

Request for Proposals Amendment 80 Economic Data Report Data Validation

Issued by the
Pacific States Marine Fisheries Commission



Issue Date: January 16, 2009

Deadline for Submissions: February 13, 2009

Proposal Schedule

Request for Proposal (RFP) issued and distributed **January 16th, 2009**

Deadline for notification of intent to respond: **January 23, 2009**

Deadline for written questions **January 23, 2009**

Please email to geana_tyler@psmfc.org

Responses to written questions will be provided by **January 30th, 2009**

Deadline for submission of proposals is **February 13th, 2009**

Emailed proposals will be accepted.

Email to: geana_tyler@psmfc.org

Faxed proposals WILL NOT be accepted.

Mailed proposals must arrive to PSMFC on or before the deadline, not postmarked by the deadline.

One (1) original to:

Pacific States Marine Fisheries Commission

ATTN: Geana Tyler

205 SW Spokane St, Suite 100

Portland, OR 97202

Telephone: 503-595-3100

Proposal Review Committee Meeting held **March 3rd, 2009**

Project Finalists Selected **March 9th, 2009**

Description, Specifications, Criteria and Procedures

Description

This solicitation is for proposals to design and conduct a data quality assessment (DQA) for confidential economic data submitted to the National Marine Fisheries Service and its contractor, the Pacific States Marine Fisheries Commission. The data to be assessed are reported under federal regulation on an annual basis by fishing vessels operating within the U.S. Exclusive Economic Zone off Alaska.

Amendment 80 to the Bering Sea and Aleutian Islands (BSAI) fishery management plan (FMP) was adopted by the North Pacific Fishery Management Council (Council) in June 2006 and was implemented starting with the 2008 fishing year by the National Marine Fisheries Service (NMFS), under regulations promulgated by the Secretary of Commerce. This action allocates harvest privileges for several BSAI non-pollock trawl groundfish species among trawl fishery sectors, and facilitates the formation of harvesting cooperatives in the non-American Fisheries Act (non-AFA) trawl catcher/processor sector.

Amendment 80 implements an economic data collection program to assess the impacts of Amendment 80 on various components of the fishery, including skippers and crew. Amendment 80 establishes a requirement for collecting and reviewing economic data generated under Amendment 80 by requiring the annual submission of an Economic Data Report (EDR) from each Amendment 80 quota share holder.

In order to ensure that the data submitted by respondents in the EDRs is accurate, we would like to develop and implement an EDR review and verification system for the purpose of data quality assessment. This system will involve reviewing the data contained within submitted EDRs, conducting verification audits for a representative random sample of submitted EDRs as well as EDRs containing odd or suspicious data values. Verification audits will comprise solicitation and detailed analysis of the documentary basis for submitted data to identify the completeness and quality of supporting records and the accuracy of reported data. Amendment 80 shareholders are required to retain all records supporting the submitted data and supply them to auditors upon request. In this RFP we are seeking your ideas on how you would develop such a system and what it would cost to implement and conduct the process.

Therefore, PSMFC is soliciting proposals for a records review and verification protocol, and to carry out a data quality assessment of the 2008 EDRs. A review committee coordinated by PSMFC will review proposals and make a selection. Any individuals or entities that are members of the review committee and who also submit proposals or who may directly benefit from a proposal must recuse themselves from the review process.

Specifications

One EDR will be collected from each of the 28 vessels participating in the program per year starting in 2009 for the 2008 calendar year. The EDR is available for download at <http://www.fakr.noaa.gov/sustainablefisheries/amds/80/edrform.pdf>

All 2008 EDRs are due to PSMFC on or before June 1st, 2009. It is not clear at this time whether all of the EDRs that are submitted to PSMFC will arrive before the scheduled due date, and whether such EDRs will be complete. In some cases, PSMFC will have to contact the submitters to verify reported data values if they are unreadable, missing, or obviously incorrect at the time of submission.

Once the EDRs are submitted to PSMFC they will be scanned into electronic files and data entered into the database. This could take several weeks to complete.

