



Office of Central Procurement  
1100 Bank Street ~ Suite 724  
Richmond, Virginia 23219  
Email: [procurement@dgs.virginia.gov](mailto:procurement@dgs.virginia.gov)

**MODIFICATION #5  
TO  
CONTRACT DGS-140825-BBT  
BETWEEN  
THE COMMONWEALTH OF VIRGINIA  
DEPARTMENT OF GENERAL SERVICES  
AND  
MCGRIFF INSURANCE SERVICES, INC.  
Formerly known as  
BB&T INSURANCE SERVICES, INC.  
dba  
BRIDGETRUST TITLE GROUP**

This Modification #5 is an Agreement between the Commonwealth of Virginia, hereinafter referred to as "State" or "Commonwealth" or "DGS" (Department of General Services) and BB&T Insurance Services, Inc., hereinafter referred to as "Contractor", relating to Contract DGS-140825-BBT dated August 20, 2014, as amended, hereinafter referred to as the "Contract" or "Agreement". This Modification #5 is hereby incorporated into and made an integral part of Contract DGS-140825-BBT.

The purpose of this Modification #5 is to document both parties' agreement concerning renewal of Contract

**I. Reference:** Contract DGS-140825-BBT Section VI., entitled "Mandatory Special Terms and Conditions," Subsection E, entitled "Renewal of Contract."

The Commonwealth elects to exercise its option to renew the fifth (5) of five (5) successive one (1) year renewal periods under the terms and conditions of the original Contract beginning August 20, 2019 and continuing through August 19, 2020.

The foregoing is the complete and final expression of the parties' agreement to modify Contract DGS-140825-BBT and cannot be modified, except in writing signed by the duly authorized representatives of both parties. Notwithstanding the above, this Modification #5 is effective immediately upon its final execution unless otherwise stated herein.

**CONTIUNED ON NEXT PAGE**



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**ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.**

**PERSONS SIGNING THIS CONTRACT ARE AUTHORIZED REPRESENTATIVES OF EACH PARTY TO THIS CONTRACT AND ACKNOWLEDGE THAT EACH PARTY AGREES TO BE BOUND BY THE TERMS AND CONDITIONS OF THE CONTRACT.**

**BRIDGETRUST GROUP**

BY: *Susan Hawkins*

NAME: Susan Hawkins

TITLE: Asst Vice President

DATE: 08/13/2019

SHawkins@bridgetrusttitle.com

757.605.2007

**COMMONWEALTH OF VIRGINIA**

BY: *Niniekwe M. Harris*

NAME: Niniekwe M. Harris, VCA

TITLE: Contract Officer, OCP

DATE: 8/14/19



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1100 Bank Street ~ Suite 724  
Richmond, Virginia 23219  
Email: [procurement@dgs.virginia.gov](mailto:procurement@dgs.virginia.gov)

**ATTACHMENT A  
TO  
CONTRACT DGS-140825-BBT  
BETWEEN  
THE COMMONWEALTH OF VIRGINIA  
DEPARTMENT OF GENERAL SERVICES  
AND  
MCGRUFF INSURANCE SERVICES, INC.  
Formerly known as  
BB&T INSURANCE SERVICES, INC.  
dba  
BRIDGETRUST TITLE GROUP**

***PRICING EFFECTIVE AUGUST 20, 2019***

Attachment A is hereby incorporated into and made an integral part of Contract DGS-140825-BBT between the Commonwealth of Virginia's Department of General Services ("Commonwealth", "State", or "DGS") and McGriff Insurance Services, Inc. ("Contractor").

In the event of any discrepancy between Attachment A and Contract DGS-140825-BBT, the provisions of Contract DGS-140825-BBT shall control.

<b>Item</b>	<b>Description of Service</b>	<b>Cost (Not to Exceed)</b>
A.	Title Insurance Rate Schedule	\$3.90 per M \$
B.	Endorsement/Extra Hazard Fee	10%
C.	Title Examination	\$85.00 per hour
D.	Document Copies	\$0.50 per page
E.	Title Commitment	\$100.00
F.	Settlement and Escrow Services	\$750.00



DEPARTMENT OF  
GENERAL SERVICES

# COMMONWEALTH of VIRGINIA

## SOLICITATION ~ OFFER ~ and AWARD Non-Professional Services

**Sealed Invitation for Bid (IFB) for  
TITLE EXAMINATIONS, TITLE INSURANCE, AND SETTLEMENT SERVICES  
NIGP Codes 94615-Appraisal Services, 94646-Escrow & Title Services, and 96866-Right of Way Services**

1. Contract #: TO BE ISSUED AT TIME OF AWARD	2. IFB #: EKB-2014-0626	3. Date Issued: JUNE 26, 2014	4. Due Date / Time: AUGUST 5, 2014 02:00PM EST
For Information Contact: Ebony K. Beaver, VCO, VCA via email at: <a href="mailto:ebony.beaver@dgs.virginia.gov">ebony.beaver@dgs.virginia.gov</a> <b>NO QUESTIONS WILL BE ANSWERED VIA TELEPHONE</b>			
5. ISSUING OFFICE: Department of General Services Central Procurement Unit (CPU) 1100 Bank Street, Suite 724 Richmond, Virginia 23219		6. SHIP TO: As stipulated in individual eVA Orders	

### SOLICITATION

7. This is an advertised solicitation consisting of (1) the Purpose; (2) Scope of Work; (3) Mandatory General Terms and Conditions; (4) Mandatory Special Terms and Conditions; and other provisions, representations, certifications, or specifications as per attached or incorporated herein by reference. **Sealed bids for furnishing the Services set forth in the schedule must be returned to the Issuing Office (Item #5 above.)** If hand carried, deliver to the CPU located on the seventh floor of the address indicated above. **Complete bids must be received prior to 02:00 P.M. local time on the Date Due indicated above in Item #4 above.** Bids will be publicly opened at 11:00 A.M. (local time), August 6, 2014, in the CPU Conference Room, 1100 Bank Street, Seventh Floor, Suite 724, Richmond, Virginia.

**CLARIFICATION OF TERMS:** If any prospective Bidder has questions about the specifications or other solicitation documents, the prospective Bidder should contact the Contracting Officer named below in writing via email or fax no later than five (5) working days before the due date. No questions will be answered by telephone. Any revisions to the solicitation will be made only by an addendum issued by the Contracting Officer. The addendum, if necessary, will be posted online at <http://www.eva.virginia.gov>. It is the responsibility of the Bidder to download the addendum.

**PERIOD OF CONTRACT:** One (1) year term contract with five (5) additional successive one (1) year renewal options.

Issued by: Ebony K. Beaver, VCO, VCA  
DGS Contracting Officer

Ebony K. Beaver /s/  
Signature

### OFFER

In Compliance with the Terms and Conditions set forth in the solicitation, the undersigned agrees, if this offer is accepted, within 90 days from the date due above, to furnish any or all Bid Items awarded at the prices offered in the Schedule, delivered to the Ship To Address above within the time specified in the Schedule. All bidders are subject to the Mandatory General and Mandatory Special Terms and Conditions set forth herein.

BB&T Insurance Services, Inc. d/b/a

8. Company Name: BridgeTrust Title Group eVA Vendor ID or DUNS #: 063418438  
Address: One Columbus Center, Suite 400 State Corporation Commission ID #: F133441-8  
City/State/ZIP: Virginia Beach, VA 23462 Fax No.: 800.526.3329  
Signature: [Signature] Cell No.: \_\_\_\_\_  
Printed Name: Robert G. Hofheimer Email: bhofheimer@bridgetrusttitle.com  
Title: Vice President  
Telephone No.: 757.671.7413  
Contractor's TIN: 56-1623293

9. BILL TO:  
See Section VII: Method of Payment

### AWARD

10. ACCEPTED AS TO BID ITEM / CATEGORY NUMBERS: <u>A-F</u>	11. AMOUNT: <u>NTE \$100,000 per term</u>	12. AWARD DATE: <u>8/20/2014</u>
13. COMMONWEALTH'S REPRESENTATIVE: Ebony K. Beaver, VCO, VCA		14. COMMONWEALTH OF VIRGINIA By: <u>[Signature]</u>

NOTE: This public body does not discriminate against faith-based organizations in accordance with the Code of Virginia, §2.2-4343.1 or against an Bidder because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.

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## I. PURPOSE

The purpose of this Invitation for Bids ("IFB") is to solicit sealed bids for the establishment of a contract, or contracts ("Contract"), for Title Examinations, Title Insurance, and Comprehensive Settlement Services from persons authorized to act in the capacity of a settlement agent under the Real Estate Settlement Agents Act, as amended, codified at *Code of Virginia* §§55-525.16 through 55-525.32. These services will include, as further set forth below: title insurance underwriting, title examinations, document preparation (but not the drafting of legal instruments), document filing and recording, and escrow, closing and settlement services in accordance with the terms and conditions of this IFB (collectively known as "Services"). To adequately address the numerous locations, property types, and necessary Services, a Contract may be awarded to multiple bidders.

Consistent with the intent for cooperative procurements established in *Code of Virginia §2.2-4304*, this IFB contemplates that the Services may be rendered to any public body as defined in *Code of Virginia §2.2-4301* ("Authorized Users"), who may submit an Order, which shall include an accompanying Scope of Work ("SOW"), against the Contract awarded through this IFB to one or more Contractors. In particular, departments, agencies, and institutions of the Commonwealth of Virginia, with the support of the Department of General Services ("DGS") and the Office of The Attorney General ("OAG"), acquire and dispose of interests in real property throughout the Commonwealth via purchase, exchange, condemnation, proffer, gift, lease, conveyance or otherwise. The predominant nature of the Services for these transactions will be the provision of title examination, title insurance, title insurance underwriting, and settlement services for sophisticated and complex real estate transactions (and only infrequently the acquisition of residential real property). Services are for use by the Commonwealth of Virginia, Department of General Services (DGS), Division of Real Estate Services (DRES), and other qualified public bodies ("Authorized Users") as defined in the *Code of Virginia §2.2-4301*, who will be able to submit orders under an Agreement with selected Contractors for Services to be provided, as delineated in any Order, which shall include an accompanying Scope of Work (SOW), and shall be issued against the awarded Contract. Consistent with the intent for cooperative procurements established in *Code of Virginia §2.2-4304*, this IFB contemplates that DRES, together with such institutions and local government bodies as defined in *Code of Virginia §2.2-4301*, may use any Agreements resulting from this IFB.

