



Sherrill F. Norman, CPA  
Auditor General

# AUDITOR GENERAL STATE OF FLORIDA



Phone: (850) 412-2722  
Fax: (850) 488-6975

## INVITATION TO NEGOTIATE (ITN) # 20-01 INSURANCE CLAIMS HANDLING CONSULTANT SERVICES

### NOTIFICATION OF INTENT TO SUBMIT REPLY

#### COMPLETE AND RETURN THIS FORM TO

Joshua T. Barrett, CPA, ITN Coordinator, Office of the Auditor General  
E-mail: [joshuabarrett@aud.state.fl.us](mailto:joshuabarrett@aud.state.fl.us); Fax: (850) 488-9137  
Address: 111 West Madison St., Suite 266, Tallahassee, FL 32399-1450

Reply Number: ITN # 20-01

Title: INSURANCE CLAIMS HANDLING CONSULTANT SERVICES

Date & Time Reply Due: November 2, 2020, at 2:00 PM EST.

Potential Respondents should notify the Office of the Auditor General by returning this Notification of Intent to Submit Reply Form as soon as possible after receipt, but in any event no later than October 2, 2020, at 2:00 PM EST. Complete the information below and send **this sheet only** by e-mail to [joshuabarrett@aud.state.fl.us](mailto:joshuabarrett@aud.state.fl.us) or by fax to (850) 488-9137.

Company Name: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, ZIP: \_\_\_\_\_

Telephone: ( ) \_\_\_\_\_

E-mail Address: \_\_\_\_\_

Certified by: \_\_\_\_\_  
(Print or type name of owner, officer, or authorized agent)

Signature: \_\_\_\_\_ Title: \_\_\_\_\_

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

For further information, contact: Joshua T. Barrett, CPA, ITN Coordinator  
E-mail: [joshuabarrett@aud.state.fl.us](mailto:joshuabarrett@aud.state.fl.us) Telephone: (850) 412-2804



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## INVITATION TO NEGOTIATE (ITN) #20-01

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### INSURANCE CLAIMS HANDLING CONSULTANT SERVICES

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**DEADLINE FOR TECHNICAL QUESTIONS: October 12, 2020, AT 2:00 PM EST**

**REPLIES ARE DUE BY: November 2, 2020, AT 2:00 PM EST**

**ANTICIPATED POSTING OF INTENDED AWARD BEGINS**  
**November 6, 2020, AND ENDS December 1, 2020**

#### MAIL OR DELIVER REPLIES TO:

Joshua T. Barrett, CPA, ITN Coordinator  
Office of the Auditor General  
111 West Madison St., Suite 266  
Tallahassee, FL 32399-1450

**Table of Contents**

- SECTION 1 - INSTRUCTIONS..... 1
- 1.0 GENERAL INSTRUCTIONS TO RESPONDENT ..... 1
- SECTION 2 - GENERAL CONTRACT CONDITIONS..... 1
- 2.0 GENERAL CONTRACT CONDITIONS ..... 1
- SECTION 3 - INTRODUCTION ..... 1
- 3.0 INTENT ..... 1
- 3.1 PURPOSE..... 1
- 3.2 BACKGROUND..... 2
- 3.3 DEFINITIONS..... 2
- 3.4 CRITICAL EVENT DATES ..... 3
- SECTION 4 - SPECIAL INSTRUCTIONS..... 3
- 4.0 ITN COORDINATOR..... 3
- 4.1 REPLY QUESTIONS & ANSWERS ..... 3
- 4.2 PROCUREMENT PROTESTS ..... 4
- 4.2.1 Protest Issuance of ITN..... 4
- 4.2.2 Protest Selection of Consultant ..... 4
- 4.3 ORAL INSTRUCTIONS/CHANGES TO THE INVITATION TO NEGOTIATE (ADDENDA) .... 5
- 4.4 MODIFICATIONS, RESUBMITTAL, AND WITHDRAWAL..... 5
- 4.5 RESTRICTIONS ON COMMUNICATIONS WITH AUDITOR GENERAL STAFF ..... 6
- 4.6 CONFIDENTIAL, PROPRIETARY, OR TRADE SECRET MATERIAL..... 6
- 4.7 DISCLOSURE OF REPLY CONTENTS ..... 6
- 4.8 AWARD..... 7
- SECTION 5 - SPECIAL CONDITIONS ..... 7
- 5.0 AUTHORIZED TO DO BUSINESS IN THE STATE OF FLORIDA ..... 7
- 5.1 CONVICTED VENDOR LIST, DISCRIMINATORY VENDOR LIST, AND SUSPENDED VENDOR LIST ..... 7
- 5.2 CORPORATE CAPABILITIES..... 8
- 5.3 STAFFING AND ORGANIZATION ..... 9
- 5.4 CONSULTANT SERVICES ..... 9
- 5.5 SUBCONTRACTING ..... 9
- 5.6 CONTRACTUAL OBLIGATIONS..... 10
- 5.7 METHOD OF PAYMENT..... 10

5.8	COSTS INCURRED IN RESPONDING .....	10
5.9	SUBMISSION OF REPLIES BY SUBSIDIARIES OR AFFILIATES.....	10
5.10	PROHIBITION OF GRATUITIES.....	10
5.11	INDEPENDENT PRICE DETERMINATION .....	11
5.12	VENDOR QUALIFICATIONS .....	11
	SECTION 6 - SPECIAL INSTRUCTIONS - REPLY FORMAT AND CONTENT .....	11
6.0	NOTIFICATION OF INTENT .....	11
6.1	REPLY SUBMISSION .....	11
6.2	MAIL OR DELIVER REPLIES TO: (Do Not Fax or E-Mail) .....	11
6.3	REPLY FORMAT INSTRUCTIONS .....	12
6.3.1	Technical Reply .....	12
	<u>1.</u> Transmittal Letter .....	12
	<u>2.</u> Executive Summary .....	13
	<u>3.</u> Organizational Background, Experience, and Capabilities.....	13
	<u>4.</u> Conflict of Interest .....	14
6.3.2	Preliminary Administrative Review .....	14
6.3.3	Price Reply .....	14
	SECTION 7 - SCOPE OF SERVICES .....	15
7.0	SCOPE OF SERVICES.....	15
7.1	DELIVERABLES .....	15
	SECTION 8 - OPENING, EVALUATION, AND AWARD .....	17
8.0	REPLY OPENING .....	17
8.1	REPLY EVALUATION PROCESS.....	17
8.2	NOTICE OF INTENDED AWARD.....	18
8.3	AWARD OF THE CONTRACT .....	18
	<u>ATTACHMENT "A" - NON-COLLUSION STATEMENT .....</u>	19
	<u>ATTACHMENT "B" - WARRANTIES .....</u>	20
	<u>ATTACHMENT "C" - REFERENCES for .....</u>	21
	<u>ATTACHMENT "D" - RESPONDENT'S PRICE REPLY.....</u>	22
	<u>ATTACHMENT "E" - CONTRACT TERMS AND CONDITIONS .....</u>	23
	<u>ATTACHMENT "F" - CLAIMS TEST CRITERIA .....</u>	26



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## INVITATION TO NEGOTIATE (ITN) # 20-01 INSURANCE CLAIMS HANDLING CONSULTANT SERVICES

### SECTION 1 – INSTRUCTIONS

#### 1.0 GENERAL INSTRUCTIONS TO RESPONDENT

This document contains instructions explaining the solicitation process and the actions necessary to respond. It is the responsibility of each Respondent to monitor the Web site at <https://flauditor.gov/pages/itn.html> for new and changing information.