There are several parts to each EDR: the Certification Blocks (Blocks A through E) and the Data Collection Blocks (F through N). The Certification blocks contain vessel, vessel owner, quota share owner and any leaseholder information. The Data Collection Blocks collect harvesting and processing activity, production amounts, production costs, labor costs, and royalty shares to quota holders.

Scope of Work

Two types of audits are to be performed by the auditor: random and non-random.

Random audits – A review and verification of some subset of the data values reported in all submitted EDRs will be conducted, in order to verify that information included in the EDRs agrees to the records of the Company supplying the survey information. The auditor may review and request copies of additional data provided by the owner or leaseholder, including but not limited to: previously audited or reviewed financial statements, worksheets, tax returns, invoices, receipts, and other original documents substantiating the data. One goal of the random audits will be to assess the data quality of a statistically representative sample of the population. To the extent practicable, your proposal should address the methods relied upon to achieve a representative sample.

Non-random audits – Data submitters would be asked to provide copies of business or financial records that could be used to verify that the data reported in the EDRs that falls outside of the range developed by NMFS are accurate. The auditor may review and request copies of additional records provided by the owner or leaseholder, including but not limited to: previously audited or reviewed financial statements, worksheets, tax returns, invoices, receipts, and other original documents substantiating the data. Since some of the information requested in the EDR may not be maintained by companies and must be calculated, it is possible that differences between the “audited” data from financial statements and EDR data may arise. In that case the person filling out the survey would be asked to show how their numbers were derived and the auditor would provide a written explanation of the differences.

All submitted EDRs will be susceptible to the random audit drawing. This audit will include 5-10 variables chosen by NMFS for which submitters will have to provide support. The variables selected for audit will be different for each calendar year to prevent strategic reporting behavior by data submitters. Additional variables may be added due to outlier analysis; these will be the non-random audit variables which may be different for each EDR.

The auditor will provide as deliverables a database organized by coastguard number (unique to each EDR submitted) with data fields including the reported value of audit variable, corrected value (if one is found to exist) a coded analysis of the quality of supporting documentation for the reported value. The auditor will also provide a summary of the types of documentation submitters used to show support for audited variables.

The proposed classification of support is as follows:

1) SUPPORTED:

- a) Original number is supported and unchanged; supporting documentation sent for the audit matches; can assume that the documentation was used for the original input
- b) The original number is supported, but is corrected to be immaterially different (example-minor addition error) following review of the supporting documentation; can assume that the documentation was used for the original input
- c) The original number is a well-supported estimate with a consistent thought process; supporting documentation is put together in such a way that it is reasonable to assume that it was used for the original input
- d) The preparer corrects the original number due to a better understanding of the material. Documentation was used for the original number; therefore it is supported at the time of the original submission.
- e) The preparer filled out the EDR with the information available to him at that time. However, at the time of the audit, new information came to light, causing corrections. Original number is deemed supported at the time of original submission.

2) UNSUPPORTED:

- a) The auditor makes a change to the original number with no comment from the preparer. i.e. the preparer did not know that the number given was wrong; therefore no evidence that documentation was used for the original submission.
- b) The preparer forecasts a number without information. When they send information for the audit, the auditor corrects the number to match given activity. Forecasted numbers will be null; there is insufficient basis for the forecast for it to constitute documentation at the time of original submission
- c) Original numbers are estimates with no basis to assess them, however they sent specific information in the audit packet resulting in a correction; audit documentation and discussion with the preparer confirms that documentation was not used for the original submission
- d) The documentation sent in did not support the original numbers or corrected numbers. This is unsupported for both original and corrected inputs.

PSMFC will supply the contact information and assist with making arrangements between the auditor and the EDR submitter. Travel expenses will be documented by the auditor and given to PSMFC for reimbursement.

Although there is uncertainty regarding the date at which EDRs will be data entered, assume for the purposes of this proposal that all EDR data for 2008 will be available July 1, 2008.

