

**REQUEST FOR  
PROPOSALS**

**INTEGRATION OF CORAL ESA REQUIREMENTS INTO  
CORAL EFH, CWA AND FWCA ASSESSMENT AND  
MITIGATION STANDARDS IN THE US PACIFIC ISLANDS**



**ISSUE DATE:**

**September 14, 2015**

**DEADLINE FOR SUBMISSIONS:**

**October 12, 2015**

## **SECTION 1: PROPOSED REQUEST FOR PROPOSALS (RFP) SCHEDULE**

### **INTEGRATION OF CORAL ESA REQUIREMENTS INTO CORAL EFH, CWA AND FWCA ASSESSMENT AND MITIGATION STANDARDS IN THE US PACIFIC ISLANDS**

14 September 2015 Requests for Proposals (RFP) distributed and posted at:

<http://www.psmfc.org/procurements/blog>

25 September 2015 Deadline for Notice of Intent and written questions on RFP Notice of Intent and written questions should be directed to:

Michael Arredondo  
205 SE Spokane Street, Suite 100  
Portland, OR 97202  
Email: [marredondo@psmfc.org](mailto:marredondo@psmfc.org)

1 October 2015 Answers to written questions posted on PSMFC website:

<http://www.psmfc.org/procurements/blog>

12 October 2015 Deadline for proposals  
Two (2) original hardcopies or one (1) electronic copy to:

Michael Arredondo  
205 SE Spokane Street, Suite 100  
Portland, OR 97202  
Email: [marredondo@psmfc.org](mailto:marredondo@psmfc.org)

Tentative Schedule:

19 October 2015 Start Interviews with Top Proposers

23 October 2015 Select Contractor

## **SECTION 2: DESCRIPTION/SPECIFICATIONS/WORK STATEMENT**

### **2.1 PURPOSE**

The purpose of this Request for Proposals (RFP) is to procure the professional services of a contractor who will lead Pacific Islands Regional Office's Protected Resources Division (PIRO/PRD) effort to integrate coral Endangered Species Act (ESA) requirements into coral Essential Fish Habitat (EFH), Clean Water Act (CWA) and Fish and Wildlife Coordination Act (FWCA) assessment and mitigation standards in the US Pacific Islands. The project's objective is to develop coral ESA mitigation requirements that complement the ongoing regional effort by PIRO/HCD (Habitat Conservation Division) to develop protocols for coral MSA-EFH/CWA/FWCA assessment and mitigation.

### **2.2 BACKGROUND**

Currently, PIRO/HCD is leading an effort to simultaneously develop a coral assessment protocol and a coral reef compensatory mitigation determination tool that is intended to satisfy all coral MSA-EFH/CWA/FWCA requirements for the primary federal action agencies in coral reef areas of the Pacific Islands Region (Dept of Defense/Navy, U.S. Army Corp of Engineer/USACE, Fish & Wildlife Service/FWS, Environmental Protection Agency/EPA, and NMFS). A Management Team and a Technical Team, both with representatives from the five agencies, are working together to develop these coral MSA-EFH/CWA/FWCA assessment and mitigation standards for the region.

The five agencies are ready to integrate coral ESA requirements into the ongoing MSA-EFH/CWA/FWCA effort. The Contractor would work with both teams, and would be part of the Technical Team. The objective for ESA integration is to incorporate the minimal necessary assessment protocol modifications needed to best complete any ESA consultations, and then define how any impacts would be avoided, minimized, and/or mitigated to satisfy ESA requirements.

### **2.3 SCOPE OF WORK**

PSMFC will contract with a single firm to provide the services described herein. Proposals shall fully address the scope of work below and include a description of all deliverables and activities.

PSMFC expects to award a contract by November 5, 2015. It is anticipated the contract term shall be for approximately one year and will include services to plan the development of coral ESA mitigation requirements that complement the ongoing regional effort by PIRO/HCD to develop protocols for coral MSA-EFH/CWA/FWCA assessment and mitigation. The contract may also include options to renew the contract for additional time, if necessary.

The following services are required under this contract:

- Task 1: Kick-off meeting at IRC in Honolulu with PIRO/PRD and HCD.
- Task 2: Mid-contract progress update.
- Task 3: Final report and plan.

### **Work Schedule**

The period of performance of this project will be one year from date of contract award.