### SECTION 2 – CONTRACT CONDITIONS

#### 2.0 GENERAL CONTRACT CONDITIONS

Standard terms and conditions that will apply to the contract resulting from this solicitation are provided as Attachment “E” and are hereby incorporated by reference. In the event of any conflict between Attachment “E” and any other provision of this solicitation, the terms of the solicitation shall take precedence.

### SECTION 3 – INTRODUCTION

#### 3.0 INTENT

The Office of the Auditor General is soliciting written replies from qualified Respondents to establish a term contract of which the term is anticipated to begin upon execution of the contract and be effective for twelve (12) months thereafter. Award will be made to the responsible and responsive vendor that the Auditor General determines will provide the best value to the State, taking into consideration price and other criteria set forth in this document.

#### 3.1 PURPOSE

The purpose of this ITN is to acquire the services of a property insurance industry expert to assist the Auditor General in the examination of a sample of the data, files, and documentation maintained by the Citizens Property Insurance Corporation (CPIC) or its agents in relation to claims paid. The objective of the examination will be to determine whether the CPIC adheres to industry claims processing best practices and to evaluate the adequacy of the policies and procedures used to

adjust, examine, and pay related claims, the valuation of the claims, the reasonableness of the loss adjustment expenses, and the sufficiency of the claims documentation. The claims examined will be determined by Auditor General personnel, and the number of claims reviewed shall total 203. The 203 sample items will include 100 wind claims, 40 non-weather related water damages claims, and 10 sinkhole claims.

The services will also include a determination of the effectiveness of the catastrophe plan put in place for Hurricane Michael and the CPIC's execution of the catastrophe plan.

In addition, the consultant may be requested by the Auditor General to review and comment on findings that may be prepared by the Auditor General for inclusion in an operational audit report or to present information to legislative committees on matters relating to the services contemplated in this ITN.

Potential Respondents should note the Vendor Qualifications criteria contained in Section 5.12.

## **3.2 BACKGROUND**

Pursuant to Section 627.351(6), Florida Statutes, the CPIC is to provide property insurance to applicants who are unable to procure insurance through the voluntary market. For the years ended December 31, 2018 and 2019, the CPIC reported premiums earned of approximately \$623.0 million and \$616.1 million, losses incurred of approximately \$467 million and \$331.8 million, and loss adjustment expenses incurred of approximately \$222.7 million and \$168.1 million, respectively.

The CPIC offers insurance from three separate accounts: 1) Personal Lines Account (PLA), which provides multi-peril policy coverage Statewide to homeowners, mobile homeowners, tenants, and condominium unit owners and similar policies; (2) Commercial Lines Account (CLA), covering condominium associations, apartment buildings, and homeowners' associations; and 3) Coastal Account (CA), which provides windstorm-only policies for residential, commercial residential, and commercial nonresidential risks in certain designated coastal areas. In these CA "wind only" territories, private insurers are allowed to sell property insurance policies that exclude windstorm coverage.

## **3.3 DEFINITIONS**

After the award, the successful Respondent will be referred to as the "Contractor." For the purpose of this solicitation, the term "Respondent" means a potential Contractor acting on its own behalf and on behalf of those individuals, partnerships, firms, or corporations comprising the Respondent's team. The term "Reply" means the complete response of the Respondent to the ITN, including properly completed forms and supporting information. The term "Contract" refers to the agreement between the Office of the Auditor General and the successful Respondent resulting from this ITN. "Best value" means the highest overall value to the State based on

objective factors that include, but are not limited to, price and qualifications. A “Responsive Reply” is a Reply submitted by a responsive and responsible vendor that conforms in all material respects to the solicitation. “Deliverable” means a tangible, specific, quantifiable, and measurable event or item that must be produced to complete a project or part of a project directly related to the scope of services.

### 3.4 CRITICAL EVENT DATES

These are tentative dates for critical events and are subject to change. All deadlines are 5:00 PM Eastern Standard Time (EST) unless otherwise noted.

ACTION	TIMEFRAME/ DUE DATES
1. Issuance of ITN	September 25, 2020
2. Notification of Intent to Submit Reply Due	October 2, 2020, 2:00 PM
3. Written Questions Due	October 12, 2020, 2:00 PM
4. Answers to Questions posted at: <a href="https://flauditor.gov/pages/itn.html">https://flauditor.gov/pages/itn.html</a>	October 15, 2020
5. Replies Due	November 2, 2020, 2:00 PM
6. Replies Opened	November 2, 2020, 2:15 PM
7. Anticipated Posting of Intended Award	November 6, 2020
8. Contract Execution (Estimated)	November 20, 2020

## SECTION 4 – SPECIAL INSTRUCTIONS

### 4.0 ITN COORDINATOR

Upon receipt of this ITN, all Vendor communications concerning this ITN, including but not limited to the “Notification of Intent to Submit Reply” and “Written Questions” must be directed to the ITN Coordinator below. Vendors should communicate only in writing (by letter, e-mail, or fax) with the following:

Joshua T. Barrett, CPA  
 ITN Coordinator  
 Office of the Auditor General  
 111 West Madison St., Suite 266  
 Tallahassee, FL 32399-1450  
 E-mail: [joshuabarrett@aud.state.fl.us](mailto:joshuabarrett@aud.state.fl.us)  
 Fax No.: (850) 488-9137

### 4.1 REPLY QUESTIONS & ANSWERS

Any questions arising from this ITN must be submitted in writing (by letter, e-mail or fax) to the ITN Coordinator. All questions should contain the subject line: Questions re: Auditor General ITN # 20-01 – INSURANCE CLAIMS HANDLING CONSULTANT SERVICES. See Section 3.4 for the date written questions are due.

The Auditor General's written responses to questions will be submitted simultaneously to all vendors that have submitted the "Notification of Intent to Submit Reply" form by the applicable deadline. The final official questions and answers will be made available at <https://flauditor.gov/pages/itn.html>.

## **4.2 PROCUREMENT PROTESTS**

A Respondent who objects to the form or content of the ITN may protest the issuance of this ITN. In addition, the selection of the consultant may be protested.

### **4.2.1 Protest Issuance of ITN**

To protest the issuance of the ITN, a written protest must be filed with the Office of the Auditor General within three (3) business days after the ITN becomes available. To be filed timely, such protest must be received before the deadline by the Auditor General's General Counsel, at the address shown below:

Bruce T. Jeroslow, General Counsel  
Office of the Auditor General  
111 West Madison Street, Suite 372  
Tallahassee, FL 32399-1450  
Telephone No.: (850) 412-2725  
Fax No.: (850) 921-0390  
E-mail: [brucejeroslow@aud.state.fl.us](mailto:brucejeroslow@aud.state.fl.us)

To be considered, the protest must contain an identification of any statutory provision or ITN procedure allegedly violated, a brief statement of relevant facts, an identification of the issue or issues to be resolved, arguments and authorities in support of the protest, and an affidavit that the contents of the protest are true and correct. If the Auditor General finds merit in the protest, the ITN or the schedule of events relating to this ITN may be modified accordingly. Otherwise, the protest will be deemed rejected. If no protest is received within the required time, a consultant shall be deemed to have waived irrevocably its right to protest either the form or content of the ITN.

### **4.2.2 Protest Selection of Consultant**

Upon selection of the consultant to provide the services, all unsuccessful Respondents will be provided with formal notification by fax or e-mail. To protest the selection of a consultant, the Auditor General's General Counsel must receive a written protest within three (3) business days after the receipt of the selection notice by e-mail or fax. The e-mail or fax will be presumed received the same day it is sent by the Auditor General if sent before 3:00 PM (EST), if sent after 3:00 PM (EST), the e-mail or fax will be presumed received the following business day. To be considered, the protest must contain an identification of any statutory provision or ITN procedure allegedly violated, a brief statement of relevant facts, an identification of the issue or issues to be resolved, arguments and authorities in support of the protest, an affidavit that the contents of the protest are true and correct, and



certification that a copy of the protest has been served on the successful Respondent. The successful Respondent may file a response to the protest with the Auditor General, at the address shown in Section 4.2.1, within three (3) business days following the day on which it receives a copy of the protest.

