

**TENNESSEE EDUCATION LOTTERY CORPORATION**

**REQUEST FOR PROPOSALS FOR**  
**PRIMARY INSURANCE BROKER or AGENT**

**A. PURPOSE**

The Tennessee Education Lottery Corporation (“*TEL*” or “*Corporation*”) is requesting proposals for Primary Insurance Broker or Agent as outlined in this Request for Proposal (“*RFP*”).

Proposal documents shall be submitted to the TEL in accordance with the instructions and specifications detailed herein.

**B. PROPOSAL SUBMISSION**

*This RFP has been issued on Friday, November 6, 2009.* Questions and requests for clarifications relating to this RFP must be directed to the TEL’s Contract Compliance Coordinator. The Contract Compliance Coordinator is to be the **sole** point of contact at the TEL for vendors, effective with the date of release of this RFP and until a vendor is selected. Contact in connection with the subject matter covered by this RFP with any representative of the TEL, other than the Contract Compliance Coordinator, will result in disqualification. The TEL’s Contract Compliance Coordinator is:

Mrs. Jessica Starling  
Tennessee Education Lottery Corporation  
Plaza Tower MetroCenter  
200 Athens Way, Suite 200  
Nashville, TN 37228  
Facsimile: (615) 324-6537  
Email: [jessica.starling@tnlottery.com](mailto:jessica.starling@tnlottery.com)

Written questions and requests for clarifications must be received by the Contract Compliance Coordinator by 3:00 p.m. C.T. on Wednesday, November 11, 2009  
Written questions and requests for clarifications may be submitted by email, facsimile, metered mail, or hand delivery. Questions and requests for clarification received after the aforementioned time and date will not be responded to, accepted or reviewed. Responses to these inquiries will be posted on the TEL’s website under “Primary Insurance Broker or Agent Schedule” no later than 5:00 p.m. C.T. on Friday, November 13, 2009. The TEL reserves the right to change any dates contained in this RFP. Any such changes to this RFP will be posted to the TEL’s website.

Delivery of five (5) copies of the proposal, with original signatures, to the Contract Compliance Coordinator at the above address is due no later than Monday, November 23, 2009 by 3:00 p.m., C.T. Proposals received by the TEL Contract Compliance Coordinator after this date and time will be rejected, WITHOUT EXCEPTION. No

**provisions are made for extenuating circumstances in this RFP. Proposals transmitted electronically will not be accepted.**

A proposal may not be altered after delivery, unless requested by the TEL. A proposal may be withdrawn up until the submission deadline.

**C. GENERAL PROVISIONS**

All potential vendors should read and become familiar with the Tennessee Education Lottery Implementation Act, T.C.A. §4-51-101 *et seq.* (the “Act”) which is available through a link on the TEL’s website, [www.tnlottery.com](http://www.tnlottery.com)., under the “About Us” tab.

A contract will be awarded to the vendor whose proposal is determined to be the most advantageous for the TEL, considering all the conditions set forth in this RFP, which is otherwise qualified in all respects to perform fully the contract requirements without delay and which will provide the greatest long-term benefit to the TEL. While price will be an important factor, it alone will not be the deciding factor in the selection process. In accordance with the Act, the vendor selected may be required to pass a security and financial responsibility background check.

**1. Open Records and Public Meetings Acts**

All data, materials and documentation originated and prepared for and delivered to the TEL pursuant to this RFP shall become the property of the TEL and may be used as the TEL deems appropriate. Said materials shall belong exclusively to the TEL and may become available to the public in accordance with the Tennessee Public Records Act, Tenn. Code Ann. § 10-7-101 *et seq.*, and the Tennessee Open Meetings Act, Tenn. Code Ann. §§ 8-44-101 to 8-44-201; however, the TEL will make reasonable attempts to maintain, in accordance with all applicable laws, the confidentiality of any trade secrets or proprietary information identified by vendors if such vendors properly identify the particular data or other materials which are trade secrets or proprietary information in writing by page, paragraph and sentence prior to or upon submission to the TEL of the data or other materials to be protected. All markings or identification of trade secrets or proprietary information must be conspicuous; use color, bold, underlining or some other method in order to conspicuously distinguish the mark from the other text. Do not mark the entire page if only portions of a page are protected. Vendors should also state the reasons such confidentiality is necessary. However, under no circumstance will the TEL be liable to any vendor or to any other person or entity for any disclosure of any such trade secret or confidential information.