Following the award of a contract, Authorized Users will submit orders directly with the Contractor, as stipulated herein, using eVA.

## II. SCOPE OF WORK (SOW)

Award of a contract DOES NOT guarantee a Contractor work but allows eligibility to submit a price quotation for Services on projects from an Authorized User, as described in an Authorized User's SOW, as such Services are needed, and as a real property project requiring Services becomes available.

From the pool of selected and qualified Contractors, DRES or other Authorized Users will be enabled to solicit quotations for specific real estate projects, select one based upon qualifications, location, timeliness, and price, and then submit an Order for Services that will be accompanied by a completed Scope of Work, an example of which is attached hereto as Attachment C. The SOW is to be used by an Authorized User to describe all Service requirements for a specific project.

The Contractor shall furnish all labor, travel, and incidentals necessary to perform the Services described herein. The required Services may include, but shall not be limited to, one or more of the following tasks:

A. **Performing a title examination.** The Contractor may use prior title examinations or polices, in their discretion and at their own risk, but in any event the Contractor is responsible for conducting, at a minimum, a sixty-year title examination. Title will not be certified by the OAG or any outside attorney. Title examinations will be comprehensive, unless specified otherwise in the Scope of Work, and shall include, but not be limited to:

1. Parcel identification number
2. Legal description
3. Current assessment value
4. Current tax amount and status
5. Deed(s) / Chain of Title
6. Open mortgages
7. Mortgage related documents (e.g. assignments, subordinations)
8. List of documents found relating to partial rights to subject property during the time period searched (e.g. mineral rights, agricultural rights, life estates)
9. Open recorded judgments
10. Open recorded liens
11. Recorded probate documents
12. Recorded foreclosure filings
13. Bankruptcy filing(s)
14. Recorded easements and/or restrictions
15. All other properly recorded documents affecting the subject property
16. Notation of discrepancies found within search related documents

B. **Preparing and delivering a title report or title insurance commitment.** The title report or commitment shall include all encumbrances, such as outstanding mortgages, liens, covenants, restrictions, easements, and rights-of-way, applicable to the property and must identify any discrepancies about the property's boundaries.

The Contractor shall furnish revised reports or commitments in a timely manner at no additional cost, when it is determined that such reports or commitments require clarification or revision of form, facts, reasonable conclusions, and so forth. The commitment must agree to issue an owner's policy of title insurance in standard American Land Title Association ("ALTA") marketability of title format without exception to unfiled mechanics' and material men's liens.

When requested, Contractor shall provide an insured closing letter from the title insurance company issuing the title insurance policy. Any provision providing for binding arbitration shall be removed through endorsement. In preparation of such commitment, when DGS or an Authorized User is obtaining a survey, the Contractor shall cooperate and assist with the Authorized User's surveyor in preparation of such survey. All exceptions for easements or other like encumbrances upon the property must be specifically located on the survey provided by the Authorized User, if the location can be determined from the document. Similarly, if an existing recorded survey is being relied upon for the legal description, the Contractor must determine, when reasonably discernible from the document, whether an exception for an easement or other like encumbrance affects the property. In the event two or more parcels are to be conveyed by the same grantor, the commitment shall specifically recite whether such parcels are contiguous and shall clearly identify to which parcels any exceptions are applicable.

Dependent upon circumstances, a variety of endorsements providing affirmative title insurance coverage may be required. In this regard, the Contractor must have the authority to make major underwriting decisions for the title insurance company, providing insurance coverage or, at a minimum, possess a thorough knowledge of underwriting standards and the ability and authority to negotiate promptly special title insurance coverage with the underwriters for the title insurance company. In addition, without limitation, the Contractor should be able to delete exceptions to title coverage typically contained on Schedule B of the standard ALTA owner's policy, such as boundary discrepancies that would be identified by an accurate survey, easements not of record, parties in possession, etc.

C. **Providing copies.** Providing a copy of the deeds or other conveyance documents in the chain of title for the search period and all documents that give rise to title exceptions (including a copy of any survey attached to the foregoing).

D. **Furnishing legal descriptions.** Assisting in furnishing or revising legal descriptions based upon a new survey, if applicable, or in the event that two or more parcels are to be consolidated in connection with the conveyance.

E. **Performing escrow, closing or settlement services.** Performing escrow, closing and settlement services, including:

1. preparing the settlement statement (including calculation of all recordation costs and pro-rations), the report of sale to the IRS, and such other documents as are customarily the responsibility of a settlement agent (Note: this does not include the preparation of any contracts, deeds or other legal documents);
2. securing pay-off information from the holders of all outstanding liens affecting the property;
3. receiving funds (to be held in escrow separate and apart from the funds of the Contractor);
4. providing a specimen title commitment and/or insurance policy, prior to closing, if requested;
5. distributing funds, in accordance with the settlement statement as approved by the Authorized User, to grantor(s), lien holders and others as appropriate;
6. performing pre-recordation title run-down;
7. recording documents;
8. consulting with Authorized User personnel and the Authorized User's legal counsel as necessary; and;
9. providing, after settlement, the original recording receipts, fully executed settlement statements, receipt for taxes paid, and, as appropriate recorded copies or the originals of all recorded documents (except those mailed directly to the Authorized User by the Clerk of the Circuit Court).

F. **Issuing a title insurance policy.** Issuing a standard ALTA owner's title insurance policy (most current form) consistent with the commitment, which shall include deleting any exceptions noted in the commitment that are resolved or modified at or prior to closing. Any provision providing for binding arbitration shall be removed through endorsement. If non-contiguous parcels are being acquired, a separate policy shall be issued for each parcel.

**All Services shall be performed in full compliance with all applicable federal, state and local law, rules and regulations. No Service shall be performed that would constitute the**

practice of law (For guidance, see the Virginia State Bar's "Unauthorized Practice of Law (UPL) Guidelines for Real Estate Settlement Agents" posted at <http://www.vsb.org/site/regulation/upl-guidelines-for-real-estate-settlement-agents>). Each Contractor shall endeavor to conduct itself, and shall perform the Services hereunder, to the best of its ability and in accordance with the latest issuance of the American Land Title Association's "Title Insurance and Settlement Company Best Practices".

### III. BID RESPONSE INSTRUCTIONS

#### A. EXPLANATION TO BIDDERS:

The governing files for this solicitation are those files posted to the eVA website: <http://www.eva.virginia.gov> under the Invitation for Bid (IFB) number shown on the IFB's cover page. All requests for clarification or explanation regarding any portion of this IFB, including all attachments and amendments, must be submitted in writing to the Contracting Officer identified on the cover page of the IFB not later than five (5) business days prior to bid opening. BIDDER IS STRONGLY ADVISED TO READ AND CLEARLY UNDERSTAND THESE INSTRUCTIONS AND ALL SOLICITATION FILES PRIOR TO SUBMITTING A BID. BIDDER IS FURTHER ADVISED TO CHECK THE VIRGINIA E-PROCUREMENT WEBSITE (<http://www.eva.virginia.gov/>) FOR ANY AMENDMENTS OR CHANGES TO THIS SOLICITATION.

THIS SOLICITATION IS SUBJECT TO THE PROVISIONS OF THE VIRGINIA PUBLIC PROCUREMENT ACT (VPPA), §§ 2.2-4300 et seq. of the *Code of Virginia*.

#### B. PREPARATION OF BID RESPONSES:

1. Bids shall be submitted on the forms furnished, and must bear an original signature by an individual authorized to bind the company that is submitting the bid. If erasures or other changes appear on the form, each erasure or change must be initialed by the person signing the bid. **Electronic or facsimile bids will not be considered.** Bidders may not submit multiple bids in a single envelope.
2. The bid form may provide for submission of a price or prices for one (1) or more items. All prices shall be entered in the appropriate section of the Bid Schedule. Where the bid form explicitly requires that the vendor bid on all items, (e.g., an all or none requirement), failure to do so will disqualify the bid. When submission of a price on all items is *not* required, the bidder must insert the words "no bid" in the space provided for any item on which no price is submitted.
3. Modification of bids already submitted will be considered if received at the office designated in the invitation for bids **before** the time set for opening of bids.

### IV. OPTIONAL PRE-BID CONFERENCE

An **optional attendance** pre-bid conference will be conducted on **Tuesday July 22, 2014 at 10:00 A.M. EST** at the Washington Building, Conference Room 1100 Bank Street, Suite 724, Richmond, Virginia 23219 and via teleconference. The purpose of this conference is to allow potential Bidders an opportunity to present questions and obtain clarification relative to any facet of this solicitation.

Potential Bidders are encouraged to submit any questions pertaining to this IFB **in writing** prior to the date and time of the pre-bid conference. All questions should be submitted to Ebony K. Beaver via email at [ebony.beaver@dgs.virginia.gov](mailto:ebony.beaver@dgs.virginia.gov).

Although participation at this conference **is not** a prerequisite for submitting a bid package, due to the importance of all Bidders having a clear understanding of the Scope of Work and requirements of this solicitation, interested Bidders are encouraged to participate whether attending in-person or via teleconference.