It is not possible to define the exact nature of the supporting information an auditor may be provided with when conducting an audit because each company has their own style of financial recordkeeping. Also, the exact number of elements to review would make it difficult to provide a total cost for completion of this data validation project. Because of these uncertainties, please assume that 20 EDRs will be audited for 10 variables. For purposes of the request those variables will be:

Block F, #1 (Survey Value)

Block G, #2 (Lbs/Hour freezing capacity)

Block I, Average Gallons of fuel per Hour Steaming fully loaded with product
 Block J, Number of days processing in all other fisheries
 Block K, #1 (Total fishery product sales volume)
 Block K, #4 Royalties from QS shares processed by other vessels for Atka mackerel
 Block L, b. Expenditures on processing equipment
 Block M, 12, Fuel
 Block M, 18, Total raw fish purchases from other vessels, pounds
 Block N, 2, Average number of hours per day a typical processing line employee worked during calendar year 2008.

Please provide the final hourly rate you would bill to PSMFC for conducting this work. Include with it the position titles of employees involved, their hourly rate and the tasks that that position would be involved with.

For example:

Principle Lead	CPA @ \$120/hour	Clerk @ \$45/hour
<ul style="list-style-type: none"> • Signs contract • Finalizes methodologies with PSMFC and NMFS • Writes final report 	<ul style="list-style-type: none"> • Data checking • Conducts audits 	<ul style="list-style-type: none"> • Writes summary reports on audits • Makes appointments for audits • Schedules travel arrangements

A document published by the Office of Management and Budget (OMB) on Measuring and Reporting Sources of Error in Surveys may provide some guidance, it is available online at www.fcs.m.gov/01papers/SPWP31_final.pdf

Proposal Evaluation Criteria

The following criteria and evaluation weightings will be used for evaluating proposals:

1. **Staff experienced in working with West Coast and/or Alaska Financial Fishery data. (35 percent)** The Auditing party must demonstrate knowledge of West Coast and/or Alaska fisheries, and have worked with financial fisheries data in the past two years.
2. **Cost and time proposed to complete (20 percent)** Provide total cost per hour that you would bill PSMFC for conducting the Data Review, Audits and Reporting. Identify position titles, their hourly wage and tasks each position would be involved with. Please provide an estimated time to complete verification for the 2008 year (assume receipt by July 1, 2009).
3. **Feasibility and design of proposed auditing and verification process (30 percent).** Please describe the methodology you plan to use to verify that the information reported in the EDRs is consistent with that contained in the submitter's financial records (e.g., forensic accounting methodologies, record checking). Describe how you plan to select EDRs for random auditing and present the statistical sampling method you will use to decide the number of audits to perform
4. **Sampling design for selecting EDR elements to verify (15).** Given the number of variables that are reported in the EDRs it is not practical to verify every variable. However, submitters who

are audited may be in a position to tip off others as to which elements are typically verified (causing these variables to be reported more accurately than others in future submissions). Describe which variables you will select to verify from the EDRs during random audits and how you plan to minimize or eliminate the possibility for strategic reporting behavior by submitters.

Proposal Selection Procedures

All proposals will be evaluated and scored individually in accordance with the above evaluation criteria by a PSMFC coordinated review panel. Submitters may be asked to supply supplemental information as required by PSMFC prior to the award.

RPF Details

Amendments to Solicitations

If this solicitation is amended, all terms and conditions that are not amended remain unchanged. All bidders shall acknowledge receipt of any amendment to this solicitation by the date and time specified in the amendment(s).

Submission, Modification, Revision, And Withdrawal Of Proposals

Notice of Intent to Respond.

Deadline for Notice of Intent to Respond is 5:00 PM (Pacific), January 23, 2009. Please notify PSMFC if your firm intends to respond to this RFP. Your notification may be sent via email to Geana Tyler at Geana_Tyler@psmfc.org.

Submission of Proposals.

Deadline for proposals is 5:00 PM (Pacific), February 13, 2009.