**2. Misunderstanding or Lack of Information**

By submitting a proposal, a vendor covenants and agrees that it fully understands and will abide by the Act and the terms and conditions of this RFP and will not make any claims for, or have any rights to, cancellation, remedy or relief because of any

misunderstanding or lack of information. Any oral communications shall be considered unofficial and non-binding with regard to this RFP.

### **3. Rejection of Proposals, Amendments to or Cancellation of RFP; Reissue of RFP**

Issuance of this RFP does not constitute an offer to purchase the services or a commitment on the part of the TEL to award a contract pursuant to this RFP. The TEL reserves the right to make changes to this RFP at any time and from time to time by issuance of written addendum/addenda, amendment(s) or clarification(s) for housekeeping matters or any other issues determined as necessary and appropriate by the TEL's legal counsel. Any such change to this RFP will be posted to the TEL's website, under the "Procurement" tab.

### **4. Incurred Expenses**

The TEL shall not, under any circumstance, be responsible for any costs or expenses incurred by a vendor in preparing and/or submitting a proposal.

### **5. Proposal Tenure**

All proposals shall remain valid for 180 calendar days from the proposal due date (the "Proposal Offer Period"). A proposal constitutes an offer by the vendor to contract with the TEL in accordance with the terms of the proposal, which offer is irrevocable for the duration of the Proposal Offer Period and may not be withdrawn or amended during the Proposal Offer Period without the written consent of the TEL.

### **6. Non-Disclosure**

A vendor submitting a Proposal acknowledges that in connection with the process of submitting a proposal to the TEL pursuant to this RFP, and if applicable, in negotiating a contract with the TEL, it may receive or have access to trade secrets (as defined by applicable law) and/or confidential information (as defined by applicable law) of the TEL. By submitting a proposal, a vendor covenants and agrees to maintain the strict confidentiality of, and not to copy, transfer, use or disclose any such trade secrets and confidential information: (a) with regard to each item constituting a trade secret, at all times during which such item constitutes a trade secret under applicable law; and (b) with regard to any confidential information, at all times during the selection process for the contract for which the vendor has submitted an RFP, during the term of any contract awarded to the vendor by the TEL and for three (3) years after any termination of such process or contract, whichever occurs later.

## **7. Non-Exclusive Rights**

By this RFP, the TEL does not intend to grant any vendor the exclusive rights to provide all materials and services required by the TEL during the period covered by any contract resulting from this RFP. If the TEL determines that creation and production of materials and services by various vendors is in the TEL's best interest, the TEL shall have the right to purchase, contract for and use these materials and services without infringing upon or terminating any contract resulting from this RFP.

## **8. Prohibition Against Unauthorized Contacts**

The TEL is committed to a competitive procurement process that maintains the highest level of integrity. Therefore, except as expressly contemplated in this RFP, or in connection with normal business activities not associated with this procurement, no contact or other solicitation initiated by vendors or any person employed by vendors, including but not limited to their attorneys, representatives or others promoting their position, will be allowed with any member of the Board of Directors (the "Board") of the TEL or with any officer, employee of or consultant or adviser to the TEL, individually or otherwise, during the application and selection process associated with this RFP. All contact and other solicitations made by a vendor submitting a proposal or any person employed by such a vendor shall be directed towards the contact person identified in Section B of this RFP, above. Any violation of this prohibition shall result in disqualification. Any attempt to influence any TEL employees, officers, consultants, advisors or Board members with respect to this procurement, whether such attempt is oral or written, formal or informal, is strictly prohibited and shall result in disqualification.