Potential Bidders who wish to attend the conference in-person are asked to register with the DGS Contracting Officer, Ebony K. Beaver, **via email**, no later than **Friday July 18, 2014**. Please provide the full name, title, and e-mail address, and phone numbers of the person(s) attending representing your company with your registration request to: [ebony.beaver@dgs.virginia.gov](mailto:ebony.beaver@dgs.virginia.gov). Due to space limitations, **no more than two (2) persons** representing a vendor should attend. Additional, unlimited representatives may participate via teleconference. Interested parties attending in-person **should bring a copy of the IFB**. Printed copies **will not** be made available during this conference.

Attendees participating in-person will be required to present photo identification issued by a state or federal entity and sign in at the security desk located at the building's main entrance in order to gain access to the building. Examples of acceptable photo identification include, but are not limited to, a current driver's license or passport. Please plan your arrival accordingly.

Interested Bidders wishing to participate via teleconference must register with the DGS Contracting Officer, Ebony K. Beaver, via email, at [ebony.beaver@dgs.virginia.gov](mailto:ebony.beaver@dgs.virginia.gov) by close of business on **Friday, July 18, 2014**. Registered participants will be provided the telephone number and conference code needed in order to participate.

Any change in this solicitation will be made through an addendum issued by the Contracting Officer and will be posted on the state procurement website at [www.eva.virginia.gov](http://www.eva.virginia.gov). It is the responsibility of the Bidder to download the addendum.

**V. MANDATORY GENERAL TERMS AND CONDITIONS**

The following terms and conditions are MANDATORY and shall be included verbatim in any Contract awarded as a result of this solicitation.

These Required General Terms and Conditions shall be construed under the laws of the Commonwealth of Virginia. The Commonwealth may update or change these Terms and Conditions from time to time. The most current version of the *Agency Procurement and Surplus Property Manual (APSPM)* Terms and Conditions may be viewed at any time at [www.eva.virginia.gov](http://www.eva.virginia.gov) (*I SELL TO VIRGINIA / APSPM*). Any changes will be reflected in the most current Procurement Information Memorandum "PIM". If the Commonwealth makes a material change to these Terms and Conditions, you will be provided notice of that change. Updates or changes to the Terms and Conditions will automatically be effective when posted on the eVA website reflected above. Submission of a bid in response to this solicitation shall constitute your consent to these changes.

Both Parties agree to comply with all applicable local, state and national laws, rules, and regulations under this Agreement.

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- A. **VENDORS MANUAL**: This solicitation is subject to the provisions of the Commonwealth of Virginia *Vendors Manual* and any changes or revisions thereto, which are hereby incorporated into this contract in their entirety. The procedure for filing contractual claims is in section 7.19 of the *Vendors Manual*. A copy of the manual is normally available for review at the purchasing office and is accessible on the Internet at [www.eva.virginia.gov](http://www.eva.virginia.gov) under "Vendors Manual" on the vendors tab.
- B. **APPLICABLE LAWS AND COURTS**: This solicitation and any resulting contract shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The agency and the contractor are encouraged to resolve any issues in controversy arising from the award of the contract or any contractual dispute using Alternative Dispute Resolution (ADR) procedures (Code of Virginia, § 2.2-4366). ADR procedures are described in Chapter 9 of the *Vendors Manual*. The contractor shall comply with all applicable federal, state and local laws, rules and regulations.
- C. **ANTI-DISCRIMINATION**: By submitting their bids, bidders certify to the Commonwealth that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians With Disabilities Act, the Americans With Disabilities Act and § 2.2-4311 of the *Virginia Public Procurement Act (VPPA)*. If the award is made to a faith-based organization, the organization shall not discriminate against any recipient of goods, services, or disbursements made pursuant to the contract on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender or national origin and shall be subject to the same rules as other organizations that contract with public bodies to account for the use of the funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by the public body. (*Code of Virginia*, § 2.2-4343.1E).

In every contract over \$10,000 the provisions in 1. and 2. below apply:

1. During the performance of this contract, the contractor agrees as follows:

a. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

b. The contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an equal opportunity employer.

c. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting these requirements.

2. The contractor will include the provisions of 1. above in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

D. **ETHICS IN PUBLIC CONTRACTING**: By submitting their bids, bidders certify that their bids are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other bidder, supplier, manufacturer or subcontractor in connection with their bid, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.

E. **IMMIGRATION REFORM AND CONTROL ACT OF 1986**: By entering into a written contract with the Commonwealth of Virginia, the Contractor certifies that the Contractor does not, and shall not during the performance of the contract for goods and services in the Commonwealth, knowingly employ an unauthorized alien as defined in the federal Immigration Reform and Control Act of 1986.

F. **DEBARMENT STATUS**: By submitting their (bids/proposals), (bidders/offerors) certify that they are not currently debarred by the Commonwealth of Virginia from submitting bids or proposals on contracts for the type of goods and/or services covered by this solicitation, nor are they an agent of any person or entity that is currently so debarred.

G. **ANTITRUST**: By entering into a contract, the contractor conveys, sells, assigns, and transfers to the Commonwealth of Virginia all rights, title and interest in and to all causes of action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by the Commonwealth of Virginia under said contract.

H. **MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS FOR IFB's**  
Failure to submit a bid on the official state form provided for that purpose shall be a cause for rejection of the bid. Modification of or additions to any portion of the Invitation for Bids may be cause for rejection of the bid; however, the Commonwealth reserves the right to decide, on a case by case basis, in its sole discretion, whether to reject such a bid as nonresponsive. As a precondition to its acceptance, the Commonwealth may, in its sole discretion, request

that the bidder withdraw or modify nonresponsive portions of a bid which do not affect quality, quantity, price, or delivery. No modification of or addition to the provisions of the contract shall be effective unless reduced to writing and signed by the parties.

I. **CLARIFICATION OF TERMS:** If any prospective bidder has questions about the specifications or other solicitation documents, the prospective bidder should contact the buyer whose name appears on the face of the solicitation no later than five working days before the due date. Any revisions to the solicitation will be made only by addendum issued by the buyer.

J. **PAYMENT:**

1. **To Prime Contractor:**

- a. Invoices for items ordered, delivered and accepted shall be submitted by the contractor directly to the payment address shown on the purchase order/contract. All invoices shall show the state contract number and/or purchase order number; social security number (for individual contractors) or the federal employer identification number (for proprietorships, partnerships, and corporations).
- b. Any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than 30 days, however.
- c. All goods or services provided under this contract or purchase order, that are to be paid for with public funds, shall be billed by the contractor at the contract price, regardless of which public agency is being billed.
- d. The following shall be deemed to be the date of payment: the date of postmark in all cases where payment is made by mail, or the date of offset when offset proceedings have been instituted as authorized under the Virginia Debt Collection Act.
- e. **Unreasonable Charges.** Under certain emergency procurements and for most time and material purchases, final job costs cannot be accurately determined at the time orders are placed. In such cases, contractors should be put on notice that final payment in full is contingent on a determination of reasonableness with respect to all invoiced charges. Charges which appear to be unreasonable will be researched and challenged, and that portion of the invoice held in abeyance until a settlement can be reached. Upon determining that invoiced charges are not reasonable, the Commonwealth shall promptly notify the contractor, in writing, as to those charges which it considers unreasonable and the basis for the determination. A contractor may not institute legal action unless a settlement cannot be reached within thirty (30) days of notification. The provisions of this section do not relieve an agency of its prompt payment obligations with respect to those charges which are not in dispute (*Code of Virginia, § 2.2-4363*).

2. **To Subcontractors:**

- a. A contractor awarded a contract under this solicitation is hereby obligated:

(1) To pay the subcontractor(s) within seven (7) days of the contractor's receipt of payment from the Commonwealth for the proportionate share of the payment received for work performed by the subcontractor(s) under the contract; or

(2) To notify the agency and the subcontractor(s), in writing, of the contractor's intention to withhold payment and the reason.

b. The contractor is obligated to pay the subcontractor(s) interest at the rate of one percent per month (unless otherwise provided under the terms of the contract) on all amounts owed by the contractor that remain unpaid seven (7) days following receipt of payment from the Commonwealth, except for amounts withheld as stated in (2) above. The date of mailing of any payment by U. S. Mail is deemed to be payment to the addressee. These provisions apply to each sub-tier contractor performing under the primary contract. A contractor's obligation to pay an interest charge to a subcontractor may not be construed to be an obligation of the Commonwealth.

3. Each prime contractor who wins an award in which provision of a SWAM procurement plan is a condition to the award, shall deliver to the contracting agency or institution, on or before request for final payment, evidence and certification of compliance (subject only to insubstantial shortfalls and to shortfalls arising from subcontractor default) with the SWAM procurement plan. Final payment under the contract in question may be withheld until such certification is delivered and, if necessary, confirmed by the agency or institution, or other appropriate penalties may be assessed in lieu of withholding such payment.

4. The Commonwealth of Virginia encourages contractors and subcontractors to accept electronic and credit card payments.

K. **PRECEDENCE OF TERMS:** The following General Terms and Conditions *VENDORS MANUAL*, APPLICABLE LAWS AND COURTS, ANTI-DISCRIMINATION, ETHICS IN PUBLIC CONTRACTING, IMMIGRATION REFORM AND CONTROL ACT OF 1986, DEBARMENT STATUS, ANTITRUST, MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS, CLARIFICATION OF TERMS, PAYMENT shall apply in all instances. In the event there is a conflict between any of the other General Terms and Conditions and any Special Terms and Conditions in this solicitation, the Special Terms and Conditions shall apply.

L. **QUALIFICATIONS OF BIDDERS:** The Commonwealth may make such reasonable investigations as deemed proper and necessary to determine the ability of the bidder to perform the services/furnish the goods and the bidder shall furnish to the Commonwealth all such information and data for this purpose as may be requested. The Commonwealth reserves the right to inspect bidder's physical facilities prior to award to satisfy questions regarding the bidder's capabilities. The Commonwealth further reserves the right to reject any bid if the evidence submitted by, or investigations of, such bidder fails to satisfy the Commonwealth that such bidder is properly qualified to carry out the obligations of the contract and to provide the services and/or furnish the goods contemplated therein.

