



*101 City Hall Annex
Durham, North Carolina 27701*

INSURANCE BROKER SERVICES

Request for Proposal (RFP)

21-0005

Date of Issue: September 1, 2020

INTRODUCTION

The City of Durham Risk Management Division is seeking proposals from qualified firms interested in providing professional insurance brokerage services as needed for accessing insurance markets, to provide consulting broker and insurance advisor services, and to provide direct support in the area of contracts and basic insurance service.

The contract period for said services is for a period of three (3) years commencing with the date that the award is made, with an option to extend for three (3) additional one (1) year periods (at the City's discretion).

The City of Durham is a self-funded municipality employing approximately 2,400 employees (regular plus temporary) working in 25 departments.

The City's Risk Management Division is comprised of two (2) Occupational Safety&Health Analysts who direct safety related training, facility inspections and OSHA compliance, a Claims Analyst responsible for liability claim oversight of TPA services ensuring compliance with City claim standards as well as managing litigated claims, a Risk Administrator responsible for workers compensation claim oversight of TPA services ensuring compliance with City claim standards, facilitating the "Return to Work" program, managing divisional operational processes, along with assisting the Risk Manager as needed, and an Occupational Safety&Health Analyst Associate responsible for safety and claims administrative support.

RFP PROCESS

INSTRUCTIONS TO BIDDERS

The General Statutes of the State of North Carolina, the Charter of the City of Durham, and City Ordinances, in so far as they apply to purchasing and competitive bidding, are made a part hereof.

The City reserves the right to reject any or all proposals. It further reserves the right to waive formalities and technicalities in so far as it is authorized to do so where it deems it advisable in protection of the best interest of the City.

The City of Durham encourages participation from Minority (MBE), Women (WBE), and Disadvantaged (DBE) business suppliers.

Bids will be examined promptly after opening with an award made at the earliest possible date. No bids may be withdrawn, however, until 90 days after bid opening date.

Submit bids only on the bid proposal form(s) provided herein.

SELECTION CRITERIA

The Insurance Broker will be selected on the basis of the proposal that is most advantageous to the City. Factors to be considered but not necessarily limited to: response to all requirements listed in this RFP, responsiveness to special needs, and superior level of public sector experience.

***Although price is a consideration, it will not be the sole factor and the City reserves the right to negotiate fees with the selected Broker.**

DELIVERY OF PROPOSALS

In order to be considered, proposals must be delivered by the date and time specified below.

Please submit two (2) hard copies and one (1) electronic copy of your proposal no later than 2:00pm, Thursday October 1, 2020 to:

RFP #21-0005

City of Durham, Finance Department

Purchasing Division

101 City Hall Plaza Annex

Durham, NC 27701

Email: frederick.nielsen@durhamnc.gov

Address envelope and insert bid number as shown above. It is the responsibility of the bidder to have the bid in this office by the specified time and date of opening. Our office does not take responsibility for any bids not delivered to the Finance Department.

*******SPECIAL NOTE – PLEASE READ*******

The US Postal Service DOES NOT deliver any mail (US Postal Express Mail, Certified, Priority, Overnight, etc.) to our physical address of 101 City Hall Plaza (Annex).

PROPOSAL FORMAT

In order for a proposal to be considered by the City, each prospective Broker **MUST** respond to this RFP by submitting all information in the format requested. Responses must be submitted on standard 8 ½ X 11 paper, accompanied by a transmittal letter on the organizations official letterhead and signed by an authorized representative of the organization. The transmittal should indicate the period of time during which the proposal offer is open. The minimum offer period accepted will be five months. Additional format requirements are as follows:

- Record responses directly below each statement or question.
- Electronic copy of the proposal should be in either Microsoft Word or Adobe PDF format.

- All questions related to this RFP should be submitted to:
Frederick.Nielsen@durhamnc.gov

PRESENTATIONS

Upon review of the proposals submitted, the City will determine which (if any) Brokers will be selected for oral presentation. Total allotted time for the presentation is 1 hour.

PROCUREMENT SCHEDULE*

Questions due to the City regarding RFP	September 14, 2020
Response to questions	September 21, 2020
Proposals due	October 1, 2020
Finalist selected	October 5 2020
Finalist presentations	October 12, 2020
Notice of Award.....	October 19 , 2020
Service agreement negotiated	November 23, 2020
Contract period begins.....	November 30, 2020

***The City of Durham reserves the right to change the published procurement schedule at any time. In the event of a schedule change all finalist will be notified accordingly.**

OTHER REQUIREMENTS

EQUAL BUSINESS OPPORTUNITY PROGRAM

It is the policy of the City to provide equal opportunities for City contracting for persons who own underutilized businesses doing business in the City’s Contracting Marketplace. It is further the policy of the City to prohibit discrimination against any firm in pursuit of these opportunities, to conduct its contracting activities so as to prevent such discrimination, to correct present effects of past discrimination and to resolve complaints of discrimination. This policy applies to all professional services categories.