## **9. Dispute Procedures**

All claims and disputes, including, but not limited to, protests related to this RFP, will be handled under the Tennessee Education Lottery Corporation Dispute Resolution Procedures (the "Dispute Resolution Procedures"), as adopted and/or amended from time to time by the Board in accordance with the Act. All vendors should read and be familiar with the Dispute Resolution Procedures, which are available through a link on the TEL's website, under the "Procurement" tab. The Dispute Resolution Procedures include provisions governing the deadline for the filing of a dispute resolution request. Any claim or dispute relating to this RFP or the contract by an aggrieved person, as that term is defined in the Dispute Resolution Procedures, must be timely filed by delivery by hand or courier to the CEO of the TEL with a copy to the General Counsel of the TEL, along with a dispute bond in the amount of \$100,000.00, for binding resolution under the Dispute Resolution Procedures. Any vendor that submits a proposal hereby expressly acknowledges and agrees that the Dispute Resolution Procedures represent the exclusive procedure and the exclusive forum for binding resolution of all claims, disputes, complaints and dispute resolution requests of any kind relating in any way to any RFP, bid, offer, quote, proposal or agreement entered into by the TEL and agrees to be bound thereby.

## **10. Advertising; News Releases**

In submitting a proposal, the vendor agrees not to use the results thereof as a part of any commercial advertising without the prior written consent of the TEL.

The TEL is the only entity authorized to issue news releases relating to this RFP, its evaluation, and the award of any contract and performance there under. Under no circumstances shall any vendor issue any such news releases without the express prior written consent of the TEL in each instance.

## **11. Non-Assignability**

Any award resulting from this RFP cannot be assigned in whole or in part without the prior written approval of the TEL, which consent may be unreasonably withheld, delayed or conditioned in the sole discretion of the TEL.

## **12. Equal Opportunity**

The TEL prohibits discrimination on the basis of race, color, gender, religion, national origin, or disability in connection with employment of any person, or the award of any contract with the TEL.

The TEL will provide equal opportunities without regard to race, color, gender, religion, national origin, or disability, by requiring that any firm doing business with the TEL provide equal opportunity to persons and businesses employed by, or contracting with the supplier of products and services to the TEL.

## **D. MINORITY PARTICIPATION**

It is an overall objective of the TEL to encourage involvement by minority-owned businesses in any commerce generated by the TEL, while assuring that such activities will be conducted in accordance with all applicable laws.

Furthermore, in accordance with the Act, it is the declared policy and intent of the TEL to strive to maximize participation of minority owned businesses to achieve a minimum participation of fifteen percent (15%) through all business contracting opportunities. All vendors should read and be familiar with the TEL's Equal Business Opportunity Program which is posted on the TEL's website, under the "Procurement" tab.

Vendors interested in doing business with the TEL are required to complete the Equal Business Opportunity Form B, attached hereto as Exhibit B, and include within its proposal a short narrative describing its commitment to assist the Corporation in striving to maximize participation of minority-owned businesses. In order for Form B to be considered complete by the evaluation committee, the vendor must provide the information required in each field, provide the information requested in the table, and must have the form signed by vendor's authorized representative. If minority-owned

businesses are unavailable to subcontract or otherwise participate in the proposal, or if the proposer is a minority-owned business, the vendor should so note in Form B.

#### **E. EVALUATION OF PROPOSALS**

The TEL will establish an Evaluation Committee (“Committee”) prior to the receipt of proposals. The Committee will be responsible for evaluating the proposals received from interested vendors. The general categories to be used by the Committee in evaluating the proposals will be as follows: (1) compliance with the RFP; (2) ability to provide the services required; (3) pricing structure; (4) experience and expertise of the vendor; and (5) client references. These criteria are presented for informational purposes only and do not necessarily represent the order of importance or weight that each factor will have in the final scoring of proposals.