M. **TESTING AND INSPECTION:** The Commonwealth reserves the right to conduct any test/inspection it may deem advisable to assure goods and services conform to the specifications.

N. **ASSIGNMENT OF CONTRACT**: A contract shall not be assignable by the contractor in whole or in part without the written consent of the Commonwealth.

O. **CHANGES TO THE CONTRACT**: Changes can be made to the contract in any of the following ways:

1. The parties may agree in writing to modify the terms, conditions, or scope of the contract. Any additional goods or services to be provided shall be of a sort that is ancillary to the contract goods or services, or within the same broad product or service categories as were included in the contract award. Any increase or decrease in the price of the contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the contract.

2. The Purchasing Agency may order changes within the general scope of the contract at any time by written notice to the contractor. Changes within the scope of the contract include, but are not limited to, things such as services to be performed, the method of packing or shipment, and the place of delivery or installation. The contractor shall comply with the notice upon receipt, unless the contractor intends to claim an adjustment to compensation, schedule, or other contractual impact that would be caused by complying with such notice, in which case the contractor shall, in writing, promptly notify the Purchasing Agency of the adjustment to be sought, and before proceeding to comply with the notice, shall await the Purchasing Agency's written decision affirming, modifying, or revoking the prior written notice. If the Purchasing Agency decides to issue a notice that requires an adjustment to compensation, the contractor shall be compensated for any additional costs incurred as the result of such order and shall give the Purchasing Agency a credit for any savings. Said compensation shall be determined by one of the following methods:

a. By mutual agreement between the parties in writing; or

b. By agreeing upon a unit price or using a unit price set forth in the contract, if the work to be done can be expressed in units, and the contractor accounts for the number of units of work performed, subject to the Purchasing Agency's right to audit the contractor's records and/or to determine the correct number of units independently; or

c. By ordering the contractor to proceed with the work and keep a record of all costs incurred and savings realized. A markup for overhead and profit may be allowed if provided by the contract. The same markup shall be used for determining a decrease in price as the result of savings realized. The contractor shall present the Purchasing Agency with all vouchers and records of expenses incurred and savings realized. The Purchasing Agency shall have the right to audit the records of the contractor as it deems necessary to determine costs or savings. Any claim for an adjustment in price under this provision must be asserted by written notice to the Purchasing Agency within thirty (30) days from the date of receipt of the written order from the Purchasing Agency. If the parties fail to agree on an amount of adjustment, the question of an increase or decrease in the contract price or time for performance shall be resolved in accordance with the procedures for resolving disputes provided by the Disputes Clause of this contract or, if there is none, in accordance with the disputes provisions of the Commonwealth of Virginia *Vendors Manual*. Neither the existence of a claim nor a dispute resolution process, litigation or any other provision of this contract shall excuse the contractor from promptly complying with the changes ordered by the Purchasing Agency or with the performance of the contract generally.

- P. **DEFAULT:** In case of failure to deliver goods or services in accordance with the contract terms and conditions, the Commonwealth, after due oral or written notice, may procure them from other sources and hold the contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which the Commonwealth may have.
- Q. **TAXES:** Sales to the Commonwealth of Virginia are normally exempt from State sales tax. State sales and use tax certificates of exemption, Form ST-12, will be issued upon request. Deliveries against this contract shall usually be free of Federal excise and transportation taxes. The Commonwealth's excise tax exemption registration number is 54-73-0076K.
- R. **INSURANCE:** By signing and submitting a bid under this solicitation, the bidder certifies that if awarded the contract, it will have the following insurance coverage at the time the contract is awarded. For construction contracts, if any subcontractors are involved, the subcontractor will have workers' compensation insurance in accordance with §§ 2.2-4332 and 65.2-800 et seq. of the *Code of Virginia*. The bidder further certifies that the contractor and any subcontractors will maintain these insurance coverage during the entire term of the contract and that all insurance coverage will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

**MINIMUM INSURANCE COVERAGES AND LIMITS REQUIRED FOR MOST CONTRACTS:**

1. Workers' Compensation - Statutory requirements and benefits. Coverage is compulsory for employers of three or more employees, to include the employer. Contractors who fail to notify the Commonwealth of increases in the number of employees that change their workers' compensation requirements under the *Code of Virginia* during the course of the contract shall be in noncompliance with the contract.
  2. Employer's Liability - \$100,000.
  3. Commercial General Liability - \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Commercial General Liability is to include bodily injury and property damage, personal injury and advertising injury, products and completed operations coverage. The Commonwealth of Virginia must be named as an additional insured and so endorsed on the policy.
  4. Automobile Liability - \$1,000,000 combined single limit. (Required only if a motor vehicle not owned by the Commonwealth is to be used in the contract. Contractor must assure that the required coverage is maintained by the Contractor (or third party owner of such motor vehicle.)
- S. **ANNOUNCEMENT OF AWARD:** Upon the award or the announcement of the decision to award a contract as a result of this solicitation, the purchasing agency will publicly post such notice on the DGS/DPS eVA VBO ([www.eva.virginia.gov](http://www.eva.virginia.gov)) for a minimum of 10 days.
- T. **DRUG-FREE WORKPLACE:** During the performance of this contract, the contractor agrees to (i) provide a drug-free workplace for the contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the contractor's workplace and

specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "*drug-free workplace*" means a site for the performance of work done in connection with a specific contract awarded to a contractor, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

**U. NONDISCRIMINATION OF CONTRACTORS:** A bidder, offeror, or contractor shall not be discriminated against in the solicitation or award of this contract because of race, religion, color, sex, national origin, age, disability, faith-based organizational status, any other basis prohibited by state law relating to discrimination in employment or because the bidder or offeror employs ex-offenders unless the state agency, department or institution has made a written determination that employing ex-offenders on the specific contract is not in its best interest. If the award of this contract is made to a faith-based organization and an individual, who applies for or receives goods, services, or disbursements provided pursuant to this contract objects to the religious character of the faith-based organization from which the individual receives or would receive the goods, services, or disbursements, the public body shall offer the individual, within a reasonable period of time after the date of his objection, access to equivalent goods, services, or disbursements from an alternative provider.

**V. eVA BUSINESS-TO-GOVERNMENT VENDOR REGISTRATION, CONTRACTS, AND ORDERS:**

The eVA Internet electronic procurement solution, website portal [www.eVA.virginia.gov](http://www.eVA.virginia.gov), streamlines and automates government purchasing activities in the Commonwealth. The eVA portal is the gateway for vendors to conduct business with state agencies and public bodies. All vendors desiring to provide goods and/or services to the Commonwealth shall participate in the eVA Internet eprocurement solution by completing the free eVA Vendor Registration. All bidders or offerors must register in eVA and pay the Vendor Transaction Fees specified below; failure to register will result in the bid/proposal being rejected.

Vendor transaction fees are determined by the date the original purchase order is issued and the current fees are as follows:

- a. For orders issued July 1, 2011 thru June 30, 2014, the Vendor Transaction Fee is:
  - (i) DMBE-certified Small Businesses: 0.75%, capped at \$500 per order.
  - (ii) Businesses that are not DMBE-certified Small Businesses: 0.75%, capped at \$1,500 per order.
- b. For orders issued July 1, 2014 and after, the Vendor Transaction Fee is:
  - (i) DMBE-certified Small Businesses: 1%, capped at \$500 per order.
  - (ii) Businesses that are not DMBE-certified Small Businesses: 1%, capped at \$1,500 per order.

For orders issued prior to July 1, 2011 the vendor transaction fees can be found at [www.eVA.virginia.gov](http://www.eVA.virginia.gov).

The specified vendor transaction fee will be invoiced, by the Commonwealth of Virginia Department of General Services, approximately 30 days after the corresponding purchase order is issued and payable 30 days after the invoice date. Any adjustments (increases/decreases) will be handled through purchase order changes.

- W. **AVAILABILITY OF FUNDS:** It is understood and agreed between the parties herein that the agency shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement.
- X. **SET-ASIDES.** This solicitation is set-aside for DMBE-certified small business participation only when designated "SET-ASIDE FOR SMALL BUSINESSES" in the solicitation. DMBE-certified small businesses are those businesses that hold current small business certification from the Virginia Department of Minority Business Enterprise. This shall not exclude DMBE-certified women-owned and minority-owned businesses when they have received the DMBE small business certification. For purposes of award, bidders/offerors shall be deemed small businesses if and only if they are certified as such by DMBE on the due date for receipt of bids/proposals.
- Y. **BID PRICE CURRENCY:** Unless stated otherwise in the solicitation, bidders shall state bid prices in US dollars.
- Z. **AUTHORIZATION TO CONDUCT BUSINESS IN THE COMMONWEALTH:** A contractor organized as a stock or nonstock corporation, limited liability company, business trust, or limited partnership or registered as a registered limited liability partnership shall be authorized to transact business in the Commonwealth as a domestic or foreign business entity if so required by Title 13.1 or Title 50 of the *Code of Virginia* or as otherwise required by law. Any business entity described above that enters into a contract with a public body pursuant to the *Virginia Public Procurement Act* shall not allow its existence to lapse or its certificate of authority or registration to transact business in the Commonwealth, if so required under Title 13.1 or Title 50, to be revoked or cancelled at any time during the term of the contract. A public body may void any contract with a business entity if the business entity fails to remain in compliance with the provisions of this section.