The Auditor General's General Counsel will review the protest, any responses received, and the selection file, and deliver his findings and recommendations to the Auditor General. The Auditor General will then make a written determination of the protest, which shall be served upon the successful Respondent and the protester by e-mail or fax. Confirmation of delivery to the designated e-mail address or fax machine will be conclusive proof that delivery was made. Upon such delivery, the determination by the Auditor General shall be considered final.

#### **4.3 ORAL INSTRUCTIONS/CHANGES TO THE INVITATION TO NEGOTIATE (ADDENDA)**

No negotiations, decisions, or actions will be initiated or executed by a Respondent as a result of any oral discussions with an Auditor General employee. Only those communications that are in writing from the ITN Coordinator will be considered as duly-authorized expressions on behalf of the Auditor General until a contract is awarded.

The Auditor General reserves the right to alter, amend, or modify any provisions of this ITN or to withdraw this ITN at any time prior to the award of a contract for the work. Notices of Change (Addenda) will be submitted to all Respondents that have submitted the "Notification of Intent to Submit Reply" Form by the applicable deadline. All addenda must be acknowledged by the Respondent's signature and subsequent submission of Addenda with the Reply when so stated in the Addenda.

#### **4.4 MODIFICATIONS, RESUBMITTAL, AND WITHDRAWAL**

Respondents may modify submitted Replies at any time prior to the Reply due date. Requests for modification of a submitted Reply shall be in writing and must be signed by an authorized representative of the Respondent. Upon receipt and acceptance of such a request, the entire Reply will be returned to the Respondent and not considered unless resubmitted by the due date and time. Respondents may also send a change in a sealed envelope to be opened at the same time as the Reply. The ITN number, opening date, and time should appear on the envelope of the modified Reply.

Unless specifically requested by the Auditor General, any amendments, revisions, or alterations to Replies will not be accepted after the closing for the receipt of Replies.

A Respondent may withdraw a Reply by written notice to the ITN Coordinator on or before the deadline specified for the receipt of Replies in Section 3.4 of this ITN.

#### **4.5 RESTRICTIONS ON COMMUNICATIONS WITH AUDITOR GENERAL STAFF**

Respondents shall not communicate with any employees of the Office of the Auditor General concerning the ITN except for the ITN Coordinator identified in Section 4.0 of this ITN. For violation of this provision, the Auditor General may reject a Respondent's Reply.

#### **4.6 CONFIDENTIAL, PROPRIETARY, OR TRADE SECRET MATERIAL**

Following the award of a contract, all Replies are subject to release as public records. If a Respondent considers any portion of the documents, data or records submitted in response to this solicitation to be confidential, trade secret, or otherwise not subject to disclosure pursuant to Chapter 119, Florida Statutes, the Florida Constitution, or other authority, the Respondent must clearly mark and identify in its Reply those portions which are confidential, trade secret, or otherwise exempt. Respondent must also simultaneously provide the Auditor General with a separate redacted copy of its Reply. This redacted copy shall contain the Auditor General's solicitation name, number, and the name of the Respondent on the cover, and shall be clearly titled "Redacted Copy." The Redacted Copy shall be provided to the Auditor General at the same time Respondent submits its Reply to the solicitation and must only exclude or obliterate those exact portions which are claimed confidential, proprietary, or trade secret. **The Respondent shall also provide an electronic copy (compact disc (CD), flash drive, etc.) of its Redacted Copy.**

Respondent shall be solely responsible for defending its determination that the redacted portions of its Reply are confidential, trade secret, or otherwise not subject to disclosure. Further, Respondent shall protect, defend, and indemnify the Auditor General for any and all claims arising from or relating to Respondent's determination that the redacted portions of its Reply are confidential, proprietary, trade secret, or otherwise not subject to disclosure.

If Respondent fails to submit a Redacted Copy with its Reply, the Auditor General is authorized to produce the entire documents, data, or records submitted by Respondent in answer to a public records request for these records. **RESPONDENTS MAY NOT MARK THEIR ENTIRE REPLY AS CONFIDENTIAL, PROPRIETARY, OR TRADE SECRET. ANY REPLY SO MARKED WILL BE REJECTED.**

#### **4.7 DISCLOSURE OF REPLY CONTENTS**

All documentation produced as part of this solicitation shall become the exclusive property of the Auditor General and may not be removed by the Respondent or its agents. All Replies shall become the property of the Auditor General and shall not be returned to Respondents. The Auditor General shall have the right to use any or all ideas or adaptations of the ideas presented in any Reply. Selection or rejection of a Reply shall not affect this right. Any documentation, information, or other material provided to a Respondent or Potential Respondent by the Auditor General

is to be deemed confidential and shall not be released to anyone without the express written consent of the Auditor General. Any Reply prepared to respond to this ITN shall also not be released without the express written consent of the Auditor General.

#### **4.8 AWARD**

The Auditor General reserves the right to reject any or all Replies or to waive any minor irregularity in a Reply in the best interests of the Office of the Auditor General. Conditions that may cause rejection of Replies include, without limitation, evidence of collusion among Respondents, obvious lack of experience or expertise to perform the required work, and failure to perform or meet financial obligations on previous contracts. This award may be canceled by the Auditor General with 30 days advance written notice to the successful Respondent. In the event an award is terminated by such notice from the Auditor General, the successful Respondent will be paid for services provided through the date of termination. Notice will be sufficient if it is hand-delivered personally, mailed by certified mail, or sent via courier service to the successful Respondent.

### **SECTION 5 – SPECIAL CONDITIONS**

#### **5.0 AUTHORIZED TO DO BUSINESS IN THE STATE OF FLORIDA**

Foreign corporations and foreign limited partnerships must be authorized to do business in the State of Florida. Domestic corporations must be active and in good standing in the State of Florida. This authorization and status should be obtained by the Reply due date and time, but in any case, must be obtained before the intended award. For authorization, contact:

Florida Department of State  
Tallahassee, Florida 32399  
(850) 245-6053

#### **5.1 CONVICTED VENDOR LIST, DISCRIMINATORY VENDOR LIST, AND SUSPENDED VENDOR LIST**

In accordance with Section 287.133(3)(a), Florida Statutes, the following information is part of this ITN:

Section 287.133(2)(a), Florida Statutes - A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids, proposals, or replies on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, Florida Statutes, for

CATEGORY TWO for a period of 36 months following the date of being placed on the convicted vendor list.

In accordance with Section 287.134(2)(a), Florida Statutes, the following information is part of this ITN:

An entity or affiliate who has been placed on the discriminatory vendor list may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids, proposals, or replies on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity.

In addition, a company placed on the Suspended Vendor List may not submit a Proposal or be awarded a contract to provide any goods or services.

The Convicted Vendor List, the Discriminatory Vendor list, and the Suspended Vendor List are published at:

[www.dms.myflorida.com/business\\_operations/state\\_purchasing/state\\_agency\\_resources/vendor\\_registration\\_and\\_vendor\\_lists](http://www.dms.myflorida.com/business_operations/state_purchasing/state_agency_resources/vendor_registration_and_vendor_lists).