#### **Task 1 – Kick-off Meeting**

Within one month of the start date of the contract, the Contractor shall hold a meeting with PIRO/PRD and HCD to plan the development of coral ESA mitigation requirements that complement the ongoing regional effort by PIRO/HCD to develop protocols for coral MSA-EFH/CWA/FWCA assessment and mitigation.

#### **Task 2 – Mid-contract Progress Update**

Approximately midway through the period of performance, the Contractor shall hold a meeting with PIRO/PRD and HCD at the IRC office in Honolulu to provide a progress update.

#### **Task 3 – Final report and Plan**

Near the end of the period of performance, the Contractor shall:

- Provide PIRO/PRD and HCD a draft written report on the results of the contract, including a draft plan for integrating coral ESA mitigation into PIRO's coral MSA-EFH/CWA/FWCA assessment and mitigation protocols.
- Meet with PIRO/PRD and HCD (in-person or video conference) to discuss the draft final report and plan.
- Provide PIRO/PRD and HCD the final written report on the results of the contract, including the final plan for integrating coral ESA mitigation into PIRO's coral MSA-EFH/CWA/FWCA assessment and mitigation protocols.

### **Deliverables**

The following deliverables are required:

#### **Deliverable for Task 1 (Kick-off Meeting)**

The Contractor shall provide to PIRO/PRD and HCD minutes from the kick-off meeting within 1 week of the end of the meeting.

#### **Deliverable for Task 2 (Mid-contract Progress Update)**

The Contractor shall provide to PIRO/PRD and HCD a short written report from the mid-contract progress update within 1 week of the meeting.

#### **Deliverables for Task 3 (Final report and Plan)**

The Contractor shall provide to PIRO/PRD and HCD a draft written report on the results of the contract, including a draft plan for integrating coral ESA mitigation into PIRO's coral MSA-EFH/CWA/FWCA assessment and mitigation protocols, at least one week before meeting with PIRO to discuss the draft report and plan. After meeting with PIRO/PRD and HCD to discuss

the draft final report and plan, the Contractor shall provide the final written report and final plan within one month of the meeting.

## **2.4 AUDIENCE**

The users of the plan to integrate coral ESA mitigation into PIRO's coral MSA-EFH/CWA/FWCA will be Department of Defense/Navy, US Army Corp of Engineer/USACE, Fish & Wildlife Service/FWS, Environmental Protection Agency/EPA and National Marine Fisheries Service/NMFS.

## **2.5 TECHNICAL REQUIREMENTS**

The successful implementation of this contract is completely dependent on contracting with qualified individuals. Minimum qualifications for this contractor include:

- A M.S. in Natural Resource Management or related field.
- At least 30 years of regulatory experience at the federal level, including with the Endangered Species Act (ESA), Marine Mammal Protection Act (MMPA), National Environmental Policy Act (NEPA), Fish and Wildlife Coordination Act, National Flood Insurance Act, and Clean Water Act
- At least 20 years of experience implementing Section 7 of the ESA for marine species, including development and completion of: (1) national policy and guidance for Section 7 informal and formal consultations; (2) complex biological opinions, including on national and regional DoD/Navy and USACE actions; and (3) Section 7 consultations on nationwide permits and programmatic actions.
- At least 10 years of experience with developing and completing formal consultations (biological opinions) on the effects of proposed federal actions on ESA-listed marine species in the Pacific Islands Region.
- Working knowledge of, and experience with, the Magnuson Stevens Act's Essential Fish Habitat consultation requirements (MSA-EFH), the Clean Water Act's compensatory mitigation (CWA), and the Fish and Wildlife Coordination Act (FWCA).
- Experience with integration of ESA Section 7 requirements with MSA-EFH consultation requirements, CWA Section 404 compliance, and FWCA consultation requirements.

## **SECTION 3: INSTRUCTIONS, CONDITIONS, AND NOTICES TO PROPOSERS**

### **3.1 QUESTIONS**

Questions regarding this RFP shall be submitted in writing no later than September 25, 2015 to:

Michael Arredondo  
205 SE Spokane Street, Suite 100  
Portland, OR 97202  
Email: [marredondo@psmfc.org](mailto:marredondo@psmfc.org)  
Phone: (503) 595 - 3100  
Fax: (503) 595 - 3444

### **3.2 AMENDMENTS TO SOLICITATIONS**

If this solicitation is amended, all terms and conditions that are not amended remain unchanged. Proposers shall acknowledge receipt of any amendment to this solicitation in Proposer's cover letter.

### **3.3 SPECIAL CONDITIONS**

None.