## VI. MANDATORY SPECIAL TERMS AND CONDITIONS

- A. **AUDIT:** The contractor shall retain all books, records, and other documents relative to this contract for five (5) years after final payment, or until audited by the Commonwealth of Virginia, whichever is sooner. The agency, its authorized agents, and/or state auditors shall have full access to and the right to examine any of said materials during said period.
- B. **AWARD TO MULTIPLE BIDDERS:** The Commonwealth reserves the right to make multiple awards as a result of this solicitation. The award(s) will be made to the lowest responsive and responsible bidder(s) meeting the requirements of the solicitation. The Commonwealth reserves the right to conduct any tests it may deem advisable and to make all evaluations. The Commonwealth also reserves the right to reject any or all bids, in whole or in part, to waive informalities and to delete items prior to making the award, whenever it is deemed in the sole opinion of the procuring public body to be in its best interest.

- C. **CANCELLATION OF CONTRACT:** The purchasing agency reserves the right to cancel and terminate any resulting contract, in part or in whole, without penalty, upon 60 days written notice to the contractor. In the event the initial contract period is for more than 12 months, the resulting contract may be terminated by either party, without penalty, after the initial 12 months of the contract period upon 60 days written notice to the other party. Any contract cancellation notice shall not relieve the contractor of the obligation to deliver and/or perform on all outstanding orders issued prior to the effective date of cancellation.

The Commonwealth reserves the right to cancel and terminate any resulting contract, in part or in whole, without penalty, upon sixty (60) days written notice to the Contractor. Any contract cancellation notice shall not relieve the Contractor of the obligation to deliver and/or perform on all outstanding orders issued prior to the effective date of cancellation.

The Commonwealth shall be obligated for all outstanding Orders, according to the Contract, subsequent to this Termination. The Commonwealth shall not be obligated for any other costs in the event of Termination.

- D. **eVA BUSINESS-TO-GOVERNMENT CONTRACTS AND ORDERS:** The contract will result in multiple purchase order(s) with the eVA transaction fee specified below assessed for each order.

For orders issued January 1, 2014, and after, the Vendor Transaction Fee is:

- (i) DMBE-certified Small Businesses: 1%, capped at \$500 per order.
- (ii) Businesses that are not DMBE-certified Small Businesses: 1%, capped at \$1,500 per order.

The specified vendor transaction fee will be invoiced by the Commonwealth of Virginia Department of General Services, approximately 30 days after the corresponding purchase order is issued and payable 30 days after the invoice date. Any adjustments (increases/decreases) will be handled through purchase order changes.

The eVA Internet electronic procurement solution, website portal [www.eva.virginia.gov](http://www.eva.virginia.gov), streamlines and automates government purchasing activities in the Commonwealth. The portal is the gateway for vendors to conduct business with state agencies and public bodies.

- E. **RENEWAL OF CONTRACT:** This contract may be renewed by the Commonwealth for five (5) successive one year periods under the terms and conditions of the original contract except as stated in 1. and 2. below. Price increases may be negotiated only at the time of renewal. Written notice of the Commonwealth's intention to renew shall be given approximately 90 days prior to the expiration date of each contract period.

1. If the Commonwealth elects to exercise the option to renew the contract for an additional one-year period, the contract price(s) for the additional one year shall not exceed the contract price(s) of the original contract increased/decreased by more than the percentage increase/decrease of the Urban Wage Earners and Clerical Workers category of the CPI-W section of the Consumer Price Index of the United States Bureau of Labor Statistics for the latest twelve months for which statistics are available.

2. If during any subsequent renewal periods, the Commonwealth elects to exercise the option to renew the contract, the contract price(s) for the subsequent renewal period shall not exceed the contract price(s) of the previous renewal period increased/decreased by more



DMBE certification number, phone number, total dollar amount subcontracted, category type (small, women-owned, or minority-owned), and type of product/service provided.

2. Each prime contractor who wins an award in which provision of a small business subcontracting plan is a condition of the award, shall deliver to the contracting agency or institution on a quarterly basis, evidence of compliance (subject only to insubstantial shortfalls and to shortfalls arising from subcontractor default) with the small business subcontracting plan. When such business has been subcontracted to these firms and upon completion of the contract, the contractor agrees to furnish the purchasing office at a minimum the following information: name of firm with the DMBE certification number, phone number, total dollar amount subcontracted, category type (small, women-owned, or minority-owned), and type of product or service provided. Payment(s) may be withheld until compliance with the plan is received and confirmed by the agency or institution. The agency or institution reserves the right to pursue other appropriate remedies to include, but not be limited to, termination for default.

3. Each prime contractor who wins an award valued over \$200,000 shall deliver to the contracting agency or institution on a quarterly basis, information on use of subcontractors that are not DMBE-certified small businesses. When such business has been subcontracted to these firms and upon completion of the contract, the contractor agrees to furnish the purchasing office at a minimum the following information: name of firm, phone number, total dollar amount subcontracted, and type of product or service provided.

- K. **PRIME CONTRACTOR RESPONSIBILITIES:** The contractor shall be responsible for completely supervising and directing the work under this contract and all subcontractors that he may utilize, using his best skill and attention. Subcontractors who perform work under this contract shall be responsible to the prime contractor. The contractor agrees that he is as fully responsible for the acts and omissions of his subcontractors and of persons employed by them as he is for the acts and omissions of his own employees.
- L. **QUANTITIES:** Quantities set forth in this solicitation are estimates only, and the contractor shall supply at bid prices actual quantities as ordered, regardless of whether such total quantities are more or less than those shown.
- M. **SUBCONTRACTS:** No portion of the work shall be subcontracted without prior written consent of the purchasing agency. In the event that the contractor desires to subcontract some part of the work specified herein, the contractor shall furnish the purchasing agency the names, qualifications and experience of their proposed subcontractors. The contractor shall, however, remain fully liable and responsible for the work to be done by its subcontractor(s) and shall assure compliance with all requirements of the contract.
- N. **TERM:** The initial term contract period will be for a one (1) year period from the date of award. All Orders and related documents shall survive the period of performance stated in this section until such time as all Orders (executed prior to the expiration date of the Contract) have been completely performed or services delivered.
- O. **WORK SITE DAMAGES:** Any damage to existing utilities, equipment or finished surfaces resulting from the performance of this contract shall be repaired to the Commonwealth's satisfaction at the contractor's expense.

P. **STATE CORPORATION COMMISSION IDENTIFICATION NUMBER:** Pursuant to Code of Virginia, §2.2-4311.2 subsection B, a bidder or offeror organized or authorized to transact business in the Commonwealth pursuant to Title 13.1 or Title 50 is required to include in its bid or proposal the identification number issued to it by the State Corporation Commission (SCC). Any bidder or offeror that is not required to be authorized to transact business in the Commonwealth as a foreign business entity under Title 13.1 or Title 50 or as otherwise required by law is required to include in its bid or proposal a statement describing why the bidder or offeror is not required to be so authorized. Indicate the above information on the SCC Form provided. Contractor agrees that the process by which compliance with Titles 13.1 and 50 is checked during the solicitation stage (including without limitation the SCC Form provided) is streamlined and not definitive, and the Commonwealth's use and acceptance of such form, or its acceptance of Contractor's statement describing why the bidder or offeror was not legally required to be authorized to transact business in the Commonwealth, shall not be conclusive of the issue and shall not be relied upon by the Contractor as demonstrating compliance.

Q. **E-VERIFY PROGRAM:** Pursuant to *Code of Virginia*, §2.2-4308.2., any employer with more than an average of 50 employees for the previous 12 months entering into a contract in excess of \$50,000 with any agency of the Commonwealth to perform work or provide services pursuant to such contract shall register and participate in the E-Verify program to verify information and work authorization of its newly hired employees performing work pursuant to such public contract. Any such employer who fails to comply with these provisions shall be debarred from contracting with any agency of the Commonwealth for a period up to one year. Such debarment shall cease upon the employer's registration and participation in the E-Verify program. If requested, the employer shall present a copy of their Maintain Company page from E-Verify to prove that they are enrolled in E-Verify.

R. **eVA ACCEPTANCE OF ELECTRONIC ORDERS**

Within sixty (60) days of contract award, vendor shall be actively registered within eVA, the Commonwealth's electronic ordering system, and capable of accepting electronic purchase orders. Please visit: <http://www.eva.virginia.gov/pages/eva-registration-buyer-vendor.htm> for more information.

S. **CRIMINAL BACKGROUND CHECK.** The Commonwealth or any Authorized User retains the right to perform a criminal background investigation of a Contractor and any staff who may provide Services under a Contract. Any Authorized User reserves the right to refuse any Contractor or its staff that do not agree to allow such an investigation, or who are otherwise deemed unacceptable, at the sole determination of the Commonwealth or Authorized User, based on the results of the background check.

## VII. METHOD OF PAYMENT

A. For valid invoices that exceed \$5,000.00 or more, payment will be made within 30 days of receipt of a valid invoice for all services provided during the previous month. The Contractor shall submit a valid invoice to the following address by the 10<sup>th</sup> day of the month following the month in which services were rendered. Invoices shall be mailed to:

Department of General Services  
ATTN: Fiscal Services  
Post Office Box 404

**ATTACHMENT A**

**BID PRICING**

Bidder shall review this complete solicitation before completing and submitting the below bid pricing page.

- A. Title Insurance Rate Schedule. Attach a schedule for title insurance premiums (which shall include "as completed" endorsements) shall not exceed \$ 3.90 per thousand dollars of insured value..
- B. Endorsement/Extra Hazard Fee. The fee for one or more endorsements (excluding any "as completed" endorsement) shall not exceed 10 % of the rate charged for the title insurance premium.
- C. Title Examination. The hourly rate to be charged for title examination services performed anywhere throughout the Commonwealth of Virginia shall not exceed \$ 85.00 per hour.
- D. Document Copies. The fee for document copies shall not exceed \$ .50 per page.
- E. Title Commitment. The fee for preparing and delivering a title report or commitment shall not exceed \$ 100.00.
- F. Settlement and Escrow Services. The fee for settlement and escrow services shall not exceed \$ 750.00.