#### **F. EVALUATION PROCEDURE**

The Committee will review the proposals submitted and may request clarification of information or representations in the proposal, address technical questions or seek additional information regarding any proposal before completing the initial evaluation. Requests for clarification from vendors and any information received in response thereto will become part of the evaluation record. The Committee may seek assistance from TEL staff and/or outside consultants in analyzing the financial viability of the vendors.

#### **G. SCOPE OF SERVICES**

##### **Project Background:**

The TEL is a member of the Risk Management Fund, an internal service fund of the State of Tennessee. The self-insurance risk pool provides general, property and automobile liability up to \$300,000 per person and \$1,000,000 per occurrence.

The TEL maintains additional insurance coverages with various vendors to cover all other insurance risks not covered by the State of Tennessee Risk Management Fund. These coverages include: employee dishonesty; work-related employee injury and accidents; employment practices; catastrophic events and automobile physical damage.

The TEL is seeking a Broker or Agent of Record to represent it in the design, procurement and administration of these additional insurance coverages. The contract will be for three (3) years with two (2) additional one-year options at the TEL’s discretion.

This RFP is not an authorization to approach the insurance marketplace on behalf of the TEL. Prospective brokers or agents failing to comply with this condition shall be subject to immediate disqualification and their bids will be rejected.

The successful broker or agent will review leases of premises and other contracts to establish levels of assured liability, hold harmless limitations, and appropriate waivers of claim (subrogation).

Brokers or agents will provide the following information with their proposal:

- Proof of license with the State of Tennessee
- Experience and expertise of firm and principals who will service the account
- List of similar accounts in office
- Size of firm
- Furnish a certificate of Errors and Omission Insurance with minimum limits of \$5,000,000

The TEL's current exposures are as follows:

- General Liability
  - 53,200 Area – Corporate Headquarters
  - 14,081 Area – Regional offices (3)
- Workers Compensation
  - \$6,800,000 – Clerical/Professional
  - \$2,000,000 - Salespersons
- Automobile
  - 68 Total Number of Fleet Vehicles
  - 101 Authorized Drivers
- Property
  - Location 1 – 200 Athens Way, Nashville, TN
    - \$793,900 Contents Value
    - \$865,000 EDP Value
    - \$ 25,000 Extra Expense
  - Location 2 – 5266 Summer Ave, Suite 75, Memphis, TN
    - \$58,100 Contents Value
    - \$33,000 EDP Value
  - Location 3 – 2020 Gunbarrell, Suite 106, Chattanooga, TN
    - \$36,100 Contents Value
    - \$25,000 EDP Value
  - Location 4 – 9298 Kingston Pike, Knoxville, TN
    - \$41,600 Contents Value
    - \$28,000 EDP Value
  - Location 5 – 3011 Perimeter Pointe Drive, LaVergne, TN
    - \$11,000 Contents Value
    - \$ 5,000 EDP Value

The TEL's current coverages and policy periods are as follows:

- General Liability, 7/1/09 -6/30/10
  - \$2,000,000 General Aggregate
  - \$2,000,000 Products / Completed Operations Aggregate
  - \$1,000,000 Personal / Advertising Injury
  - \$1,000,000 Each Occurrence
  - \$ 300,000 Fire Damage
  - \$ 10,000 Medical Payments
- Workers Compensation, 11/1/09-10/31/10
  - Statutory Employers Liability
  - \$1,000,000 Bodily Injury by Accident, each accident
  - \$1,000,000 Bodily Injury by Disease, policy limit
  - \$1,000,000 Bodily Injury by Disease, each employee
- Automobile, 7/1/09-6/30/10
  - Physical Damage Only
  - Combined Single Limit of \$1,000,000
    - Hired Autos
    - Non-owned Autos
  - Primary - \$500 Deductible
  - Collision - \$1,000 Deductible
- Property , 7/1/09-6/30/10
  - Replacement Costs as noted above in Property Exposures
- General Liability/Umbrella, 7/1/09-6/30/10
  - \$5,000,000 General Aggregate
  - \$5,000,000 Each Occurrence
  - \$ 10,000 Self-Insured Retention
- Employee Fidelity, 3/2/09-2/28/10 and 7/1/09-6/30/10
  - \$500,000 Employee Theft Crime
  - \$ 2,500 Deductible
- Employee Practices Liability, 7/1/09-6/30/10
  - \$5,000,000 Each Occurrence