The goals are 0% M/UBE and 0% W/UBE. In accordance with the Ordinance, all proposers are required to provide information requested in the Professional Services Forms package included with this request. The UBE Participation Documentation and the Employee Breakdown documents are required of all proposers. In lieu of the Employee Breakdown, contractors may submit a copy of the current EEO-1 form (corporate basis). If your firm chooses to include minority/women business participation, the Letter of Intent to Perform as a Sub-consultant document is also required with the proposal. Proposals that do not contain the appropriate, completed Professional Services Forms may be deemed non-responsive and ineligible for consideration. The Request to Change UBE Participation and “UBE Goals Not Met/Documentation of Good Faith Efforts” forms are not applicable at this time.

The Equity & Inclusion Department is responsible for the Equal Business Opportunity Program. All questions about Professional Services Forms should be referred to Deborah Giles or other department staff at (919) 560- 4180.

***See Attachment for EBOP Professional Services Forms**

SCOPE OF SERVICES

INSURANCE BROKER SERVICES

The prospective vendor will administer the insurance brokerage services in accordance with the requirements of State law and City ordinances and policies. Following are the scope of services:

A. Property/Casualty/Specialty Line Risk Analysis, Marketing and Placement of Insurance

1. Develop underwriting information, prepare specifications for marketing insurance coverage, structure offerings to insurers and secure insurance coverages selected by the City.
2. When possible, design insurance policy wording to meet the specific needs and requirements of the City.
3. Structure insurance programs to eliminate gaps and overlaps in coverage and to provide the limits or amounts of coverage requested by the City.
4. Review each insurance policy, binder, certificate or other insuring document to see that wording is complete and accurate and that coverage is in compliance with specifications.
5. Service each insurance policy issued to the City, processing changes and endorsements as needed.
6. Assist in the collection and tendering of losses to the underwriter.
7. Be responsible for billing and sub-billing of premiums.
8. Assist in the identification and evaluation of loss exposure as requested, including comparative data regarding other public entities that share the size and scope of the City, and provide loss prevention strategies to reduce said exposures.
9. Monitor all insurance and other risk financing or loss funding arrangements to assure their continuing adequacy in terms of cost and protection.
10. Act as liaison between City and insurers.
11. Provide the City with a written explanation of the basic structure of each policy, including coverages, exclusions, terms, analysis of coverage scope, cost and services, and other essential information, in a format suitable for use as a high level executive summary document.

12. Provide early warning of pending rate, coverage or renewal problems, including significant changes in the financial status of insurers. Keep City informed of significant market conditions that may affect the City's insurance programs.

B. Loss Control Services/Claims Services

1. Work with the City to evaluate the effectiveness of its current loss control program and make recommendations on how to address any deficiencies found to strengthen the overall program.
2. When requested, perform premise inspection of City properties together with City Risk Management staff for the purpose of identifying employee and public safety hazards. Provide recommendations for correction of identified hazards.
3. Provide consulting services (including project and program review, insurance services, and loss control activity) related to the City's exposures in all departments.
4. The primary loss prevention specialist will have a minimum of 5 years experience in the public sector with a City of similar size to Durham.
5. When requested, provide claims advocacy services to the City on all lines of coverage.
6. Coordinate formal claims reviews with TPA contracted companies.
7. The primary claims advocacy team will be assigned as follows:

Workers Compensation Claims Advocacy: The primary assigned claims advocate will have a minimum experience of working for an insurance carrier of 15 years. They must also have a minimum of 5 years handling public entity claims.

Liability Claims Advocacy: A separate primary claims advocate assigned to the City will have a minimum experience of working as a claims adjuster for an insurance carrier of 15 years. They must also have a minimum of 5 years handling public entity claims

C. Quantitative Risk Management Analysis

1. Provide an analysis of City's possible exposure to risks of loss. Develop and recommend to the City risk financing or loss funding programs.
2. Vendor shall provide actuarial studies for general liability and workers' compensation, and based on the City's loss history, estimate liabilities, reserves and risk margin.

D. Other

1. Provide general risk management and insurance consulting.
2. Provide contract review and insurance services support for professional services contracts, construction projects, subcontractor agreements, equipment and premises leases, purchase orders

and maintenance agreements. Assist the City in the development of standards to be used for contract provisions and review.

3. Vendor shall assume oversight responsibilities for any existing insurance policies the City has in place at the beginning of the contract period.

4. Furnish invoices on a monthly basis for services which have been provided to the City.

The City is fully self-insured for general and auto liability loss exposures and workers' compensation, and carries excess coverage for its workers' compensation program and excess liability coverage. The City's self-insured programs are fully funded for incurred claims and IBNR (incurred by not reported) claims and the City holds additional risk margins for these programs.