**REGISTRATION CERTIFICATION**

By my signature below. I certify that the individual or entity named below is registered as a settlement agent pursuant to the Real Estate Settlement Agents Act with the appropriate authority as follows:

Registrant's Name: BB&T Insurance Services, Inc. d/b/a BridgeTrust Title Group

Registration Number: F133441-8

Registering Authority:

- State Corporation Commission
- Virginia State Bar
- Virginia Real Estate Board

Signature: 

Printed Name: Robert G. Hofheimer

Title: Vice President

Name of Business/Proprietorship: BB&T Insurance Services, Inc.

Date: 07/25/2014

## ATTACHMENT B

### CONTRACT ORDERING INSTRUCTIONS FOR USING PRE-QUALIFIED CONTRACTORS

#### ORDERING PROCESS FOR USE OF A PRE-QUALIFIED CONTRACTOR RESULTING FROM THIS SOLICITATION FOR PROVISION OF TITLE EXAMINATIONS, TITLE INSURANCE, OR SETTLEMENT SERVICES

##### **WORK ESTIMATED AT LESS THAN \$5,000**

1. Authorized User develops the Statement of Work (SOW) for Services needed.
2. Authorized User contacts and provides the SOW to a minimum of one (1) contractor based on contractor's qualifications and geographic location for Service performance.
3. Authorized User establishes the due date for Contractor to reply with bid price to perform the services specified in the SOW.
4. Contractor returns replies with a bid price to an Authorized User by the established due date.
5. Authorized User selects and notifies the contractor of an accepted bid and issues eVA Order with SOW attached.
6. The eVA order shall be subject to terms and conditions as stated in this Contract.

##### **WORK ESTIMATED TO BE BETWEEN \$5,000 and \$100,000**

1. Authorized User develops the Statement of Work (SOW) for Services needed.
2. Authorized User contacts and provides the SOW to all contractors in the geographic location for Service performance.
3. Authorized User establishes due date for Contractors to reply with bid price to perform the services specified in the SOW.
4. Contractors return replies with a bid price to an Authorized User by the established due date.
5. Authorized User selects and notifies the contractor of an accepted bid and issues eVA Order with the SOW attached
6. The eVA order shall be subject to terms and conditions as stated in this Contract.

##### **WORK ESTIMATED OVER \$100,000**

**Work that is estimated to exceed \$100,000 is not applicable to this Contract.**

No Authorized User shall issue any Order referencing this Contract and no Contractor shall accept any Order exceeding \$100,000 that references this Contract.

## ATTACHMENT C

### *Sample Scope of Work (SOW)*

***This following sample template is for illustrative purposes only. An Authorized user may use and develop any similar form or format in order to ensure that they can adequately convey to the Contractor size, scope or complexity of a real property project requiring Services.*** Regardless of format, such a document shall be coordinated for each Order developed between an Authorized User and the Contractor for Services to be provided under this Agreement. Following the completion of a SOW, the SOW shall accompany an eVA Requisition for services from the Ordering Officer to complete the approval of an eVA Contract Order. **NO SOW SHALL BE VALID UNLESS ACCOMPANIED BY A DULY AUTHORIZED EVA ORDER.**

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#### NOTES:

1. Any Order placed by an Authorized User under this Agreement shall be accompanied by a completed SOW. Contractor shall not accept an Order unless accompanied by a completed SOW.
  - a. The SOW shall reference the DGS contract number.
  - b. The SOW shall include the type of services to be performed, and the costs or price, which shall be consistent with the Contract pricing.
  - c. The SOW shall contain the delivery or performance schedule.
2. Order shall be a Fixed-Price type order, using rates not in excess of Contractor's bid price schedule incorporated into Contractor's Contract.
3. Contractor's rates are to be fully comprehensive, which shall include, but not be limited to: all materials, equipment, travel, lodging, incidentals, mail, shipping or any other costs necessary for provision of Services.

**CONTINUED ON NEXT PAGE**

**[Sample Scope of Work (SOW)]**

*Title Examinations, Title Insurance, and Comprehensive Settlement Services*

1. DGS Contract #: \_\_\_\_\_ (from contract page 1)
2. SOW Effective Date: <<Insert Date>>
3. Authorized User / Ordering Entity:  
<< Insert ordering entity name e.g., DGS, Division of Real Estate Services, etc. >>
4. Authorized User Contact Info:  
<< Insert all address and other contact information of the public body >>
5. Ship to/Bill to Addresses:  
<< Insert information to appear on eVA Order to correctly bill information >>
6. Project Description:  
<< Insert name and description for project, goals, etc. >>
7. Scope of Work:
  - a. Services and Deliverables required:
  - b. Custom report needs or formats:
8. Timelines:
9. Project Milestones (if applicable):
10. **Confidentiality:** In the course of providing Services under this Agreement, Contractor's staff may have access to certain state and/or federal information, which the Commonwealth or Authorized User may deem to be confidential or privileged information, which is not intended to be disclosed to any third party. By its signature below, Contractor hereby certifies and warrants to hold all such Confidential Information in strictest confidence and to not copy, reproduce, sell, transfer, or otherwise dispose of, give or disclose such Confidential Information to any third parties other than employees, agents, or subcontractors of such party who have a need to know in connection with this Agreement or to use such Confidential Information for any purposes whatsoever other than the performance of this Agreement. Contractor agrees to certify its respective employees, agents, and subcontractors of their obligations of confidentiality hereunder and require the same to keep such information confidential. The Commonwealth or any Authorized User retain the sole and exclusive right for the Contractor or its personnel to sign and certify a separate Non-disclosure Agreement (NDA), as deemed appropriate or necessary for the performance of Services. Contractor acknowledges that the breach of its obligation of confidentiality may

give rise to irreparable injury to the Commonwealth or Authorized User, which damage may be inadequately compensable in the form of monetary damages. Accordingly, the Commonwealth or Authorized User may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies which may be available.

11. Other:

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**This SOW, with any illustrative descriptions as attachments or exhibits, together with the accompanying eVA Order and the referenced Contract (above), constitute the entire agreement between Contractor and the Authorized User below, with respect to all communications, representations or agreements, whether oral or written, and with respect to the subject matter hereof. Terms and conditions inconsistent with, contrary to, or in addition to the above-referenced Contract shall not be added to or incorporated into this SOW or to any of its attachments or exhibits, or by any subsequent purchase order, or otherwise, and any attempts to add or incorporate such terms and conditions are hereby rejected. The terms and conditions of the referenced Contract and its exhibits shall prevail and govern in the case of any such inconsistent or additional terms.**

**ATTACHMENT D**

*Virginia State Corporation Commission (SCC) Form*

**Virginia State Corporation Commission ("SCC") registration information:**

**THE UNDERSIGNED BIDDER:**

is a corporation or other business entity with the following SCC identification number: F133441-B.

-OR-

is not a corporation, limited liability company, limited partnership, registered limited liability partnership, or business trust

-OR-

is an out-of-state business entity that does not regularly and continuously maintain as part of its ordinary and customary business any employees, agents, offices, facilities, or inventories in Virginia (not counting any employees or agents in Virginia who merely solicit orders that require acceptance outside Virginia before they become contracts, and not counting any incidental presence of the Bidder in Virginia that is needed in order to assemble, maintain, and repair goods in accordance with the contracts by which such goods were sold and shipped into Virginia from Bidder's out-of-state location)

-OR-

is an out-of-state business entity that is including with this proposal an opinion of legal counsel which accurately and completely discloses the undersigned Bidder's current contacts with Virginia and describes why those contacts do not constitute the transaction of business in Virginia within the meaning of § 13.1-757 or other similar provisions in Titles 13.1 or 50 of the Code of Virginia.

**\*\* NOTE \*\***

Check this box if you have not completed any of the foregoing options, but currently have pending before the SCC an application for authority to transact business in the Commonwealth of Virginia and wish to be considered for a waiver to allow you to submit the SCC identification number after the due date for bids/proposals.\*

**Signature:**



**Printed Name:** Robert G. Hofheimer

**Title:** Vice President

**Name of Firm:** BB&T Insurance Services, Inc. d/b/a BridgeTrust Title Group

**Date:** 07/25/2014

**\* The Commonwealth reserves the right to determine in its sole discretion whether to allow such a waiver**

## ATTACHMENT E

### Geographic Services Chart

Please mark the following chart to indicate those geographic areas in which you would be willing to offer to perform title examinations. You may specify counties, cities or towns to be excluded from an area for which you would be willing to offer to perform appraisal services, if you choose to be more specific.