### **3.4 SUBMISSION, MODIFICATION REVISION, AND WITHDRAWAL OF PROPOSALS**

3.4.1 Deadline for proposals is October 12, 2015

3.4.2 Proposals by electronic copy must be submitted to:

Attn: Michael Arredondo  
205 SE Spokane Street, Suite 100  
Portland, OR 97202  
Email: [marredondo@psmfc.org](mailto:marredondo@psmfc.org)  
Phone: (503) 595 – 3100  
Fax: (503) 595 – 3444

3.4.3 Proposals and modifications to proposals may be submitted via electronic copy in PDF or MS Word format.

3.4.4 PSMFC reserves the right to consult with and to consider information from its own sources, including information from state and federal agencies regarding the proposer's prior performance or the status of outstanding investigations or warrants involving the proposer.

3.4.5 Proposers are responsible for submitting proposals, and any modification of revisions, so as to reach PSMFC by 4:00 p.m., local time, on October 12, 2015.

3.4.6 Late proposals

3.4.6.1 Any proposal, modification, or revision at the PSMFC office designated in the solicitation after the exact time specified for receipt to offers is "late" and will not be considered unless it is received before award is made, the PSMFC Fiscal Manager determines that accepting the late offer would not unduly delay the acquisition; and

3.4.6.2 There is acceptable evidence to establish that it was received at the PSMFC installation designation for receipt of offers and was under the PSMFC's control prior to the time set for receipt to offers; or

3.4.6.3 It is the only proposal received.

3.4.6.4 However, a late modification of an otherwise successful proposal that makes its terms more favorable to the PSMFC, will be considered at any time it is

received and may be accepted.

3.4.6.5 Acceptable evidence to establish time of receipt at the PSMFC installation includes the time/date stamp of that installation on the proposal wrapper, other documentary evidence of receipt maintained by the installation, or oral testimony or statements of PSMFC personnel.

3.4.6.6 If an emergency or unanticipated event interrupts normal PSMFC processes so that proposals cannot be received at the office designated for receipt of proposals by the exact time specified in the solicitation, and urgent PSMFC requirements preclude amendment of the solicitation, the time specified for receipt of proposals will be deemed to be extended to the same time of day specified in the solicitation on the first work day on which normal PSMFC processes resume.

3.4.6.7 Proposals may be withdrawn by written notice received at any time before award. Proposals may be withdrawn in person by an offer or an authorized representative, if the identity of the person requesting withdrawal is established and the person signs a receipt for the proposal before award.

3.4.7 Proposers shall submit proposals in response to this solicitation in English and in U.S. dollars.

3.4.8 Proposers may submit modifications to their proposals at any time before the solicitation closing date and time, and may submit modifications in response to an amendment, or to correct a mistake at any time before award.

3.4.9 Proposers may submit revised proposals only if requested or allowed by PSMFC.

3.4.10 Proposals may be withdrawn at any time before award. Withdrawals are effective upon receipt of notice by the Fiscal Manager.

3.4.11 Each Proposal must state that it is a firm offer which may be accepted within a period of ninety (90) days. Although the contract is expected to be awarded prior to that time, the ninety day period is requested in order to allow for unforeseeable delays.

3.4.12 Proposer shall submit the name, address, and telephone number of the person(s) with the authority to bind the firm, as well as to answer questions or provide clarification concerning the firm's proposal.

3.4.13 PSMFC is not liable for any costs incurred by vendors/contractors in developing or submitting their response to this RFP.

### **3.5 PROPOSAL FORMAT AND CONTENT**

#### **3.5.1 General**

Proposals should be prepared simply and economically, providing a straightforward, concise description of the vendor's ability to meet the requirements of the work outlined in this RFP.

Proposals may be submitted as an electronic file attached to an email message and sent to [marredondo@psmfc.org](mailto:marredondo@psmfc.org) with the following inserted in the “subject” line of the email: “PSMFC Listed Corals Geodatabase RFP”. Emailed proposals must be received by the specified deadline according to the internal clock of PSMFC’s server.

Proposers should use the following outline in organizing the content of their proposals:

### 3.5.2 Cover Letter

The letter of transmittal shall, at a minimum, contain the following:

- Identification of the Proposer, including business name, address, and telephone number;
- Name, title, address, telephone number, fax number, and email address of a contact person during the period of proposal evaluation;
- A statement that the proposal shall remain valid for a period not fewer than ninety (90) days from the due date of proposals;
- Identification of any information contained in the proposal that the Proposer deems to be, and establishes as, confidential or proprietary and wishes to be withheld from disclosure to others under the US Freedom of Information Act. A blanket statement that all contents of the proposal are confidential or proprietary will not be honored by PSMFC); and
- The signature and typed name of the person authorized to bind the offering firm to the terms of the proposal

### 3.5.3 Table of Contents

Insert a complete table of contents for material included in the proposal, including page numbers.

