTORS**

If the bidder intends to subcontract any part of its performance hereunder, the bidder must provide:

- i. name, address and telephone number of the subcontractor(s);
- ii. specific tasks for each subcontractor(s);
- iii. percentage of performance hours intended for each subcontract; and
- iv. total percentage of subcontractor(s) performance hours.

**3. TECHNICAL APPROACH AND POLICY INFORMATION**

- a. Please Provide Information on how the proposal will meet RFP requirements as provided below:

- i. Meet requirements of Neb. Rev. Stat. § 81-885.55 (Attachment A, Appendix 1).



- e) Experience with clients with Errors and Omissions Insurance for real estate licensees or like industry.
- ii. Additional Minimum Qualifications for Carrier:
  - a) A.M. Best rating of B+ or better.
  - b) A.M. Best Financial Size Category of Class VI or higher.
  - c) Experience with clients with Errors and Omissions Insurance for real estate licensees or like industry.

Please provide confirmation/information on how the above requirements (b. i. and ii.) will be met.

**B. COST PROPOSAL REQUIREMENTS**

This section describes the requirements to be addressed by bidders in preparing the Cost Proposal. The bidder must submit the Cost Proposal in a section of the proposal that is a separate section or is packaged separately as specified in the RFP from the Technical Proposal section.

**1. COST PROPOSAL (must be submitted separately on its own document)**

Our total premium quote for professional liability insurance coverage of \$100,000.00 combined single limit liability for each occurrence, and an annual aggregate limit of \$300,000.00, and a total deductible amount of \$1,000.00 on the indemnity only (no deductible on defense costs) for each occurrence is as set out below.

Total premium cost per licensee (no additional charges):

One year: \_\_\_\_\_

Insurance Carrier: \_\_\_\_\_

**2. ANY ADDITIONAL COST INFORMATION**

Any additional cost information for excess liability coverage, additional optional coverages, etc. should also be included in the cost proposal section. All coverages and policy features being included in the base policy rate at no extra charge, or not included in the base policy rate at no extra charge, should be clearly identified as such, and if there is an additional charge for the coverage or policy feature that charge should be clearly stated.

## Form A

### Bidder Contact Sheet

#### Request for Proposal Number 2010-2(O3)

The Bidder Contact Sheet should be completed and submitted with each response to this Request for Proposal. This is intended to provide the State with information on the bidder's name and address, and the specific person(s) who are responsible for preparation of the bidder's response. Each bidder shall also designate a specific contact person who will be responsible for responding to the State if any clarifications of the bidder's response should become necessary. This will also be the person who the State contacts to set up a presentation/demonstration, if required.

Preparation of Response Contact Information	
Bidder Name:	
Bidder Address:	
Contact Person & Title:	
E-mail Address:	
Telephone Number (Office):	
Telephone Number (Cellular):	
Fax Number:	

Each bidder shall also designate a specific contact person who will be responsible for responding to the State if any clarifications of the bidder's response should become necessary. This will also be the person who the State contacts to set up a presentation/demonstration, if required.

Communication with the State Contact Information	
Bidder Name:	
Bidder Address:	
Contact Person & Title:	
E-mail Address:	
Telephone Number (Office):	
Telephone Number (Cellular):	
Fax Number:	

## **Attachment A**

### **Errors and Omissions Insurance**

#### **State of Nebraska**

#### **Request for Proposal Number 2010-2(O3)**

The Nebraska Real Estate Commission, State of Nebraska, invites known vendors to submit proposals for the coverage and administration of the State's errors and omissions insurance for real estate licensees in the State of Nebraska. The State is interested in purchasing, on behalf of all active, resident and non-resident, real estate licensees in Nebraska, guaranteed cost coverage that will provide claims handling, investigation, computerized loss records, management information, setting of reserves, and a method of claims payment. The annual premium shall not exceed \$500.00 per licensee. A copy of the applicable sections of the Nebraska Real Estate License Act and Rules and Regulations are attached as Appendix 1 and 2, respectively. Also attached, as Appendix 3, is a copy of the most current Loss Information Report on the errors and omissions insurance program.