AREA	AREA DESCRIPTION	Area where Bidder will provide title examination services. (Mark with "Yes" if all included. Identify any excluded locations by listing or striking through)
<b>1</b> <b>Bristol</b>	<p><b>Counties:</b> Bland, Buchanan, Dickenson, Grayson, Lee, Russell, Scott, Smyth, Tazewell, Washington, Wise and Wythe</p> <p><b>Cities:</b> Bristol, Norton</p> <p><b>Towns:</b> Abingdon, Appalachia, Big Stone Gap, Bluefield, Cedar Bluff, Chilhowie, Cleveland, Clinchco, Clinchport, Clintwood, Coeburn, Damascus, Duffield, Dungannon, Fries, Gate City, Glade Spring, Grundy, Haysi, Honaker, Independence, Jonesville, Lebanon, Marion, Nickelsville, Pennington Gap, Pocahontas, Pound, Richlands, Rural Retreat, Saltville, St. Charles, St. Paul, Tazewell, Troutdale, Weber City, Wise and Wytheville</p>	<p>Include: <u>Yes</u></p> <p>Exclude: _____</p> <p>_____</p> <p>_____</p> <p>_____</p>
<b>2</b> <b>Salem</b>	<p><b>Counties:</b> Bedford, Botetourt, Carroll, Craig, Floyd, Franklin, Giles, Henry, Montgomery, Patrick, Pulaski and Roanoke</p> <p><b>Cities:</b> Bedford, Galax, Martinsville, Radford, Roanoke and Salem</p> <p><b>Towns:</b> Blacksburg, Boones Mill, Buchanan, Christiansburg, Dublin, Fincastle, Floyd, Glen Lyn, Hillsville, Narrows, New Castle, Pearisburg, Pembroke, Pulaski, Rich Creek, Ridgeway, Rocky Mount, Stuart, Troutville and Vinton</p>	<p>Include: <u>Yes</u></p> <p>Exclude: _____</p> <p>_____</p> <p>_____</p> <p>_____</p>
<b>3</b> <b>Lynchburg</b>	<p><b>Counties:</b> Amherst, Appomattox, Buckingham, Campbell, Charlotte, Cumberland, Halifax, Nelson, Pittsylvania and Prince Edward</p> <p><b>Cities:</b> Danville, Lynchburg</p> <p><b>Towns:</b> Altavista, Amherst, Appomattox, Brookneal, Charlotte Court House, Chatham, Dillwyn, Drakes Branch, Farmville, Gretna, Halifax, Hurt, Keysville, Pamplin City, Phenix, Scottsburg, South Boston and Virgilina</p>	<p>Include: <u>Yes</u></p> <p>Exclude: _____</p> <p>_____</p> <p>_____</p> <p>_____</p>

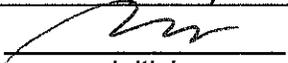
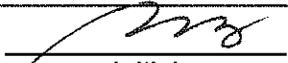
<p><b>4</b> <b>Richmond</b></p>	<p><b>Counties:</b> Amelia, Brunswick, Charles City, Chesterfield, Dinwiddie, Goochland, Hanover, Henrico, Lunenburg, Mecklenburg, New Kent, Nottoway, Powhatan and Prince George <b>Cities:</b> Colonial Heights, Hopewell, Petersburg and Richmond <b>Towns:</b> Alberta, Ashland, Blackstone, Boydton, Brodnax, Burkeville, Chase City, Clarksville, Crewe, Kenbridge, La Crosse, Lawrenceville, Mckenney, South Hill and Victoria</p>	<p>Include: <u>Yes</u> Exclude: _____ _____ _____ _____</p>
<p><b>5</b> <b>Norfolk</b></p>	<p><b>Counties:</b> Accomack Isle of Wight, James City, Northampton, Southampton, Surry, Sussex, York and Greensville. <b>Cities:</b> Chesapeake, Emporia, Franklin, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach and Williamsburg <b>Towns:</b> Accomac, Belle Haven, Bloxom, Boykins, Branchville, Cape Charles, Capron, Cheriton, Chincoteague, Claremont, Courtland, Dendron, Eastville, Exmore, Hallwood, Ivor, Jarratt, Keller, Melfa, Nassawadox, Newsoms, Onancock, Onley, Painter, Parksley, Saxis, Smithfield*, Stony Creek, Surry, Tangier, Wachapreague, Wakefield, Waverly and Windsor</p>	<p>Include: <u>Yes</u> Exclude: _____ _____ _____ _____</p>
<p><b>6</b> <b>Fredericksburg</b></p>	<p><b>Counties:</b> Caroline, Essex, Gloucester, King and Queen, King George, King William, Lancaster, Mathews, Middlesex, Northumberland, Richmond, Spotsylvania, Stafford and Westmoreland <b>Cities:</b> Fredericksburg <b>Towns:</b> Bowling Green, Colonial Beach, Irvington, Kilmarnock, Montross, Port Royal, Tappahannock, Urbanna, Warsaw, West Point and White Stone</p>	<p>Include: <u>Yes</u> Exclude: _____ _____ _____ _____</p>
<p><b>7</b> <b>Culpeper</b></p>	<p><b>Counties:</b> Albemarle, Culpeper, Fauquier, Fluvanna, Greene, Louisa, Madison, Orange and Rappahannock <b>Cities:</b> Charlottesville <b>Towns:</b> Columbia, Culpeper, Gordonsville, Louisa, Madison, Mineral, Orange, Remington, Scottsville, Stanardsville, The Plains, Warrenton and Washington</p>	<p>Include: <u>Yes</u> Exclude: _____ _____ _____ _____</p>
<p><b>8</b> <b>Staunton</b></p>	<p><b>Counties:</b> Alleghany, Augusta, Bath, Clarke, Frederick, Highland, Page, Rockbridge, Rockingham, Shenandoah and Warren <b>Cities:</b> Buena Vista, Covington, Harrisonburg, Lexington, Staunton, Waynesboro and Winchester <b>Towns:</b> Berryville, Boyce, Bridgewater, Broadway, Clifton Forge, Craigsville, Dayton, Edinburg, Elkton, Front Royal, Glasgow, Goshen, Grottoes, Iron Gate, Luray, Middletown, Monterey, Mount Crawford Mount, Jackson, New Market, Shenandoah, Stanley, Stephens City, Strasburg, Timberville, Toms Brook and Woodstock</p>	<p>Include: <u>Yes</u> Exclude: _____ _____ _____ _____</p>

<p style="text-align: center;"><b>9</b> <b>Northern</b> <b>Virginia</b></p>	<p><b>Counties:</b> Arlington, Fairfax, Loudoun and Prince William  <b>Cities:</b> Alexandria, Fairfax, Falls Church, Manassas and Manassas Park  <b>Towns:</b> Clifton, Dumfries, Hamilton, Haymarket, Herndon, Hillsboro, Leesburg, Lovettsville, Middleburg, Occoquan, Purcellville, Quantico, Round Hill and Vienna</p>	<p>Include: <u>Yes</u></p> <p>Exclude: _____</p> <p>_____</p> <p>_____</p> <p>_____</p>
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## ATTACHMENT G

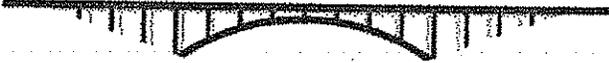
### BIDDER CHECKLIST – TO BE RESPONSIVE TO SOLICITATION, COMPLETE THE FOLLOWING:

Required Items to be provided with Bid	Bidder Acknowledgement (Initial below when action completed)
1. <b>Contractor Info</b> - Complete Contractor Offer information on cover page. <b>Signature Required</b>	 Initial
2. <b>Pricing and Registration Certification</b> - Complete Bid Pricing and Registration Certification on <u>Attachment A</u> .	 Initial
3. <b>State Corporation Commission – Attachment D</b> . Complete required information. <b>Signature Required</b>	 Initial
4. <b>Geographic Services Chart – Attachment E</b> . Complete Attachment and specify ALL areas to be <u>included</u> or <u>identify any locations to be EXCLUDED</u> .	 Initial
5. <b>Vendor Data Sheet – Attachment F</b> . Complete required information. <b>Signature Required</b>	 Initial
6. <b>Statement of Qualifications</b> –Summation of Qualifications. Submit information regarding qualifications and experience of Bidder and any supporting documentation, to include a description of the bidder’s organizational and staff qualifications and experience to perform the work described in this IFB. Information about experience should include direct experience with the specific subject matter. Full-time and part-time staff, proposed consultants and subcontractors who may be assigned direct work on this project should be identified. Identification of direct technical supervisors and key technical personnel should be made. Resumes of key staff, proposed consultants and subcontractors are required, indicating education, background and recent relevant experience with the subject matter of the project. List all title insurance companies through which title commitments are issued.	 Initial

**THIS COMPLETED FORM MUST BE INCLUDED WITHIN YOUR BID PACKAGE.**

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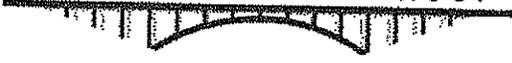


BridgeTrust Title Group is a company whose agency affiliations are with Chicago Title Insurance Company, Fidelity National Title Insurance Company, First American Title Insurance Company, Old Republic National Title Insurance, Stewart Title Guaranty Company Westcor Land Title Insurance Company and WFG National Title Insurance Company. We are a company characterized by employees whose ability to produce collectively goes well beyond the capabilities they possess individually.

Here's our story . . . .

# BridgeTrust

TITLE GROUP



## OUR HISTORY.....

We trace our history back to a small title insurance agency office started in 1952 on Washington Street in Portsmouth, Virginia by Irvin Cohen operating under the name of Berk's Title Agency. This modest beginning lasted for almost 20 years. Cohen then formed a series of partnerships and opened offices in Newport News, Norfolk, Virginia Beach, Roanoke, Richmond and Durham. It is from these offices that the present company's history is traced. In the early 70's, Dixie Benton and Buzzy Hofheimer joined Cohen. Benton worked in the Portsmouth office and Hofheimer in the Virginia Beach office. Both are currently in leadership positions with the company. It was at that time that the name was changed to PIONEER TITLE.

In the early 1980s, Hofheimer and Cohen restructured the agencies and Hofheimer assumed the management of the Norfolk, Portsmouth Virginia Beach & Roanoke offices. Later offices were established in Chesapeake and Suffolk. In 1987, Hank Godwin joined the company and managed the Norfolk office and Hofheimer the Virginia Beach office. It was during that time period that most of the present leadership joined the company, including Susan Hawkins, Rebecca Chappell, Lynn Mullins, Joann Lehr, Deborah Allen and Susan Newton.

Since 1999, there have been two big changes. We consolidated all our offices in Virginia Beach and the company joined a large title operation concentrated in the Southeast. However, we continued to operate as Pioneer Title. We and our sister companies while under the same umbrella were all operating under different names. As the companies have grown, the decision was made for all the offices to identify themselves by using the name BridgeTrust Title Group.

The new name reflects that we are an agent for more than one carrier: Chicago, Fidelity, First American, Stewart Title, WFG, Westcor and Old Republic. Being an agent for multiple carriers gives us flexibility if one carrier is not comfortable with a title issue. The name also reflects that we are part of a group encompassing 21 offices across the southeast so that you will think of us for transactions elsewhere in the country.