### 3.5.4 Qualifications, Related Experience and References

3.5.4.1 Overview: This section should establish the ability of the Proposer to satisfactorily perform the work described in the Scope of Work and Technical Requirements (Section 2.3 and 2.5 of this RFP) by reasons of: demonstrated competence in the services to be provided; the nature and relevance of similar work currently being performed or recently completed; record of meeting schedules and deadlines of other clients; competitive advantages over other firms in the same industry; strength and stability as a business concern; and supportive client references. Information should be furnished for both the Proposer and any subcontractors included in the offer.

3.5.4.2 Furnish background information about your firm, including date of founding, legal form (i.e. sole proprietorship, LLC, corporation/state of incorporation), number and location of offices, principle lines of business, number

of employees, day/hours of operation and other pertinent data. Disclose any conditions (e.g. bankruptcy or other financial problems, pending litigation, planned office closures, impending mergers) that may affect the Proposer's ability to perform in accordance with a resulting contract. Certify that the firm is not debarred, suspended or otherwise declared ineligible to contract by any federal, state, or local public agency.

3.5.4.3 Describe your firm's most noteworthy qualifications for providing the required services to PSMFC, including years of experience providing like services. Specifically highlight those qualifications that distinguish you from others.

3.5.4.4 List any other public agencies to which your firm has provided mobile application services.

3.5.4.5 Identify at least three (3) former clients that PSMFC may contact as references and who can independently evaluate the Proposer's expertise in this area. Describe the work performed for the client and include the name, job title, address, and phone number of a contact person for each reference.

3.5.4.6 Describe other lines of business in which your firm is engaged.

3.5.4.7 If your organization is a subsidiary or division of a parent firm, provide similar background information on the parent company and identify any other affiliated companies.

3.5.4.8 Disclose any existing or potential conflicts of interest between the scope of work required by PSMFC and your firm's other business activity.

### 3.5.5 Work Plan / Technical Approach

3.5.5.1 This section should demonstrate the Proposer's understanding of PSMFC's objectives and requirements, demonstrate the proposer's ability to meet those requirements and outline clearly and concisely the plan for accomplishing the specified work.

3.5.5.2 Describe succinctly how your firm would accomplish the work and satisfy PSMFC's objectives as described in this RFP.

3.5.5.2.1 Describe the steps and details of a common implementation plan including a standard timeline for completion.

3.5.5.2.1 Describe your standard scenario for a joint beta testing period.

### 3.5.6 Cost

3.5.6.1 This section should disclose all charges that will be assessed to PSMFC as a result of the services provided by Proposer.

3.5.6.2 Quote an estimated total fee and total hourly fees for completing all requirements outlined in the Scope of Work.

3.5.6.3 Quote rates for additional, optional consulting hours that may be required for special projects/consulting work.

3.5.6.4 State your preference for how payments should be made (e.g. monthly, quarterly, semi-annually).

3.5.6.5 For all fees listed above, provide quotes for the initial term. The total fees shall include all expenses and costs, including direct labor, supplies, travel, indirect costs and profit.

### 3.5.7 Exceptions / Deviations

State any exceptions or deviations from the requirements stated in this RFP. If your firm wishes to present alternative approaches to meet PSMFC's work requirements, these should be thoroughly explained.

### 3.5.8 Appendices

3.5.8.1 Furnish as appendices supporting documents requested in the preceding instructions.

3.5.8.2 Include any additional information you deem essential to proper evaluation of your proposal and which is not solicited in any of the preceding sections.

## 3.6 PROPOSAL EVALUATION

3.6.1 General. All proposals received in accordance with these RFP instructions will be evaluated to determine if they are complete and meet the requirements specified in this RFP. An award will be made to the Proposer whose offer is judged to be the most advantageous to PSMFC.

PSMFC expressly reserves the right to reject any and all proposals and make no award under this RFP or to negotiate separately with competing vendors.