## **5.2 CORPORATE CAPABILITIES**

The Respondent must demonstrate extensive experience in and understanding of the nature of the analysis required to carry out the intent of this project. The Respondent must describe in detail the current and historical experience the Respondent and its subcontractors have in conducting the analyses required by this project. The Respondent must also demonstrate the ability to apply laws and applicable rules and regulations including, but not limited to, applicable sections of Florida Statutes and the Florida Administrative Code. The Respondent must provide descriptions of and references for all engagements of complexity and sensitivity comparable to the requirements of this ITN conducted within the past 3 years.

The description of experience shall be detailed and cover all relevant contracts that the Respondent and its subcontractors, as applicable, have had and all experience similar to this project that qualifies the Respondent to meet the requirements of this ITN. The Reply must include the names, titles, addresses, e-mail addresses, and telephone numbers of persons who may be contacted to verify qualifying experience. The Respondent must indicate whether the organizations listed are included for the purpose of verifying the Respondent's qualifying experience or the qualifying experience of its subcontractors. Each experience statement must include the types of services directly provided by the Respondent and whether the Respondent was the contractor or the subcontractor.

The Respondent must briefly state why it believes its Reply meets the objectives of this project, and the Respondent must also concisely describe any additional

features, aspects, or advantages of its product and services not covered elsewhere in its Reply.

### **5.3 STAFFING AND ORGANIZATION**

The Respondent must provide résumés of all management, supervisory, and key personnel of the Respondent and any subcontractors planned to be involved in performing the project, and shall provide for each person:

- A. The person's full name;
- B. Relevant employment history, including dates of employment;
- C. A specific description of relevant experience that person has in connection with the conduct of the project that is the subject of this ITN;
- D. A description of the role the individual will have in this project;
- E. The anticipated number of hours the individual will expend performing work on the project;
- F. The person's title and position relative to the organizational structure;
- G. Any applicable professional designations or credentials; and
- H. Any additional information to indicate the individual's ability to aid the respondent in successfully performing the work described in this ITN.

The Reply also must include an organizational chart for this project that covers the personnel assigned, including identification of subcontractors. The chart must indicate for each deliverable the project leader and the lines of authority, names, titles, and functions of individuals assigned. The Reply must also identify a contact person for the project. The Respondent must provide any equipment, software, or data communication lines required by its personnel to complete the work specified in this ITN.

### **5.4 CONSULTANT SERVICES**

The Respondent must describe in detail the approach to accomplishing the objectives of this ITN. Such description must include a statement of purpose, the approach anticipated to be used to conduct the claim review, the method for analyzing relevant information, a proposed work schedule, how the project will be managed, and how communication with Auditor General personnel will be conducted.

### **5.5 SUBCONTRACTING**

This contract or any portion thereof shall not be assigned or subcontracted without the prior written approval of the Auditor General. No subcontract shall, under any circumstances, relieve the Contractor of its liability and obligation under this contract; and despite any such subcontracting the Auditor General shall deal through the Contractor, who shall retain the legal responsibility for performing the Contractor's obligations.

## **5.6 CONTRACTUAL OBLIGATIONS**

The contract that will govern the relationship between the Office of the Auditor General and the Contractor will include but not be limited to the Contract Terms and Conditions incorporated in this ITN as Attachment "E". A Reply submitted by the successful Respondent will be incorporated into the final contract.

The contract will be governed by and construed in accordance with the laws of the State of Florida.

## **5.7 METHOD OF PAYMENT**

Compensation and payment will be made in accordance with the terms and conditions of the contract. All invoicing and payments will be made monthly in arrears. Travel expenses shall be reimbursed as part of the contract as specified in Attachment "D", but are limited to the rates and conditions as authorized by Section 112.061, Florida Statutes.

Payment will be made after receipt of a correct invoice and approval by the Auditor General. Invoices for fees and other compensation for services or expenses shall be submitted in detail sufficient to establish a proper preaudit and postaudit thereof and must be submitted after approval and acceptance by the Auditor General of the applicable contract deliverables.

The performance of the Auditor General under any awards from this ITN shall be subject to and contingent upon the availability of funds lawfully appropriated by the Florida Legislature to the Auditor General and applicable for the purpose of the services specified.

## **5.8 COSTS INCURRED IN RESPONDING**

This ITN does not commit the Office of the Auditor General or any other public agency to pay any costs incurred by the Respondent in the submission of a Reply or to make necessary studies or designs for the preparation thereof, nor to procure or contract for any articles or services.

## **5.9 SUBMISSION OF REPLIES BY SUBSIDIARIES OR AFFILIATES**

A Respondent, its subsidiaries, affiliates, or related entities shall be limited to one Reply. Submission of more than one Reply by a Respondent may cause the rejection of all Replies submitted by the Respondent.

## **5.10 PROHIBITION OF GRATUITIES**

By submission of a Reply, the Respondent certifies that no elected or appointed official or employee of the State of Florida has or will benefit financially or materially from this procurement. Any contract arising from this procurement may be terminated by the Auditor General if it is determined that gratuities of any kind were either offered to or received by any of the aforementioned officials or employees from the Respondent or its agents or employees.

## **5.11 INDEPENDENT PRICE DETERMINATION**

A Respondent shall not collude, consult, communicate, or agree with any other Respondent regarding this procurement as to any matter relating to the Respondent's Reply.

## **5.12 VENDOR QUALIFICATIONS**

The Auditor General's evaluation and ranking of Replies will include an assessment of each Respondent's prior experience and ability to provide an independent, thorough review and insightful recommendations regarding the claims, as described in the Scope of Services, Section 7.0 of this ITN.

# **SECTION 6 – SPECIAL INSTRUCTIONS –REPLY FORMAT AND CONTENT**

## **6.0 NOTIFICATION OF INTENT**

The "Notification of Intent to Submit Reply" form must be completed and submitted by mail, hand-delivery, or e-mailed to the ITN Coordinator and must be received on or before 2:00 PM (EST) on October 2, 2020. Notifications received after this date will not be considered.

## **6.1 REPLY SUBMISSION**

By submitting a Reply, the Respondent represents that it understands and accepts the terms and conditions to be met and the character, quality, and scope of services to be provided.

Replies must be received by the ITN Coordinator no later than the deadline contained in Section 3.4. Respondents shall submit Replies in a SEALED ENVELOPE clearly identified with the ITN number, opening date, and time to the address in Section 6.2.

All Replies and associated forms must be signed and dated in ink by a duly-authorized representative of the Respondent. The Reply shall be prepared simply and economically, providing a straightforward, concise delineation of the Respondent's capabilities to satisfy the requirements of this ITN. Elaborate bindings, colored displays, and promotional materials are not required. Emphasis on the Reply should be on completeness and clarity of content.

All Reply prices must remain firm for sixty (60) days from date of Reply opening.

## **6.2 MAIL OR DELIVER REPLIES TO: (Do Not Fax or E-Mail)**

Joshua T. Barrett, CPA,  
ITN Coordinator  
Office of the Auditor General  
111 West Madison St., Suite 266  
Tallahassee, FL 32399-1450

### **6.3 REPLY FORMAT INSTRUCTIONS**

To expedite the evaluation of Replies, it is essential that Respondents follow the format and instructions contained in this ITN.

Each Reply must contain both a Technical Reply and a Price Reply. The Technical Reply and the Price Reply shall be in separately sealed envelopes, but may be mailed or delivered together in one envelope or box.

#### **6.3.1 Technical Reply**

The Respondent must submit one original and four (4) copies of the Technical Reply in a separately sealed envelope marked "Technical Reply (ITN # 20-01)." The Technical Reply should be divided into the sections described below. Because the Auditor General will expect all Replies to be in this format, failure of the Respondent to follow this outline may result in the rejection of the Reply.