#### **1. ADMINISTRATION**

This Request for Proposal (RFP) is issued for the State of Nebraska by the Nebraska Real Estate Commission. The sole point of contact for questions and the administrator of any resulting contract is the Nebraska Real Estate Commission.

#### **2. TERMS AND CONDITIONS - GENERAL REQUIREMENTS**

- A. The State of Nebraska had approximately 6400 active licensees as of April 1, 2010, to be covered under errors and omissions insurance for all acts which require a license under the Nebraska Real Estate License Act, other statutes administered by the Commission regulating real estate licensees and Rules and Regulations of the Commission promulgated thereunder. The total number of licensees was approximately 7100 as of April 1, 2010.
- B. Any license can become active or inactive at any time upon request to the Commission and fulfillment of certain requirements. Individuals may become licensed throughout the year after passing an examination and meeting licensing requirements. All licensees who become licensed as active licensees or who transfer from inactive to active status shall be covered with the effective date of the license issuance or transfer of license.
- C. If at any time the cost of coverage exceeds \$500.00, as required by statute (copy appended), or the amount set forth in said statute, if amended, the State shall have the right to terminate the contract without penalty by giving 30 days notice and documentation.

### 3. SPECIFIC REQUIREMENTS

- A. The insurance carrier on the risk must be identified, and an authorized officer of the company or agent shall sign the submission.
- B. The Proposal must clearly indicate the respective responsibilities of the broker and the insurance carrier.
- C. The Proposal must include the signed Request for Proposal Sheet.
- D. It will be the responsibility of the contractor to handle administrative duties relative to the operation of the program accepted by the Commission, including the billing and premium collection, toll-free access for questions, claims processing, and general informational mailings. This shall include a proposed schedule of the contractor providing a list of licensees who have paid the proper premium and who have coverage in force, and a schedule of reports needed from the Commission, including time frames.
- E. The Proposal must provide for the use of representatives at information workshops to be conducted by the Nebraska Real Estate Commission during the Contract term as agreeable between the parties.
- F. The Proposal must include a schedule of pro-rata premiums for those activating or becoming licensed during the year.
- G. Any proposal submitted must include the same terms and conditions as in the 2003 Master Policy (Attachment B), except as otherwise requested herein. Those provisions include:
  - 1. Separate costs of coverage by licensee.
  - 2. Errors and omissions insurance for all active, resident and nonresident, licensees to \$100,000.00 per occurrence/\$300,000.00 total limit, and \$1,000.00 deductible on indemnity only. No deductible for defense costs.
  - 3. Claims administration in Nebraska.
  - 4. Claims administration in other states.
  - 5. Method of handling payment of claims, including any forms or 800 number.
  - 6. Method of handling claims litigation.
  - 7. Specific financing arrangements.
  - 8. Clear indication of all costs, and the method used to determine these costs.

Any deviations from the Master Policy must be clearly noted on a separate page.

- H. The Proposal must also include the following provisions:
  - 1. A provision which would allow Nebraska resident licensees to, at their own expense and directly with the provider, acquire "conformity coverage" which would cover them in other jurisdictions which have mandatory errors and omissions programs. Said "conformity coverage" to cover said licensees as it would in a non-resident jurisdiction with no mandatory program, and also cover the licensee to the terms and conditions required in that jurisdiction for equivalent, independent, or like-termed errors and omissions insurance. Provision to include that certification of said "conformity coverage" will be sent in a form acceptable to the receiving jurisdiction.

2. A provision whereby individual licensees can purchase, at their own expense and directly with provider, optional higher limits which sit directly on top of the mandatory group limits of \$100,000.00/ \$300,000.00. Include: (a) the amount of the combined single limit liability coverage for each occurrence and the annual aggregate limit of both optional higher limits; and (b) a schedule of the pro-rata premium for said higher limits.

## **Attachment A**

### **Appendix 1**

#### **Applicable Statutes**

##### **Request for Proposal Number 2010-2(O3)**

81-885.01. Terms, defined.