3.6.2 Process. All Proposals received in accordance with these RFP instructions will be reviewed, analyzed, evaluated and scored in accordance with the criteria described below. If needed, additional information may be requested from one or more Proposers. Interviews will be conducted with the top scoring Proposers. Following the initial interview, review will be conducted by PSMFC Staff. Selections will then be made for a second round of interviews.

3.6.3 Request for additional information. During the evaluation period, PSMFC may request additional information in order to fairly evaluate a Proposer's offer. If such information is required, the Proposer will be notified in writing (or by email) and will be permitted a reasonable period of time to respond.

3.6.4 Evaluation Criteria. By use of numerical and narrative scoring techniques, proposals will be evaluated by PSMFC against the factors specified below. The relative

weights of the criteria –based on a 100 point scale – are shown in parentheses. Within each evaluation criterion listed, the sub-criteria are those described in Section 3.5, “Proposal Format and Content”. The evaluation criteria are:

3.6.4.1 Qualifications, experience, references, and ability to carry out the Scope of Work (40 points);

3.6.4.2 Work Plan/Technical Approach (30 points);

3.6.4.3 Cost (30 points)

### **3.7 CONTRACT AWARD**

3.7.1 All qualified proposals will be evaluated and an award will be made to the firm whose combination of cost and technical offers is deemed to be in the best interest of PSMFC.

3.7.2 The PSMFC may reject any or all of the proposals if such action is in the PSMFC’s interest.

3.7.3 The PSMFC may waive informalities and minor irregularities in proposals received.

3.7.4 The PSMFC reserves the right to make an award on any item for a quantity less than a quantity offered, at the unit cost or price offered, unless the offer specifies otherwise in the proposal.

3.7.5 The PSMFC reserves the right to make multiple awards if, after considering the additional administrative cost, it is in the PSMFC’s best interest to do so.

3.7.6 Exchanges with proposers after receipt of a proposal do not constitute a rejection or counteroffer by the PSMFC.

3.7.7 The PSMFC may determine that a proposal is unacceptable if the prices proposed are materially unbalanced between line items or subline items. Unbalanced prices exists when, despite an acceptable total evaluated price, the price of one or more contract line items is significantly overstated or understated as indicated by the application of cost or price analysis techniques. A proposal may be rejected if the PSMFC Fiscal Manager determines that the lack of balances poses an unacceptable risk to the PSMFC.

3.7.8 If a cost realism analysis is performed, cost realism may be considered by the source selection authority in evaluating performance or schedule risk.

3.7.9 The PSMFC may disclose the following information in post award debriefings to other proposers:

3.7.9.1 The overall evaluated cost of price and technical rating of the successful proposer;

3.7.9.2 The overall ranking of all proposers, when any ranking was developed by the agency during source selection; and

3.7.9.3 A summary of the rationale for award.

### **3.8 SPECIAL CONTRACT AWARD REQUIREMENTS**

#### **3.8.1 Conflict of Interest**

The Proposer warrants that, to the best of the Proposer's knowledge and belief, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest, as defined in the Federal Acquisition Regulations (FAR) Subpart 9.5, or that the Proposer has disclosed all such relevant information.

The Proposer further agrees that if an actual or potential organizational conflict of interest is discovered after award, the Proposer will make full disclosure in writing to the PSMFC Fiscal Manager. This disclosure shall include a description of actions that the Proposer has taken or proposes to take, after consultation with the PSMFC Fiscal Manager, to avoid, mitigate, or neutralize the actual or potential conflict.

Remedies – The PSMFC Fiscal Manager may terminate the contract for convenience, in whole or in part, if it deems such termination necessary to avoid an organizational conflict of interest. If the Proposer was aware of a potential organizational conflict of interest prior to award or discovered an actual or potential conflict after award and did not disclose or misrepresented relevant information to the PSMFC Fiscal Manager, PSMFC may terminate the contract for default, debar the Proposer from PSMFC contracting, or pursue such other remedies as may be permitted by law.

The Proposer further agrees to insert provisions that shall conform substantially to the language of this clause, including this paragraph, in any subcontract, personnel agreement, or consultant agreement hereunder.

#### **3.8.2 Indemnification**

Contractor shall indemnify and hold harmless PSMFC and its officers, agents, employees, boards and commissions, against any and all loss, damages, liability, claims, suits, costs and expense whatsoever, including reasonable attorneys' fees, regardless of the merits or outcome of any such claim or suit arising from or in any manner connected to Proposer's negligent performance of services provided or work conducted as a result of this RFP.