##### **1. Transmittal Letter**

The Respondent shall provide a Transmittal Letter (on Company Letterhead) that asserts a commitment by the Respondent to provide the services required by the Auditor General and contains the following:

- a. A statement confirming that the person signing the Reply is authorized to represent the Respondent and bind the Respondent relative to all matters contained in the Respondent's Reply.
- b. The Respondent's Federal tax identification number.
- c. Name, address, business telephone number, fax number, and e-mail address of the Respondent's principal contact person regarding all matters relating to this ITN.
- d. A statement confirming that the Respondent has read, understands, complies with, and agrees to all provisions of this ITN.
- e. A statement that the Reply is valid for sixty (60) days from the date of the Reply opening.
- f. A statement confirming that the Respondent is authorized to conduct business in Florida or that authorization to do business in Florida will be secured prior to the award of the contract.
- g. A statement asserting the financial stability of the Respondent, including the ability of the Respondent to perform the functions required by this ITN and to provide those services represented by the Respondent in its reply. The statement must also disclose any condition that may affect the viability of the Respondent as a "going concern."



## **2. Executive Summary**

The Respondent shall include an Executive Summary to summarize the Respondent's overall capabilities and approaches for accomplishing the services specified herein. The Respondent is encouraged to limit the summary to no more than two (2) single-sided pages.

## **3. Organizational Background, Experience, and Capabilities**

The Respondent shall include evidence of its qualifications and competency to provide the services in the Scope of Services described Section 7.0 of this ITN by describing its organizational background and experience. The description shall include at a minimum:

- a. The name and address of the business entity submitting the reply;
- b. The type of business entity (i.e., corporation, partnership, individual);
- c. The length of time the business entity has been in existence;
- d. Place of incorporation (if applicable);
- e. Name and location of major offices and other facilities that relate to the Respondent's performance under the terms of this ITN;
- f. Full name and business address for each and every member, partner, and employee of the Respondent who will perform services on this project;
- g. A summary of Insurance Claims processing reviews performed by the Respondent, including those reviews of property and casualty insurance claims processing reviews.
- h. Identification of key personnel on the Respondent's team, as well as a resume for each individual proposed and a description of the functions and responsibilities of each key person relative to the task(s) to be performed. The Contractor must use the key personnel submitted in its Reply. Changing key personnel without the Auditor General's prior consent, which may be refused at her discretion, will be deemed a breach of the resulting agreement.
- i. A description of the means of coordination and communication between the Respondent and the Auditor General.
- j. A minimum of three references (and a maximum of five references) for which the Respondent has performed work similar in nature, size, and scope to that described in this ITN. The Respondent shall also include contact information for each reference using Attachment "C".

#### **4. Conflict of Interest**

The Respondent must disclose in the Reply any contractual relationship that exists or has existed between the Respondent or a predecessor organization of the Respondent, and the Florida Department of Financial Services, the Florida Office of Insurance Regulation, the CPIC, or any service provider to the CPIC. Not every prior or existing contractual relationship will constitute a conflict of interest. However, each such relationship must be disclosed. A conflict of interest may exist if an individual or firm is or has been under contract with the CPIC during the stated time period. The Respondent must include sufficient description of the contractual relationship(s) to enable the Auditor General to determine whether a conflict exists. The Respondent must not merely state the conclusion that no conflict of interest exists.

The Respondent must also disclose in the Reply any existing business or personal relationship between the Respondent (or its principal, or any affiliate or subcontractor) and the Auditor General, the Florida Department of Financial Services, Florida Office of Insurance Regulation, the CPIC, or any other entity or person involved in the project that is the subject of this ITN.

Failure to disclose any such prior or existing contractual or personal relationship as described in this section may result in disqualification of the reply. The Auditor General will make the final determination regarding the existence of a conflict of interest.

#### **6.3.2 Preliminary Administrative Review**

The absence of any of these documents may result in a determination that the Reply is non-responsive and the Reply shall not be evaluated. The Reply forms furnished must be used when submitting the Reply. Forms are to be filled out in ink or typewritten.

The following administrative review information shall be included in the Reply:

- All Addenda

- Non-Collusion Statement (Attachment "A")

- Warranties (Attachment "B")

- References Form (Attachment "C"). The Auditor General reserves the right to contact the references regarding the services provided.

#### **6.3.3 Price Reply**

It is the policy of the Auditor General to obtain the highest quality services for the lowest possible price.

The Respondent must submit one original Price Reply on Attachment "D" provided with this ITN in a separately sealed envelope marked "Price Reply (ITN # 20-01)."

## SECTION 7 – SCOPE OF SERVICES

### 7.0 SCOPE OF SERVICES

The services required will include the examination of a sample of the data, files, and documentation maintained by the CPIC or its agents in relation to submitted claims. The objective of such examination will be to determine whether the CPIC adheres to insurance industry claims processing best practices and to evaluate the adequacy of the policies and procedures used to adjust, examine, and pay related claims, the valuation of the claim, the reasonableness of the loss adjustment expenses and the sufficiency of the claims documentation. The claims examined will be determined by Auditor General personnel, and the number of claims reviewed shall total 203. The 203 sample items will include 100 wind claims, 40 non-weather related water damages claims, and 10 sinkhole claims. See Attachment “F” for criteria to be applied to claims testing.

The services will also include a review of the deployment and efficacy of the CPIC’s catastrophe plan for Hurricane Michael.

In addition, the Respondent may be requested by the Auditor General to review and comment on findings that may be prepared by the Auditor General for inclusion in an operational audit report or to present information to legislative committees on matters relating to the services contemplated in this ITN.

Time is of the essence in completing the services contemplated by this ITN.

### 7.1 DELIVERABLES

The successful Respondent must provide the following deliverables in accordance with the schedule set forth below:

- A. Entrance briefing covering the Contractor’s work plan and schedules.
- B. Status briefings, which may be conducted by teleconference, as requested by the Auditor General.
- C. A report on claims handling addressing adherence to insurance industry claims handling best practices and the effectiveness of claim processing policies and procedures and describing the Contractor’s findings with respect to the evaluation of a sample of the data, files, and documentation maintained by the CPIC or its agents in relation to the payment and valuation of claims. Specific findings shall be included in the report to describe all significant deficiencies in policy or procedure design or execution and all significant instances of claims processing deficiencies. Each finding shall include:

**Criteria:** The laws, regulations, contracts, grant agreements, standards, measures, expected performance, defined business practices, and benchmarks against which performance is compared or evaluated. Criteria identify the required or desired state or expectation with respect to the program

or operation. Criteria provide a context for evaluating evidence and understanding the findings and recommendations.

**Condition:** The situation that exists.

**Cause:** The factor or factors responsible for the difference between the Condition and the Criteria, which may also serve as a basis for recommendations for corrective actions.

**Effect or Potential Effect:** The outcome or consequence resulting from the difference between the Condition and the Criteria. When objectives include identifying the actual or potential consequences of a Condition that varies from the Criteria identified, the Effect or Potential Effect is the measure of those consequences.

**Recommendations:** Corrective action(s) that should be taken, including the views of CPIC management.

- D. Meeting with Auditor General personnel, if requested, to review and comment on findings that may be prepared by the Auditor General for inclusion in an operational audit report.
- E. Expert witness testimony, if requested, for legislative committee meetings.
- F. The Auditor General shall have access to, and authority to copy, any documentation and working papers generated by the Contractor in the course of the project. Deliverables and supporting documentation and working papers shall not be released to anyone other than the Auditor General without the express written consent of the Auditor General. Procedures for retention and handling of such records will be addressed more fully in the contract with the successful Respondent.

The following is a list of deliverables expected from the successful Respondent. The proposed dates are estimates and may be revised during the course of the engagement at the sole discretion of the Auditor General. Other than the entrance and exit briefings, briefings and other meetings may be conducted via telephone.