**Company Profile:**

Broker or agent shall provide a brief history of its company, including, but not limited to, the number of years in business, any prior lottery or gaming experience, major clients, corporate organizations and any parent/subsidiary affiliation with other agencies.

**Reference Accounts:**

Broker or agent must provide five (5) business references, including the name and phone number of the direct contact at the reference.

Company Name/ Company Address	Contact/Position	Phone	Fax

**H. COMPENSATION**

Each proposal must include the vendor’s proposed compensation for undertaking the services requested and outlined in this RFP. Brokers or agents will submit proposals based on a “Cost not to exceed” fee for the services. Vendors are reminded that the cost quotation should cover all of the services covered by this RFP and to be provided by the successful vendor during the term of the contract.

**I. FORM OF PROPOSAL**

Each proposal must be prepared simply and economically, providing a clear description of the vendor’s capabilities to meet the requirements of this RFP. Vendor is under an obligation to notify the TEL of any changes to the information, data, or facts submitted to the TEL. In order to expedite the evaluation process, respondents are required to submit their proposals in the following format:

- Section 1      Submit completed copies of the following exhibits, attached hereto:
- Exhibit A      Proposal Signature and Authorization Form  
    Submit along with proposal. Form must be signed by an authorized representative of vendor.
- Exhibit B      Equal Business Opportunity Form B  
    Submit along with a short narrative describing your commitment to assist the Corporation in striving to maximize participation of minority-owned businesses. EBO Form B must be signed by an authorized representative of the vendor.
- Section 2      Provide a brief profile of the vendor and its joint venture partners or subcontractor team members, if any, including, but not limited to, each company’s history, year’s in business, prior lottery or gaming experience, major clients, corporate organization, list of notable achievements or benchmarks, and experience in the Tennessee market. Indicate the main attributes that differentiate you from your competitors.
- Section 3      References. Vendor and its joint venture or subcontractor team members must provide five (5) references that the Committee may call to discuss vendor and its joint venture or subcontractor team members. Each joint venture partner or subcontractor must provide a list of references.
- Section 4      Provide a written plan outlining how you propose to provide the services outlined in Paragraph G “Scope of Services.”
- Section 5      Provide one copy of the cost proposal in a sealed and labeled envelope separate from the other sections of the proposal. **No cost information is to be included in the technical portion of the proposal.**

**J. PROPOSAL SIGNATURES AND PACKAGING**

A representative who is authorized to contractually bind the vendor must manually sign all copies of the proposal. The vendor also must provide the TEL with the name, business address, business telephone number, and email address of a person who will act as the contact person for all inquiries that the TEL may have during the proposal evaluation process. Such person must be authorized to make representations for and bind the vendor contractually.

**K. ACCEPTANCE OF PROPOSAL BY THE TEL**

The TEL reserves the right to accept or reject any and all proposals submitted in response to this RFP, in whole or in part, and to award a contract pursuant to this RFP or cancel this RFP if it is considered to be in the best interests of the TEL and the State of Tennessee.