Proposals shall be submitted to:

Pacific States Marine Fisheries Commission
205 SE Spokane St. Suite 100
Portland, OR 97202
Attn: Geana Tyler
Phone: (503) 595-3100
Email: Geana_Tyler@psmfc.org

Subject Line for email submissions: Amendment 80 Economic Data Report Data Validation

Proposals and modifications to proposals MUST be submitted in paper media, facsimile or via Email.

The proposal must contain:

- The name of the solicitation;
- The name, address, and telephone and facsimile numbers of the bidder (and electronic address if available);
- Names, titles, and telephone and facsimile numbers (and electronic addresses if available) of persons authorized to negotiate on the bidder's behalf with the PSMFC in connection with this solicitation;

- Name, title, and signature of person authorized to sign the proposal. Proposals signed by an agent shall be accompanied by evidence of that agent's authority, unless that evidence has been previously furnished to the issuing office;
- Information on Costs to perform the work
- Any such information as the bidder deems appropriate to evaluate experience and technical qualifications such as a portfolio.

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

Late proposals:

Any proposal, modification, or revision received at the PSMFC office designated in the solicitation after the exact time specified for receipt of offers is "late" and will not be considered unless:

- There is acceptable evidence to establish that it was received at the PSMFC installation designated for receipt of offers and was under the PSMFC's control prior to the time set for receipt of offers; or It is the only proposal received.
- 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.
- Acceptable evidence to establish the 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.
- 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.

Proposals may be withdrawn by written notice received at any time before award. Proposals may be withdrawn via facsimile received at any time before award. Proposals may be withdrawn in person by the bidder 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.

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

Bidders 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.

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

Proposals may be withdrawn at any time before award. Withdrawals are effective upon receipt of notice by the PSMFC Administrative Contact.

Offer Expiration Date

Proposals in response to this solicitation will be valid for 90 days following the time specified for solicitation of offers (unless a different period is proposed by the bidder). Restriction on Disclosure and Use of Information

Bidders that include in their proposals data that they do not want disclosed to the public for any purpose, or used by the PSMFC except for evaluation purposes, shall:

Mark the title page with the following legend:

“This proposal includes data that shall not be disclosed outside the PSMFC and shall not be duplicated, used, or disclosed--in whole or in part--for any purpose other than to evaluate this proposal. If, however, a contract is awarded to this bidder as a result of--or in connection with--the submission of this data, the PSMFC shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the PSMFC's right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are contained in sheets [insert numbers or other identification of sheets]”; and

Mark each sheet of data it wishes to restrict with the following legend:

“Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this proposal.”

Contract Award

The PSMFC intends to award a contract or contracts resulting from this solicitation to the responsible bidder(s) whose proposal(s) represents the best value after evaluation in accordance with the requirements of this solicitation.

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

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

The PSMFC intends to evaluate proposals and award a contract without discussions with bidders (except clarifications as described in FAR 15.306(a)). Therefore, the bidder's initial proposal should contain the bidder's best terms from a cost or price and technical standpoint. The PSMFC reserves the right to conduct discussions if it determines them to be necessary. If the PSMFC determines that the number of proposals that would otherwise be in the competitive range exceeds the number at which an efficient competition can be conducted, the PSMFC may limit the number of proposals in the competitive range to the greatest number that will permit an efficient competition among the most highly rated proposals.

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

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

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

The PSMFC may determine that a proposal is unacceptable if the prices proposed are materially unbalanced between line items or sub-line items. Unbalanced pricing 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 determines that the lack of balance poses an unacceptable risk to the PSMFC.

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

A written award or acceptance of proposal mailed or otherwise furnished to the successful bidder within the time specified in the proposal shall result in a binding contract without further action by either party.

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

- The overall evaluated cost or price and technical rating of the successful bidder;
- The overall ranking of all bidders, when any ranking was developed by the agency during source selection; and
- A summary of the rationale for award.

After evaluation of the proposals and selection of a proposed contractor, PSMFC will notify all offerors, via email, of the results within three (3) business days.

Questions

All questions regarding this RFP must be submitted, in writing, to the PSMFC Administrative Contact by January 23, 2009. Responses to the questions will be distributed to all parties who have notified PSMFC of their intent to submit a proposal.