For purposes of the Nebraska Real Estate License Act, unless the context otherwise requires:

(1) Real estate means and includes condominiums and leaseholds, as well as any other interest or estate in land, whether corporeal, incorporeal, freehold, or nonfreehold, and whether the real estate is situated in this state or elsewhere;

(2) Broker means any person who, for any form of compensation or consideration or with the intent or expectation of receiving the same from another, negotiates or attempts to negotiate the listing, sale, purchase, exchange, rent, lease, or option for any real estate or improvements thereon, or assists in procuring prospects or holds himself or herself out as a referral agent for the purpose of securing prospects for the listing, sale, purchase, exchange, renting, leasing, or optioning of any real estate or collects rents or attempts to collect rents, gives a broker's price opinion or comparative market analysis, or holds himself or herself out as engaged in any of the foregoing. Broker also includes any person: (a) Employed, by or on behalf of the owner or owners of lots or other parcels of real estate, for any form of compensation or consideration to sell such real estate or any part thereof in lots or parcels or make other disposition thereof; (b) who auctions, offers, attempts, or agrees to auction real estate; or (c) who buys or offers to buy or sell or otherwise deals in options to buy real estate;

(3) Associate broker means a person who has a broker's license and who is employed by another broker to participate in any activity described in subdivision (2) of this section;

(4) Designated broker means an individual holding a broker's license who has full authority to conduct the real estate activities of a real estate business. In a sole proprietorship, the owner, or broker identified by the owner, shall be the designated broker. In the event the owner identifies the designated broker, the owner shall file a statement with the commission subordinating to the designated broker full authority to conduct the real estate activities of the sole proprietorship. In a partnership, limited liability company, or corporation, the partners, limited liability company members, or board of directors shall identify the designated broker for its real estate business by filing a statement with the commission subordinating to the designated broker full authority to conduct the real estate activities of the partnership, limited liability company, or corporation. The designated broker shall also be responsible for supervising the real estate activities of any associate brokers or salespersons;

(5) Inactive broker means an associate broker whose license has been returned to the commission by the licensee's broker, a broker who has requested the commission to place the license on inactive status, a new licensee who has failed to designate an employing

broker or have the license issued as an individual broker, or a broker whose license has been placed on inactive status under statute, rule, or regulation;

(6) Salesperson means any person, other than an associate broker, who is employed by a broker to participate in any activity described in subdivision (2) of this section;

(7) Inactive salesperson means a salesperson whose license has been returned to the commission by the licensee's broker, a salesperson who has requested the commission to place the license on inactive status, a new licensee who has failed to designate an employing broker, or a salesperson whose license has been placed on inactive status under statute, rule, or regulation;

(8) Person means and includes individuals, corporations, partnerships, and limited liability companies, except that when referring to a person licensed under the act, it means an individual;

(9) Subdivision or subdivided land means any real estate offered for sale and which has been registered under the Interstate Land Sales Full Disclosure Act, 82 Stat. 590 and following, 15 U.S.C. 1701 and following, as such act existed on January 1, 1973, or real estate located out of this state which is divided or proposed to be divided into twenty-five or more lots, parcels, or units;

(10) Subdivider means any person who causes land to be subdivided into a subdivision for himself, herself, or others or who undertakes to develop a subdivision but does not include a public agency or officer authorized by law to create subdivisions;

(11) Purchaser means a person who acquires or attempts to acquire or succeeds to an interest in land;

(12) Commission means the State Real Estate Commission;

(13) Broker's price opinion means an analysis, opinion, or conclusion prepared by a person licensed under the Nebraska Real Estate License Act in the ordinary course of his or her business relating to the price of specified interests in or aspects of identified real estate or identified real property for the purpose of (a) listing, purchase, or sale or (b) originating, extending, renewing or modifying a loan in a transaction other than a federally related transaction;