**L. CONTRACTUAL TERMS AND CONDITIONS**

Upon selection by the TEL of a successful vendor, the TEL and the successful vendor will negotiate the final terms and conditions of the contract. The contract shall have an initial term of three (3) years with two (2) additional one-year options. The contract may, in the TEL's discretion, contain an "evergreen clause" or similar provision which permits the TEL to extend the term of the contract beyond the term(s) listed above. Notice of intent not to renew or any proposed change in fees will be provided by the vendor at least ninety (90) days prior to the end of the initial term and any subsequent renewal period(s).

**EXHIBIT A**

**TENNESSEE EDUCATION LOTTERY CORPORATION**

**Proposal Authorization**

We propose to furnish and deliver any and all of the deliverables and services named in the Primary Insurance Broker or Agent Request for Proposal for (“RFP”). The terms offered herein shall apply for the period of time stated in the RFP.

We further agree to strictly abide by all of the terms and conditions contained in the ITB and the Tennessee Education Lottery Implementation Law, as amended from time to time. Any exceptions are noted in writing and included with our bid response.

It is understood and agreed that we have read the Tennessee Education Lottery Corporation’s (“TEL’s”) specifications shown or referenced in the RFP and that this bid is made in accordance with the provisions of such specifications. By our written signature on this proposal, we guarantee and certify that all items included in this proposal meet or exceed any and all of the TEL specifications, including a completed Exhibit B (EBO Form B). We further agree, if awarded a contract, to deliver goods and services that meet or exceed the specifications.

***BID SIGNATURE AND CERTIFICATION***

(Authorized representative must sign and return with bid)

I certify that this bid is made without prior understanding, agreement, or connection with any corporation, firm, or person submitting a proposal for the same materials, supplies, equipment, or services and is in all respects fair and without collusion or fraud. I understand collusive bidding is a violation of State and Federal Law and can result in fines, prison sentences and civil damage awards. I understand and agree to abide by all conditions of the RFP and certify that I am authorized to sign this bid for the responding contractor or vendor.

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

Authorized Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

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

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

**NOTE: PLEASE ENSURE THAT ALL REQUIRED SIGNATURE BLOCKS ARE COMPLETED. FAILURE TO SIGN THIS FORM AND INCLUDE IT WITH YOUR PROPOSAL WILL RESULT IN REJECTION OF YOUR PROPOSAL.**

**EXHIBIT B**  
**Tennessee Education Lottery Corporation**  
**Equal Business Opportunity Program**

**EBO FORM B**

**MINORITY-OWNED BUSINESS UTILIZATION PLAN**  
**(TO BE SUBMITTED WITH THE PROPOSAL)**

**Company:** \_\_\_\_\_ (“Vendor”)  
**RFP:** Primary Insurance Broker or Agent

Vendor does certify that on the above-referenced procurement opportunity, the following Minority-Owned Businesses may be utilized as subcontractors, vendors, suppliers, or provide professional services:

Name	Description of Work	Contract Value	Joint Venture (Yes/No)	% of Minority Ownership	Certified (Yes/No)	Certification Agency

*(If additional space is needed this form may be duplicated)*

Are you a minority-owned business? Yes/No \_\_\_\_\_  
 If yes, what is the percentage of ownership? \_\_\_\_\_

TOTAL COMMITMENT VALUE: \_\_\_\_\_  
 TOTAL % OF MINORITY BUSINESS PARTICIPATION: \_\_\_\_\_

*The successful bidder/proposer is required to finalize and resubmit this form prior to execution of a contract. At that time, the above underlined word “may” will be changed to “will”. Joint Venture Agreements, partnering agreements and all pertinent information must be presented upon request by the TEL. This information will be incorporated into the contract and will become a contractual obligation of the successful bidder/proposer. The finalized EBO Form B shall not be changed or altered after award of a contract without approval from the Corporation. The Vendor is required to provide written notice describing the reasons for the change to the Corporation to obtain approval of any changes to this form.*

Submitted by:  
 \_\_\_\_\_  
 Authorized Representative Signature  
 \_\_\_\_\_  
 Title  
 \_\_\_\_\_  
 Date