ITEM	DELIVERABLE DESCRIPTION	PROPOSED DATE
1.	Entrance briefing	December 2020
2.	Weekly briefing	As requested
3.	Meetings with Auditor General representatives	As needed
4.	Written draft report with recommendations and Exit briefing	April 2021
5.	Final written report	April 2021
6.	Additional consultation (as requested by the Auditor General)	April 2021 through October 2021

## SECTION 8 – OPENING, EVALUATION, AND AWARD

### 8.0 REPLY OPENING

Technical and Price Replies will be opened by the Office of the Auditor General, in Suite 266, Pepper Building, 111 West Madison St., Tallahassee, FL 32399-1450 on the date and time specified in Section 3.4.

### 8.1 REPLY EVALUATION PROCESS

An Evaluation Committee, hereinafter referred to as the “Committee,” will be established to review and evaluate each Reply submitted in response to this ITN. However, Replies rejected due to noncompliance with terms and conditions of this ITN will be considered unresponsive and will not be evaluated.

Responsive Replies are eligible for a maximum of 100 points (85 Technical; 15 Price) and will be evaluated as follows:

**Evaluation of Technical Replies:** Each Committee member will individually evaluate the content of the Respondents’ Technical Replies and assign scores based on the following three (3) criteria:

Evaluation Criteria	Available Points
Qualifications and Corporate Capabilities	20 Points
Experience Reviewing Property Insurance Claims	40 Points
Project Staffing and Organization	25 Points

Completed evaluation scoring forms will be forwarded to the ITN Coordinator for inclusion in the final score. For each Technical Reply, the ITN Coordinator will average the points assigned by each Committee member for each criterion and in total.

**Evaluation of Price Replies:** The Respondent with the lowest price will be given the maximum of 15 points. The Price Replies from all Respondents will be awarded points based on the formula below which awards points for price based on the ratio of each Respondent’s price to the lowest Price Reply.

$$(\text{Lowest price} / \text{Respondent's price}) \times 15 \text{ points}$$

The ITN Coordinator will prepare a list of the Respondents who received the highest scores. Representatives of the Auditor General will proceed to negotiate with one or more of the Respondents with the highest score which offer the opportunity to provide a best-value solution for the Auditor General. Negotiation meetings will be conducted in Tallahassee, Florida, or by telephone or other electronic means. The Auditor General will distribute instructions and/or agendas in advance of each negotiation session. Representatives from each Respondent should plan to be available, without interruptions, for the entirety of their scheduled negotiation

meeting. Negotiations will include the scope of work, special conditions, and costs and will continue until acceptable contract terms are agreed upon, or it is determined that an acceptable agreement cannot be reached. This process will continue until the Auditor General receives best and final offers from the participating Respondent(s).

The Auditor General reserves the right to negotiate separately or concurrently with competing Respondents as described herein. The Auditor General reserves the option to resume negotiations that were previously suspended. All ITN Respondents should be cognizant of the fact that the Auditor General, upon completion of each step, reserves the right to finalize the negotiations process at any time in the process that the Auditor General determines such selection would be in the best interest of the State. The Auditor General will make the final selection and anticipates awarding the contract (if any award is made) after negotiations with the responsible and responsive vendor determined to provide the best value to the State.

## **8.2 NOTICE OF INTENDED AWARD**

Following the final selection, the Auditor General will notify the successful Respondent and provide a contract for execution. Other Respondents will be notified by fax or e-mail. If no signed contract is received from the successful Respondent, the Auditor General may make another selection based on the prior evaluation process.

If all Replies are rejected, all Respondents will be promptly notified.

## **8.3 AWARD OF THE CONTRACT**

Services will be authorized to begin when the successful Respondent receives a fully executed contract from the Auditor General.

ATTACHMENT "A"  
OFFICE OF THE AUDITOR GENERAL  
**NON-COLLUSION STATEMENT**

I certify that this ITN Reply is made without prior understanding, agreement, or connection with any corporation, firm, or person submitting a Reply for the same ITN and is in all respects fair and without collusion or fraud. I agree to abide by all conditions of this ITN and certify that I am authorized to sign this ITN for the represented Vendor and that the Vendor is in compliance with all requirements of the Invitation to negotiate including, but not limited to, certification requirements. In submitting a Reply to the Auditor General, the Vendor offers and agrees that, upon the ITN's acceptance, the Vendor is deemed to have sold, assigned, and transferred to the Auditor General all rights, title, and interest in and to all causes of action it may now or hereafter acquire under the antitrust laws of the United States and the State of Florida relating to the particular commodities or services purchased or acquired by the State of Florida or its political subdivisions.

Vendor Name: \_\_\_\_\_

Certified by: \_\_\_\_\_  
(Print or type name of owner, officer, or authorized agent)

Signature: \_\_\_\_\_ Title: \_\_\_\_\_

ATTACHMENT "B"  
OFFICE OF THE AUDITOR GENERAL  
**WARRANTIES**

The Respondent represents that it is professionally qualified and possesses the requisite skills, knowledge, qualifications and experience to provide the required services specified. The following are warranty certification requirements that must be certified in writing using Attachment B. If the Respondent cannot so certify to any of the following, the Respondent must submit with its Reply a written explanation of why it cannot do so within the Administrative Documents Required.

1. The Respondent or any other organization associated with the ITN is not currently under suspension or debarment by the State or any other governmental authority.
2. To the best knowledge of the person signing the Reply, the Respondent, its affiliates, subsidiaries, directors, officers, employees of any other organization associated with this ITN are not currently under investigation by any governmental authority and have not in the last ten years been convicted or found liable for any act prohibited by law in any jurisdiction involving conspiracy or collusion with respect to bidding on any public contract.
3. To the best knowledge of the person signing the Reply, the Respondent, its affiliates, subsidiaries, directors, officers or any other organization associated with this ITN have no delinquent obligations to the State, including a claim by the State for liquidated damages under any other contract.
4. To the best knowledge of the person signing the Reply, the Respondent, its affiliates, subsidiaries, directors, officers or any other organization associated with this ITN have not within the preceding three years been convicted of or had a civil judgment rendered against them or is presently under indictment for or otherwise criminally or civilly charged for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a Federal, state, or local government transaction or public contract; violation of Federal or state antitrust statutes; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.
5. To the best knowledge of the person signing the Reply, the Respondent, its affiliates, subsidiaries, directors, officers or any other organization associated with this ITN have not within a three-year period preceding this certification had one or more Federal, state, or local government public transactions terminated for cause or default.

Certified by: \_\_\_\_\_  
(Print or type name of owner, officer, or authorized agent)

Signature: \_\_\_\_\_ Title: \_\_\_\_\_



**ATTACHMENT "C"**  
**OFFICE OF THE AUDITOR GENERAL**  
**REFERENCES for \_\_\_\_\_**  
 (Name of Respondent)

Provide the following reference information for a minimum of three businesses where services of similar size and scope have been completed.

Make additional copies as necessary to provide a maximum of five business references.

Business Name	
Address	
Contact Person	
Phone Number	
Fax Number	
E-mail Address	
Date and Description of Services	

Business Name	
Address	
Contact Person	
Phone Number	
Fax Number	
E-mail Address	
Date and Description of Services	

Business Name	
Address	
Contact Person	
Phone Number	
Fax Number	
E-mail Address	
Date and Description of Services	

ATTACHMENT "D"  
OFFICE OF THE AUDITOR GENERAL  
**RESPONDENT'S PRICE REPLY**

We propose to provide the services being solicited within the specifications of ITN # 20-01. All work shall be performed in accordance with this ITN, which has been reviewed and understood. The below prices are all inclusive. Other than travel expenses associated with Legislative committee meetings for which the Office of the Auditor General requests the Respondent attend, there shall be no additional costs charged for work performed under the resulting contract. Such travel expenses are to be reimbursed as authorized by Section 112.061, Florida Statutes. All travel by Respondent must be pre-approved by the ITN Coordinator. This form must be completed and returned with the Reply in accordance with Section 6.3.3. Failure to submit this completed form will result in rejection of the Reply.