(14) Comparative market analysis means an analysis, opinion, or conclusion prepared by a person licensed under the act in the ordinary course of his or her business relating to the price of specified interests in or aspects of identified real estate or identified real property by comparison to other real property currently or recently in the marketplace for the purpose of (a) listing, purchase, or sale or (b) originating, extending, renewing or modifying a loan in a transaction other than a federally related transaction;

(15) Distance education means courses in which instruction does not take place in a traditional classroom setting, but rather through other media by which instructor and student are separated by distance and sometimes by time; and

(16) Regulatory jurisdiction means a state, district, or territory of the United States, a province of Canada or a foreign country, or a political subdivision of a foreign country, which has implemented and administers laws regulating the activities of a broker.

(17) Federal financial institution regulatory agency means (a) the Board of Governors of the Federal Reserve System, (b) the Federal Deposit Insurance Corporation, (c) the Office of the Comptroller of the Currency, (d) the Office of Thrift Supervision, (e) the National Credit Union Administration, or (f) the successors of any of those agencies; and

(18) Federally related transaction means a real-estate-related transaction that (a) requires the services of an appraiser and (b) is engaged in, contracted for, or regulated by a federal financial institution regulatory agency.

81-885.55. Errors and omissions insurance; commission; duties; certificate of coverage; required; when; group plan unavailable at a reasonable premium; effect.

(1) Every licensee under the Nebraska Real Estate License Act, except an inactive broker or salesperson, shall have errors and omissions insurance to cover all activities contemplated under the act. The commission shall make the errors and omissions insurance available to all licensees by contracting with an insurer for a group policy after competitive bidding. Any group policy obtained by the commission shall be available to all licensees with no right on the part of the insurer to cancel any licensee. Licensees may obtain errors and omissions insurance independently if the coverage complies with the minimum requirements established by the commission.

(2) The commission shall determine the terms and conditions of coverage required under this section, including the minimum limits of coverage, the permissible deductible, and permissible exemptions. Each licensee shall be notified of the required terms and conditions at least thirty days prior to the annual license renewal date. A certificate of coverage showing compliance with the required terms and conditions shall be filed with the commission by the annual license renewal date by each licensee who does not participate in the group program administered by the commission.

(3) If the commission is unable to obtain errors and omissions insurance coverage to insure all licensees who choose to participate in the group program at a reasonable premium not to exceed five hundred dollars, the errors and omissions insurance requirement of this section shall not apply during the year for which coverage cannot be obtained.

## **Attachment A**

### **Appendix 2**

#### **Applicable Rules and Regulations**

#### **Request for Proposal Number 2010-2(O3)**

TITLE 299 - NEBRASKA REAL ESTATE COMMISSION

CHAPTER 8 - ERRORS AND OMISSIONS INSURANCE: CERTIFICATE OF INSURANCE; GROUP PLAN; TERMS AND CONDITIONS; EQUIVALENT INSURANCE; FAILURE TO COMPLY; SANCTIONS.

**001.** Every licensee under the Nebraska Real Estate License Act, except an inactive broker or inactive salesperson, shall have in effect a policy of Errors and Omissions Insurance to cover all activities contemplated under the Nebraska Real Estate License Act, and shall certify such coverage to the Commission in the form and manner prescribed in Section 002 of this Chapter. Licensees covered under the Group Plan provided for under Section 003 of this Chapter shall be deemed to have satisfied the certification requirement upon written certification from the Group Plan Administrator of coverage thereunder.

**002.** The certificate of coverage, as provided for in Section 001 of this Chapter for licensees obtaining the equivalent coverage specified in Section 004 of this Chapter, shall be signed by an authorized agent or employee of the insurance carrier and shall be in the following form:

**Nebraska Real Estate Commission**

**Certification of Coverage**

**Under Neb. Rev. Stat. Section 81-885.55  
And  
299 N.A.C. Chapter 8**

**Request for Proposal Number 2010-2(O3)**

I hereby certify that the insurance company listed below has at least a "B+" rating from the A.M. Best Company Insurance Rating Service and maintains an AM Best Financial Size Category of Class VI or higher. I further certify that:

INSURED NAME: \_\_\_\_\_

LICENSE IDENTIFICATION NUMBER: \_\_\_\_\_

REAL ESTATE  
COMPANY NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

POLICY NO.: \_\_\_\_\_

INSURANCE AGENT: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

INSURANCE CO.: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

POLICY DATES:     Effective: \_\_\_\_\_     Expiration: \_\_\_\_\_

SPECIFY WHETHER BLANKET OR INDIVIDUAL POLICY: \_\_\_\_\_

is insured against claims resulting from real estate licensee's errors and omissions and the above-referenced policy includes, at a minimum, the standards set forth in 299 N.A.C. Chapter 8 and the Nebraska Real Estate License Act.

It is further understood and agreed that coverage for the person(s) insured by this policy may not be terminated, cancelled, lapsed or non-renewed, regardless of cause or reason, without the Company having provided the Director of the Nebraska Real Estate Commission with ten (10) days prior written notice.

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_  
(Insurance Representative)

TITLE: \_\_\_\_\_

**003.** The Commission shall make available to all licensees, subject to availability from a qualified insurance carrier, a policy of Errors and Omissions Insurance under a Group Plan secured by the Commission.

**003.01** For the purposes of this section, a "qualified insurance carrier" shall mean an insurance carrier:

- a. which, for the entire term of its contract to provide the Group Plan of Errors and Omissions Insurance contemplated by this Chapter, maintains an A.M. Best Company rating of "B+" or better, and an AM Best Financial Size Category of Class VI or higher;
- b. which is and will remain for the policy term duly authorized by the State of Nebraska Department of Insurance to do business in the State of Nebraska as an insurance carrier;
- c. which is and will remain for the policy term qualified and authorized by the State of Nebraska Department of Insurance to write in the State of Nebraska policies of Errors and Omissions Insurance of the type contemplated by this Chapter;
- d. which, after competitive bidding, has been notified by the Commission that it is the successful bidder for the Group Plan to provide the Errors and Omissions Insurance contemplated by this Chapter; and
- e. which has entered into a contract to provide said group errors and omissions plan in conformity with said contract, this Chapter, and the Nebraska Real Estate License Act.

**003.02** The group policy obtained by the Commission under this Chapter shall be available to all licensees with no right on the part of the carrier to cancel any licensee.

**003.03** The group policy obtained by the Commission shall be subject to such terms and conditions as are customary in the insurance industry for such policies of insurance, which are otherwise permissible under Nebraska law and the rules and regulations of the State of Nebraska Department of Insurance, and which are contained in a policy of insurance which has been approved by the State of Nebraska Department of Insurance;

provided, however, that said Group Plan shall provide, at a minimum, the following terms and conditions:

- a. not less than \$100,000.00 combined single limit liability coverage for each occurrence;
- b. an annual aggregate limit of not less than \$300,000.00;
- c. a deductible amount of not greater than 3% of the total combined single limit liability coverage amount for each occurrence;
- d. the minimum coverage requirements of this subsection shall apply to each individual licensee; and
- e. a reasonable premium not to exceed the maximum premium set forth in section 81-885.55 of the Nebraska Real Estate License Act, as amended.

**003.04** For the purposes of these regulations and the fulfillment of the Commission's obligations under the Nebraska Real Estate License Act, approval by the State of Nebraska Department of Insurance of the group policy of Errors and Omissions Insurance to be issued pursuant to this Chapter shall be conclusive proof that the terms and conditions of said policy meet the standards and practices in the insurance industry with respect to such policies, and that said policy meets the requirements of Nebraska law and of the rules and regulations of the State of Nebraska Department of Insurance with respect to such policies of insurance.

**004.** Licensees may obtain equivalent Errors and Omissions Insurance independently of the Group Plan available from the Commission; subject, however, to the terms and conditions set forth in Sections 004.01 and 004.02 of this Chapter.