#### **3.8.3 Insurance**

Minimum Coverages Required. The Contractor selected for this project will be required to present evidence to show, at a minimum, the amounts of insurance coverage indicated below.

Contractor is also responsible for any Subcontractors maintaining sufficient limits of the same coverage required by Contractor and the Contractor is responsible for collecting Certificates of subcontractors, as per below:

- Workers' Compensation and Employer's Liability –All employers, including Contractor, that employ subject workers who work under this contract shall comply with State Worker's Compensation laws applicable to the State where the work is

performed.

Contractor shall ensure that each of its sub-contractors complies with these requirements. Not required for sole proprietors.

- Contractor shall obtain, at Contractor's expense, and keep in effect during the term of this Contract, Commercial Business Automobile Liability Insurance covering all owned, non-owned, or hired vehicles. This coverage may be written in combination with the Commercial General Liability Insurance (with separate limits). Combined single limit per occurrence shall not be less than \$ 500,000. Use of personal automobile insurance instead of commercial business automobile insurance may be substituted for sole proprietorships. Note: The sole proprietor must either carry a Business Use Endorsement or insure that business use is covered under their personal auto policy.

*Subrogation Waiver Provision.* Contractor agrees that in the event of loss due to any of the perils for which Contractor is required to provide or perils insured under State Act Workers' Compensation or Commercial Business Automobile Liability Insurance, Contractor shall look solely to its insurance for recovery. Contractor shall hereby grant to PSMFC, its officers, agents, employees, boards, commissions, on behalf of any insurer providing Business Auto Liability, State Act Workers' Compensation, or equivalent Policy coverage to either Contractor or PSMFC with respects to the services of Contractor herein, a waiver of any right to subrogate which any such insurer of said contractor may acquire against PSMFC, its officers, agents, employees, boards, and commissions by virtue of the payment of any loss under such insurances.

*Evidence of Insurance Provision.* Before the final execution of this contract, Contractor and any Subcontractors shall produce a standard Accord form Certificates of Insurance with Insurance Carriers acceptable to the PSMFC, evidencing all required insurances. The Certificate shall also comply with the Additional Insured Provision, Subrogation Waiver Provision and forward actual endorsements from the Contractor's insurance carriers evidencing required coverage amendments.

*Renewal/Cancellation.* The respective Insurance Carriers and the Certificate of Insurance shall allow for a minimum of 30 day written notice of cancellation, nonrenewal or reduction of required coverages before the expiration date thereof and the Certificate shall delete the word(s) "endeavor" and the last two lines of a standard Accord Certificate ("But failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives"). Renewal Certificates evidencing the same shall be received 10 days prior to the expiration of the coverages so evidenced. The Certificate evidencing all requirements herein and any reduction of required coverages or cancellation shall be sent to PSMFC Attn: Rick Masters, 205 SE Spokane Suite 100, Portland, OR 97202. Upon request, Contractor shall furnish PSMFC or the appointed Broker the same evidence of insurance for its subcontractors as PSMFC requires of the Contractor.

Approval of the insurances evidenced or the Accord Certificate by PSMFC shall not relieve or decrease the extent to which the Contractor or subcontractor of any tier may be held responsible for payment or any and all damages resulting from its operations. Contractor shall be responsible for all losses not covered by the policy irrespective of no Certificates Filed, expired Certificates, Approved Certificates or for any reason whatsoever.

*Sufficiency of Insurance.* The insurance limits or coverages required by PSMFC are not represented as being sufficient to fully protect the Contractor. Contractor is advised and responsible to determine its own adequate coverage or limits for the Contractor/subcontractor.

*Qualifications.* Insurance companies shall be legally authorized to engage in the business of furnishing insurance in the State of the exposure. All insurance companies shall have a current A.M. Best Rating not less than "A-" and shall be satisfactory to PSMFC.

*Modify Insurance Requirements.* PSMFC reserves the option, at any time, to require additional Insurance to be provided by Contractor or subcontractor or to otherwise revise the requirements for provided insurance. Any such action shall be deemed a directed change entitling the Contractor/Subcontractor to an increase for the costs incurred due to such change. Contractor/Subcontractor shall provide all such information or records as may be required or helpful in determining additional costs.

If Contractor cannot meet the insurance terms/condition herein, would like to exclude the insurance costs from their bid, and would like to employ the use of direct brokerage services, Contractor may request PSMFC to assign an insurance broker that is ready to meet the insurance requirements herein. The appointment of an insurance broker shall not relieve Contractor of any duties or liabilities under the contract.