Price for briefings, meetings, and written report of recommendations \$ \_\_\_\_\_  
based on the following:

Name and Title of Key Personnel on Respondent's Team	Number of Hours	Hourly Rate
		\$
		\$
		\$

Hourly Rate for additional consultation services (if needed) \$ \_\_\_\_\_

**SIGN BELOW. UNSIGNED OFFERS WILL NOT BE CONSIDERED.**

Certified by: \_\_\_\_\_  
(Print or type name of owner, officer, or authorized agent)

Signature: \_\_\_\_\_ Title: \_\_\_\_\_

Vendor Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

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

Telephone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

ATTACHMENT "E"  
OFFICE OF THE AUDITOR GENERAL  
**CONTRACT TERMS AND CONDITIONS**

- I. The terms and conditions of the Office of the Auditor General's ITN and the Respondent's Reply will be attached as exhibits incorporated by reference in the contract. In the event of a conflict between the provisions of the Auditor General's ITN, including addenda and any other provisions that may become a part of the contract, and the replies submitted by the selected Respondent, the terms and conditions of the contract and the Auditor General's ITN shall take precedence and govern. In the event that an issue is addressed in the Respondent's Reply that is not addressed in the ITN, no conflict language shall be deemed to occur.
- II. The Auditor General has the right to immediately and unilaterally cancel the contract should the successful Respondent refuse to allow public access as required by law to any and all documents, papers, letters, or other material subject to the provisions of Florida law when requested by the Auditor General to allow such public access.
- III. The successful Respondent shall pay no contingent fee as to the soliciting or securing of the contract. The successful Respondent warrants that the Respondent has not employed or retained any company or person, other than a bona fide employee working solely for the Respondent, to solicit or secure this agreement and that the Respondent has not paid or agreed to pay any person, company, corporation, individual, or firm, other than a bona fide employee working solely for the Respondent, any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from the award or making of the agreement. For any breach or violation of the provisions of this paragraph, the Auditor General shall have absolute right to terminate the agreement without liability and the Respondent will expressly waive any claims, causes of action, or other right the Respondent might otherwise have as a result of such termination. The Auditor General may at her discretion, upon termination pursuant to this paragraph, deduct from the agreed fee, or otherwise recover from the successful Respondent, any such fee, commission, percentage, gift, or consideration.
- IV. The contract may be terminated by the Auditor General upon the failure of the successful Respondent to perform as provided in the contract.
- V. The successful Respondent will be retained only for the purposes and to the extent set forth in the contract, and the Respondent's relationship to the Auditor General shall, during the term of this agreement and as to the services performed hereunder, be that of an independent contractor. Neither the successful Respondent nor any of the Respondent's employees shall be considered as having an employee status as to the Auditor General or the State of Florida, nor as being entitled to participate in any plans or arrangements pertaining to or in connection with any pension plan, health plan, or similar benefit granted or afforded to employees of the Auditor General.
- VI. The successful Respondent shall be fully liable for the actions of its agents, employees, partners, or subcontractors and shall fully indemnify, defend, and hold harmless the Legislature and its officers, agents and employees from suits, actions, damages, and costs of every name and description, including attorney's fees, arising from or relating to personal injury and damage to real or personal tangible property alleged to be caused in whole or in part by the successful

Respondent, its agents, employees, partners or subcontractors; provided however, that the successful Respondent shall not indemnify for that portion of any loss or damages proximately caused by the negligent act or omission of the Legislature.

The successful Respondent's obligations under the preceding paragraph with respect to any legal action are contingent upon the Auditor General giving the successful Respondent (1) written notice of any action or threatened action, (2) the opportunity to take over and settle or defend any such action at the successful Respondent's sole expense, and (3) assistance in defending the action at the successful Respondent's sole expense.

- VII. The successful Respondent shall not commence any work in connection with an award until it has obtained all of the appropriate insurance coverage to adequately protect the Auditor General from any and all liability and property damage hazards which may result in the performance of an award. Furthermore, all insurance shall be with qualified insurers duly licensed to transact business in this State. The Auditor General shall be exempt from, and in no way liable for, any sums of money which may represent a deductible in any insurance policy. The payment of such deductible shall be the sole responsibility of the successful Respondent providing such insurance. Upon request, the successful Respondent shall furnish the Auditor General an insurance certificate which will evidence that all of the appropriate coverages are fully in effect.
- VIII. For all claims against the successful Respondent under any award from this ITN, and regardless of the basis on which the claim is made, the successful Respondent's liability for direct damages shall be limited to the annual value of the Respondent's total Reply under this ITN. No party shall be liable to the other for special, indirect, punitive, or consequential damages, including lost data or records even if the party has been advised that such damages are possible. No party shall be liable for lost profits, lost revenue, or lost institutional operating savings. The Auditor General may, in addition to other remedies available to it at law or in equity and upon notice to the successful Respondent, retain such monies from amounts due to the successful Respondent as may be necessary to satisfy any claim for damages, penalties, costs and the like asserted by or against it. The Auditor General may offset any liability or other obligation of the successful Respondent under any contract with the Auditor General.
- IX. Any contract resulting from this ITN, plus any conflict of laws issue, shall be deemed to have been executed and entered into in the State of Florida and shall be construed, performed, and enforced in all respects in accordance with the laws of the State of Florida. Any disputes between the Auditor General and the successful Respondent as to the application, meaning or interpretation of any provisions of the contract shall be resolved in Leon County, Florida.
- X. The successful Respondent shall not assign, sublet, or otherwise transfer the Respondent's rights, duties, or obligations under the contract. The Respondent shall not substitute personnel designated in this agreement to perform the study without the express written consent of the Auditor General. The Auditor General shall be entitled to assign or transfer her rights, duties, or obligations under this agreement to another agency of the State of Florida upon giving prior written notice to the successful Respondent.
- XI. The Respondent shall not discriminate against any employee or applicant for employment because of age, gender, sex, race, religion, color, national origin, marital status, or disability. The Respondent shall ensure that applicants are employed, and the Respondent's employees are treated during employment without regard to their age, gender, sex, race, religion, color, national origin, marital status, or disability.

- XII. No funds paid pursuant to the terms of this agreement may be used for the purpose of lobbying the Legislature or any State agency.
- XIII. Invoices for fees and other compensation for services or expenses shall be submitted in detail sufficient to establish a proper preaudit and postaudit thereof and must be submitted after approval and acceptance by the Auditor General of the applicable contract deliverables.
- XIV. With prior approval from the Office of the Auditor General, the successful Respondent will be reimbursed for authorized travel and per diem expenses incurred related to meetings with Legislative committees as a result of this contract. Reimbursement(s) will be in accordance with the travel guidelines of Section 112.061, Florida Statutes. The successful Respondent must sign and submit a travel reimbursement voucher along with all applicable receipts. Anticipated travel costs are not to be included in your Reply.
- XV. The State of Florida's performance and obligation to pay under this agreement is contingent upon an annual appropriation by the Legislature.
- XVI. The successful Respondent shall maintain records necessary to establish performance, including hours worked, under this agreement.
- XVII. The Office of the Auditor General shall not be deemed to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the Auditor General. No delay or omission on the part of the Auditor General in exercising any rights or remedies shall operate as a waiver of such right or remedy or any other rights or remedies. A waiver on any one occasion shall not be construed as a bar or waiver of any right or remedy on future occasions.
- XVIII. The contract term will begin upon execution of the contract between the Auditor General and the successful Respondent. The Auditor General anticipates that the initial term of this contract will be from the Effective Date to October 31, 2021.
- XIX. The award will consist of this ITN, any addenda to this ITN, the successful Respondent's reply to this ITN, the contract, any purchase order(s) issued as a result of this ITN, and such other terms and conditions agreed between the parties that may be necessary to the Auditor General.
- XX. All documentation, information, or other material provided to the successful Respondent by the Auditor General pursuant to the agreement shall remain confidential and shall not be released to anyone without the express written consent of the Auditor General. Any work product, working papers, reports, or other documentation generated by the successful Respondent in the course of providing the requested services shall remain confidential and shall not be released to anyone other than the Auditor General without the express written consent of the Auditor General.