Special Contract Award Requirements

Conflict of Interest

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

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

Remedies – The Principal Investigator may terminate this contract for convenience, in whole or in part, if it deems such termination necessary to avoid an organizational conflict of interest. If the Contractor 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 Principal Investigator, PSMFC may terminate the contract for default, debar the Contractor from PSMFC contracting, or pursue such other remedies as may be permitted by law or this contract.

The Contractor 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.

Indemnification

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 Contractor’s negligent performance of services provided or work conducted or performed pursuant to this agreement.

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 its 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 – The Contractor is required to comply with any applicable labor codes, acts, laws or statutes, State or Federal, for the location where Contractor performs work. If occupational diseases are not compensable under those statutes, they shall be covered under the employer’s liability section of the insurance policy. If in States with exclusive or monopolistic funds that do not permit workers’ compensation to be written by private carriers, Contractor is required to comply with any applicable labor, codes, acts, laws or statutes of such States and shall have Workers’ Compensation and Employer’s Liability Stop-Gap coverage in the amount of \$1,000,000 each accident, and each employee and each accident.
- Employer’s Liability coverage shall be required of at least \$1,000,000 for Bodily Injury or Death, each employee and each accident. If in States with exclusive or monopolistic funds that do not permit workers’ compensation to be written by private carriers, Contractor is required to comply with any applicable labor, codes, acts, laws or statutes of such States and shall have Workers’ Compensation and Employer’s Liability Stop-Gap coverage in the amount of \$1,000,000 each accident, each employee and each accident.
- Comprehensive or Commercial General Liability (Bodily Injury and Property Damage) Insurance including the following supplementary coverage: (A) Contractual Liability to cover liability assumed under this contract; (B) Products hazard coverage for any and all products or completed operations provided or furnished by or on behalf of Contractor for all services rendered; (C) Completed operations hazard coverage, for any claims relating to defects or deficiencies in goods, products, services or materials used or rendered by the Contractor; (D) Broad Form Property Damage Liability Insurance; (E) Policy coverages shall be primary; (E) an action “in rem” shall be treated as if it were an action “in personam”; (F) all coverages subject to coverage territory of the United States of America, including its territories and possessions, and International waters or airspace; (G) Occurrence form (F) Aircraft, Auto or Watercraft exception to exclusion shall be amended from “less than 26 feet long” to “Non-owned watercraft without length limitation” or an equivalent insurance form that affords broad form bodily injury, death, non-owned vessel liability, property damage on an occurrence basis for non-owned vessels operating in Inland or International waters. Commercial General Liability shall be required in the amount of \$1,000,000 each occurrence, \$2,000,000 General Aggregate, \$1,000,000 Products/Completed Operations, \$1,000,000 Personal and Advertising Injury, \$100,000 Fire Damage Legal Liability, for each claim or occurrence. If equivalent coverage is placed for broad form bodily injury, death, non-owned vessel liability, property damage, coverage shall be required in the amount of \$1,000,000 each claim or occurrence on an occurrence basis form.
- Business Automobile Liability shall be required in the amount of \$1,000,000 each occurrence

combined single limit for bodily injury and property damage, including \$1,000,000 owned, hired or non-owned liability for such states operating within, as applicable. Coverage shall be at least as broad as the Insurance Service (ISO) Business Auto Coverage comprehensive form covering Automobile Liability for Code "1" any auto.

Additional Insured Provision. Before commencing performance of service, PSMFC shall be named as an additional insured under the Business Auto Liability, Commercial General Liability and Vessel Liability or equivalent Policy coverage. All the above insurance coverages should be endorsed with the ISO form CG 20 09.

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 Business Auto Liability, State Act Workers' Compensation, Employer's Liability, and Comprehensive Commercial General Liability or equivalent Policy coverage, 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, Employer's Liability, Comprehensive Commercial General Liability 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, non-renewal 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 direct brokerage services of a Marine Insurance Specialist, 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 this contract.