While our name may be different our philosophy and leadership have not changed. Through our consistent dedication to doing a good job the right way and working with our customers conscientiously and correctly, we have made a reputation for ourselves. That's what makes our company special. We are dedicated to be the best possible title insurance and settlement provider in our markets.



## STAFF PROFILES AND SERVICE LOCATIONS

In an effort to convince you how well and efficiently BridgeTrust Title is able to meet your needs, we outline our staff profile and our service locations.

### THE STAFF

The staff is comprised primarily of underwriters and title examiners. The agency managers are J. Henry Godwin, III and Robert G. Hofheimer, Jr. The combined experience of Messrs. Godwin and Hofheimer in the title industry, in Virginia, is over fifty years. The depth of their experience, and the long time familiarity with local geography, are their great value to the Tidewater real estate community. Susan Hawkins is Office Administrator and Rebecca Chappell is Settlement Department Administrator. Marketing coordination is handled by Dixie Benton.

Mrs. Benton served as President of the Virginia Land Title Association, "VLTA", the state association of title insurance underwriters and agents from June 2005 to June 2006. Mr. Hofheimer served as President of the VLTA from June 1993 to June 1994.

Both Mr. Godwin and Mr. Hofheimer have served with the Insurance Testing Corporation in editing the licensing examination for Virginia Title Insurance Agents.

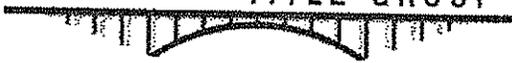
BridgeTrust's title examiners include:

- Helene Baker
- Brenda Nelson
- Susan Newton

Our title examiners have an average of twenty years experience, with the vast majority of that time accumulated in the Hampton Roads area.

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A decorative graphic element consisting of a horizontal line with a series of vertical bars of varying heights underneath it, resembling a bridge or a stylized architectural element.

We have staff located on a daily basis in each of the record rooms of Chesapeake, Norfolk, and Virginia Beach.

We perform pickup and delivery services on a daily basis to many of the major law firms in Hampton Roads.

We have staff available in our office in Virginia Beach to assist you, to answer your questions and to solve your problems. They are:

Dana Godek  
Elaine Hansen  
Milika Hobbs  
Patty Jaeger  
Susan Johnson  
Joann Lehr  
Jim Lockie  
Lynn Mullins  
Cathy Murray  
Lisa Neal  
Raynelle Ricks  
Anne Tribble  
Carol Vangi  
Lili Valentine  
Christie Worrell

Complex commercial transactions will be serviced and monitored by Pam Faber, Kris Cates, Susan Hawkins, Samantha Melton and Buzzy Hofheimer.

75% of our employees are licensed by the Commonwealth of Virginia as Title insurance Agents. Maintenance of a license requires bi-annual continuing education in Title Insurance matters.



## SCOPE OF SERVICES

Depending on the nature and scope of each project, BridgeTrust may offer some or all of the following services:

- 1) the title examination - limited or full search
- 2) title commitment/binder or status of title
- 3) policy issue
- 4) escrow of funds
- 5) title updates for draws
- 6) construction loan draw endorsements
- 7) liaison among developer, banker, attorney
- 8) Settlement Services
- 9) 1031 exchange

Consider each one of these elements.

1) The title examination is the most critical aspect of our work. It involves the following efforts: information gathering, organizing, evaluation and analysis, problem identification, and problem solving. The examination may serve as a critical part of the contractual process.

2) The title commitment or binder constitutes our formal promise to you that we will make a financial commitment to the accuracy of our information, the correctness of our analysis, the efficacy of our solutions, and the legitimacy of the proposed transfer. Keep in mind that prior to the issuance of the binder, we will have reviewed our information with your attorney, providing commentary on how requirements are to be met. The binder then becomes a working tool to help both buyers and sellers and their attorneys execute the most orderly transfer of title. BridgeTrust Title Group's history, level of expertise, and quality of title plant play a significant role here.

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3) Upon execution of the documents to be recorded, BridgeTrust Title will record all of the necessary documents in the appropriate Clerk's Offices in order that the policy may be issued.

4) The policy is the fulfillment of the title commitment or binder. When BridgeTrust issues the policy, it means that problems/conditions outlined in the binder have been solved or met. This document is the "perfection", if you will, of our promise to make a financial commitment to the legitimacy of your real estate transfer.

5) BridgeTrust will do title updates in the case of the project that includes a construction loan. Updating is a process of keeping your banker's and our information current with regard to the status of title. Updates are done just prior to each disbursement of funds at the request of your banker.

6) Construction loan draw endorsements comprise a particular configuration to accommodate the way a construction loan is funded. It is BridgeTrust's way of making sure your policy matches the exact balance of the loan each step of the way. So as each draw is made, the binder/policy is endorsed to reflect the increased loan amount. In the event that a given city's recordation process is behind, and your attorney is unable to provide current update services, we may be able, in unusual situations, to issue gap coverage, so your protection is complete.

7) The working relationship BridgeTrust forms with the developer, his attorney, and his banker is very critical. We believe that if you ask, you will find that BridgeTrust has a fine reputation when it comes to dialogue with real estate attorneys, and a responsiveness to the needs of the banker. And our runners make necessary documents available to all the involved parties in a most timely fashion.

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8) BridgeTrust Title is registered with the Virginia Bureau of Insurance to perform standard real estate settlement services. Our staff is capable of handling every phase of the real estate settlement process. We maintain an errors and omissions policy for your protection.

Our purpose in giving you this information is to outline BridgeTrust's services and show how they will be provided, and perhaps give you a sense of how well we understand the importance of follow-through on our offer to work with you.

9) The 1031 tax-deferred exchange (as permitted by §1031 of the Internal Revenue Code) is a way for a property owner to exchange prior owned property for new property without incurring income tax on the gain - a tax deferred exchange. This transaction represents substantial savings for the property owner. BridgeTrust Title can act as the Qualified Intermediary in these types of transactions.

The most common transaction is a delayed or deferred exchange: Under this scenario, BridgeTrust Title, through "**Independent Trustees**", an affiliated company, holds the proceeds for the sale of the first property for the benefit of the client, until a second property is identified as replacement property. Proceeds from the sale of the first property are deposited into an interest bearing account, where the client receives interest on deposited funds at competitive rates of return. BridgeTrust then forwards the proceeds (including interest) for the purchase of the replacement property, at the time of the second closing.

When an Exchanger is exchanging real property, "like-kind" is one of the advantages of §1031 exchanges. All real property is "like-kind" with all other real property. "Like-kind" refers to how the property is held by the investor, not the type or character of the property. The Exchanger must have held the relinquished property for investment or for the "productive use in their trade or business" and intend to do the same with the replacement property. The following are examples of "like-kind" property:

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- Residential for commercial
- Bank building for swamp land
- Fee simple interest for 30-year leasehold
- Single family rental for multi-family rental
- Non-income producing for income producing
- Rental mountain cabin for a dental office in which the exchanger intends to practice

The exchanger must hold the relinquished property for investment or for "productive use in their trade or business" to qualify for §1031 treatment. The critical issue here is the exchanger's purpose in holding the property-how he intends to use the property- rather than the type of property.

The following are examples of qualifying properties:

Bare Land	Farmer's farm
Commercial rental	Residential rental
Industrial property	Doctor's own office
30-year leasehold interest	Percentage interest in investment property

The intent to hold the property for **personal use** will prevent the property from qualifying from §1031 treatment. **Therefore, second homes will not qualify for §1031 treatment unless the property owner changes how they treat or use the second home.** For example, a taxpayer could "convert" their second home to a valid exchange property and establish this intent by properly renting the property and holding it as a legitimate rental property. Consultation with a tax advisor is important whenever a taxpayer changes how they intend to hold property.

The intent to hold property "**primarily for sale**" will prevent the property from qualifying for § 1031 treatment. Most properties owned by developers, builders and people who perform rehabilitation work are held primarily for sale and may not be the subject of an exchange. When these properties are sold, they are subject to ordinary income taxes rather than capital gain taxes.

Partnership interests, notes secured by real property, contract vendor's interests, and foreign property (under the Revenue Reconciliation Act of 1989) **do not qualify** for §1031 treatment.



#### **YOUR INFORMATION SOURCE**

BRIDGETRUST provides information to the business community through a number of different channels. Important among them are our seminars, quarterly newsletter and our brochure entitled "What Everyone Should Know About Title Insurance". All are designed to provide timely and relevant information to professionals involved in real estate transactions.

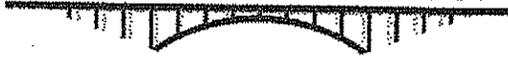
BridgeTrust Title hosts a web site at [www.BTTGVB.com](http://www.BTTGVB.com). Through our web site you may access helpful information such as price quotations or order a title search and Insured Closing Letter. Our web page and e-mail system connects us instantly with our clients and enables us to respond promptly to any and every request.

#### **OUR SUBSIDIARIES**

**INDEPENDENT TRUSTEES OF VIRGINIA, INC.** serves as an escrow agent for holding funds, performs foreclosure services, and additionally acts as qualified intermediary in exchanges pursuant to Section 1031 of the Internal Revenue Code.

# BridgeTrust

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## REGARDING NORTH CAROLINA . . . . .

BridgeTrust Title Group is able to write title insurance in North Carolina as a non-resident agent. We know that more and more of our customers are involved in Carolina transactions. So we hope you will regard it as a marvelous convenience that BridgeTrust is able to accommodate your title insurance needs on both sides of the border.

As we continue to make calls in Carolina, we are developing a list of qualified attorneys. You will need attorneys to do your title examinations, because North Carolina statutes do not permit title companies to perform that service.

We would feel privileged to work with you on your Carolina transactions, and will be happy to help you in selecting a licensed attorney in northeast North Carolina.