ATTACHMENT "F"  
OFFICE OF THE AUDITOR GENERAL  
**CLAIMS TEST CRITERIA**

From the sample of CPIC closed/reopened claims provided, determine whether:

- a. The claim was filed for a CPIC policyholder.
- b. The claim was acknowledged by the CPIC within 14 calendar days of claim communication unless payment was made within that period of time, or factors beyond the control of the CPIC prevented such acknowledgment.
- c. The claim was filed for an insured structure, appurtenance, or contents.
- d. Only one claim was filed for the losses.
- e. Unless otherwise provided by the policy of insurance or by law, within 10 working days after the CPIC received proof of loss statements, the CPIC began such investigation as is reasonably necessary unless the failure to begin such investigation is caused by factors beyond the control of the insurer which reasonably prevent the commencement of such investigation.
- f. There was evidence to support that the claims adjuster correctly determined that the claim was not due to pre-existing damage or defects.
- g. There was evidence to support that the claims adjuster correctly evaluated the damage to determine the percentage and/or extent the damage was due to an insured risk.
- h. There was evidence to support that damaged, destroyed, or missing contents, existed and were previously functional.
- i. If applicable, there was evidence to support that architectural or engineering reports were used to evaluate the extent and percentages of insurable risks.
- j. If it was a cash value policy, the actual value and depreciation related to the damage calculated or estimated were in accordance with approved industry standards.
- k. If it was a replacement value policy, the replacement value for the damage calculated or estimated was in accordance with approved industry standards.
- l. There was an insurance-to-value calculation performed to determine any co-insurance requirements or, alternatively, the claim was forwarded to underwriting for evaluation.
- m. The claims file contained necessary documentation, including:
  - 1) Proof of loss signed by the adjuster.

- 2) Pictures.
  - 3) Notes.
- n. The insureds were provided with a copy of adjuster's scope of damages.
  - o. There was evidence that the policy deductible was correctly calculated based upon the policy's deductible clauses and the estimate of the structure's value in accordance with approved industry standards.
  - p. If applicable, temporary living expenses provided to the policyholder were in accordance with the terms of the policy.
  - q. The following relating to reserves was performed:
    - 1) The reserve was set up when the claim was filed based upon value of insured property and severity code.
    - 2) The initial reserve set by the claims system at first notification of loss (FNOL) was reviewed and updated within 10 days of claim assignment, if necessary.
    - 3) The reserve was revised within 36 hours after the claims adjuster viewed the insured property and estimated the damages.
    - 4) After the claim was paid, the reserve was reduced to zero or to the amount of any remaining questionable damages.
    - 5) There was evidence in the claim file that supported the amounts of the initial and revised reserves.
  - r. There was evidence of a review of the claims adjusters' evaluation of the claim.
  - s. The claim went to subrogation if there was a third party responsible for the loss.
  - t. If an adjuster's proof of claim was modified, there was an explanation available for the change.
  - u. There was evidence that the policyholder was in agreement with the claim settlement or, if not, there was evidence, as applicable:
    - 1) Of the CPIC acting in good faith.
    - 2) The claim is still open.
    - 3) The claim went to mediation and:
      - a) An independent mediator was assigned.
      - b) The amount of the claim was supported by an itemized listing of the specific cost elements for which there was no agreement.
    - 4) The claim resulted in a lawsuit and the CPIC had exhausted all options prior to resorting to legal action(s).
    - 5) The claim went to appraisal and:

- a) Independent appraisers were used to appraise the claim.
  - b) An independent umpire was assigned if the CPIC and the claimant were unable to agree on the appraisal.
- v. An engineer, architect, or geologist had been engaged to review claim, and if so, their involvement appeared necessary.
- w. For claims for sinkhole damages:
  - 1) The claim files included a copy of the sinkhole report pursuant to Section 627.7073, Florida Statutes, and the CPIC notice to insured of eligibility for neutral evaluation process.
  - 2) If the report verified sinkhole damages, the claim files documented the CPIC's communication of sinkhole damages, and the insured's obligation to enter into a building stabilization and foundation repairs contract within 90 days of such notice.
  - 3) The claim files included a notice to the insured requesting return of any rebates offered by contractors performing sinkhole repairs under the claim.
- x. For denied sinkhole damages claims:
  - 1) Testing performed pursuant to Section 627.7072, Florida Statutes, if applicable.
  - 2) Appropriate notice of request for such testing, and payment of applicable testing costs by the insured was retained in claim files.
  - 3) If a CPIC engineer or geologist subsequently verified sinkhole damage, the claim file contained evidence of reimbursement of the costs for testing to insured.
- y. There was no evidence of fraud, but if so:
  - 1) The information was communicated to the Special Investigation Unit.
  - 2) The information was communicated to the Department of Financial Services, Bureau of Insurance Fraud.
- z. The claim was settled or denied within 90 days after CPIC receipt of notice of an initial, reopened, or supplemental property insurance claim from a policyholder, unless the failure to pay was caused by factors beyond the control of the CPIC which reasonably prevented such payment.
  - 1) If payment was not made within 90 days of first notice of loss (FNOL) or within 15 days from the time reasons that prevented payment no longer existed, interest was accrued from the date of FNOL in the amount designated by Section 55.03, Florida Statutes, and interest was paid at the time the claim or a portion of the claim was paid.



- aa. The claim was settled in the following range of days:
  - 1) 0 – 30 days.
  - 2) 31 – 60 days.
  - 3) 61 – 90 days.
  - 4) 91 – 180 days.
  - 5) Greater than 180 days.
- bb. There was evidence that the insured received the amount of the approved claim.
- cc. The loss adjustment expenses for the claim appear to be reasonable based upon the information in the claims file.
- dd. The adjuster documented the rationale for deviating from CPIC Claims best practices guidelines, if applicable.
- ee. There was evidence that the adjuster made contact with the insured within 24 hours for non-catastrophe claims, and 72 hours or as soon as possible for catastrophe claims.
- ff. The assignment of benefits field in the ClaimsCenter application properly indicated whether the claim was an assignment of benefit claim or not.
- gg. The claims file for claims with an assignment of benefits agreement executed on or after July 1, 2019, contained evidence:
  - 1. The assignment agreement was in compliance with Section 627.7152(2)(a), Florida Statutes.
  - 2. Any post-loss benefit received by the assignee was in compliance with Section 627.7152(2)(c), Florida Statutes.
  - 3. The assignee was in compliance with all requirements of Section 627.7152(3), Florida Statutes.
  - 4. The assignee provided notice in compliance with Section 627.7152(9)(a), Florida Statutes, prior to filing suit under the policy.
  - 5. Citizens responded to the assignee's notice to file suit against the policy in compliance with Section 627.7152(9)(b), Florida Statutes.