**004.01** The term "equivalent insurance" shall mean a policy of Errors and Omissions Insurance which shall provide the following terms and conditions:

- a. Covers all activities contemplated under the Nebraska Real Estate License Act, under such terms and conditions as are customary in the insurance industry for such policies of insurance, which are otherwise permissible under Nebraska law and the rules and regulations of the State of Nebraska Department of Insurance, and which are contained in a policy of insurance which has been approved by the State of Nebraska Department of Insurance;
- b. Specifies not less than \$100,000.00 combined single limit liability coverage for each occurrence;
- c. An annual aggregate limit of not less than \$300,000.00;
- d. Specifies a deductible amount of not greater than the deductible amount specified in the group policy secured by the Commission for the calendar year during which the equivalent insurance goes into effect. Any equivalent insurance which extends into a calendar year when the deductible on the group policy has changed effective January 1 of the year may retain the deductible amount until

such time as the equivalent insurance is renewed or renegotiated in that calendar year.

e. The minimum limits specified in b. and c. above shall be available to each licensee; and

f. The terms and conditions set forth above shall apply for equivalent insurance, filed with the Commission, to show compliance with this subsection for the annual renewal of a license.

**004.02** For the purposes of these regulations and the fulfillment of the licensees' obligations under the Nebraska Real Estate License Act, approval by the State of Nebraska Department of Insurance of the policy of equivalent Errors and Omissions Insurance covering the licensee shall create a presumption that the terms and conditions of said policy meet the standards and practices in the insurance industry with respect to such policies, and that said policy meets the requirements of Nebraska law and of the rules and regulations of the State of Nebraska Department of Insurance with respect to such policies of insurance.

**004.03** A carrier issuing a policy of equivalent insurance shall meet all of the requirements of a qualified carrier set forth in Subsections b and c of Section 003.01 of this Chapter, and shall maintain an A.M. Best Company rating of "B+" or better and an AM Best Financial Size Category of Class VI or higher.

**005.** Any applicant for issuance of an original license on active status or renewal of a license on active status shall not be issued such active license unless he or she has been certified in writing by the Group Plan Administrator as being covered thereunder, or unless he or she shall have first caused to be filed with the Commission the certificate of coverage required by Sections 001 and 002 of this Chapter.

**006.** Failure of the Group Plan Administrator to provide certification of coverage under the Group Plan or failure of the licensee to cause to be filed the certificate of equivalent coverage required by Section 001 of this Chapter shall result in inactivation of any active license issued pursuant to the Nebraska Real Estate License Act.

**006.01** For purposes of this Section, the effective date of inactivation shall be the date on which the Errors and Omissions Insurance of said active licensee is scheduled to expire, as reflected in the certification by the Group Plan Administrator or the certificate of equivalent coverage filed by, or on behalf of, the licensee.

**006.02** Within five working days of the date of inactivation under this Section, the Commission shall cause to be sent, by certified mail to the licensee's residence address as reflected in the records of the Commission Office, a notice to any affected licensee of the inactivation of license.

**006.03** Any licensee whose license has been subject to inactivation pursuant to this Section shall be entitled to activation of said license, relating back to and including the date of inactivation, provided that, within thirty days of the date of inactivation, the licensee or Group Plan Administrator files with the Commission a certificate of coverage showing that such coverage has been and is currently in effect on and from the date of

inactivation and submits required transfer documents and fees. In the event the certificate of coverage shows an effective date later than the date of inactivation, said license shall be activated as of the effective date of said insurance, as reflected in the certificate of coverage, and upon submission of required transfer documents and fees.

**007.** Any licensee who, acting alone or in concert with others, willfully or knowingly causes or allows a certificate of coverage to be filed with the Commission which is false, fraudulent, or misleading, shall be subject to sanctions, including but not limited to suspension or revocation of license, after complaint, notice and hearing provided for in the rules of the Commission; provided, however, that nothing herein shall entitle such licensee to notice and hearing on the automatic inactivation of license provided for in Section 006 of this Chapter.

Laws 1973, LB 68, §10; RS 1943, §81-885.07(5), R.S. Supp., 1974.  
Effective date September 2, 1973.