The City has typical loss exposures from all areas of general exposure: employment practices, land use, public safety and public works are generally large exposure areas for municipalities. The City has experienced claims in each of these areas but does not consider any to be a significant exposure area.

The Risk Management office currently reviews numerous contracts per year and provides in-house consulting service on contract development and risk transfer.

FEE SCHEDULE

Vendor shall provide a schedule of fees by service category and the cost per unit within each category.

A. Identification of Costs

Provide a brief listing of all broker costs. Identify all costs including expenses to be charged for performing the tasks necessary to accomplish the objectives of the contract.

B. Rates

1) Provide a cost proposal that outlines what services will be included in a basic fee, as applicable to your recommended approach, and a method for determining costs of additional or supplemental services.

2) Indicate the proposed price for brokerage/independent insurance advisor services for each year of the contract.

3) If the costs are not elsewhere included, specify all line-item costs such as copying services, delivery fees, telephone expenses, etc.

4) Specify if commissions will be charged and how they are calculated.

Minimum Qualifications

The vendor must be licensed to do business in the State of North Carolina. The vendor must have a minimum of five (10) years experience in municipal insurance programs and coverage and provide coverage for a minimum of ten other cities or government jurisdictions in North Carolina. Vendors who do not meet these minimum qualifications may be deemed non-responsive and may not receive

further consideration. If a national firm is submitting, the local office must meet the above qualifications.

It is also desired that the office with primary responsibility for City services have a broker within 30 minutes of the City office with a back-up broker or office within 1.5 hours of the City. As per the above, the primary broker must have a minimum of 10 years of experience with cities the size of Durham. Each additional assigned broker team member must have a minimum of 5 years experience servicing cities similar in size to the City of Durham

In addition:

Workers Compensation Claims Advocacy: The primary assigned claims advocate will have a minimum experience of working for an insurance carrier of 15 years. They must also have a minimum of 5 years handling public entity claims.

Liability Claims Advocacy: A separate primary claims advocate assigned to the City will have a minimum experience of working as a claims adjuster for an insurance carrier of 15 years. They must also have a minimum of 5 years handling public entity claims

Loss Control: The primary loss prevention specialist will have a minimum of 5 years experience in the public sector with City of similar size to Durham.

Consultant Information

The forms and information referenced below must be submitted with the consultant's proposal. Those areas that do not apply to your proposal, please mark with an N/A - do not leave any space blank.

SDBE Information:	Attachment A
Vendor Questions:	Attachment B
Company Information:	Attachment C
Client References:	Attachment D

Statement of Qualifications:

Vendor shall provide a summary of the firm's qualifications to insurance brokerage services including:

- 1) List of the individuals who would be assigned to work on the City's account and their qualifications;
- 2) Summary of the firm's experience in insurance brokerage services; and
- 3) Summary of the firm's experience in providing these services in North Carolina.

Performance Expectations

If the vendor has had a contract terminated for default during the past five (5) years, all such incidents must be described. "Termination for default" is defined as notice to stop performance due to the vendor's non-performance or poor performance, and the issue was either (a) not litigated; or (b) litigated and such litigation determined the vendor to be in default.

Submit full details of all terminations for default experienced by the vendor during the past five (5) years, including the other party's name, address and telephone number. Present the vendor's position on the matter. The City will evaluate the facts and may, at its sole discretion, reject the vendor's proposal if the facts discovered indicate that completion of a contract resulting from this RFP may be jeopardized by selection of the vendor,

If the vendor has experienced no such termination for default in the past five (5) years, so declare.

If the vendor has had a contract terminated for convenience, non-performance, non-allocation of funds or any other reason, which termination occurred before completion of the contract, during the past five (5) years, describe fully all such terminations, including the name, address and telephone number of the other contracting party.

The City reserves the right to accept or reject any or all proposals and to waive all informalities.

ASSIGNMENT / SUB-CONTRACTING

Any subsequent contract for this program awarded by the City cannot be assigned in whole or in part by the successful TPA without the express written consent and authorization of the City.

TERMINATION

The City reserves the right to terminate the contract with a minimum of sixty (60) days written notification if the successful TPA does not perform in accordance with the terms, conditions and quality as outlined in these specifications.

HOLD HARMLESS

The TPA shall indemnify, hold harmless, and defend with competent counsel the City, officers, agents, employees, constituents and guests from and against any and all claims, causes of action, loss, liability, judgment, expenses or costs, (including reasonable attorney's fees), and damages, arising out of successful performance or non-performance of the contract to provide the services as outlined in this solicitation. Under no circumstances will the City or any of its officers, agents, employees, constituents or guests be liable for any loss whatsoever, including injury to person, death, or damage to property suffered by the successful TPA or any third person as a consequence of any negligent or intentional act or omission or other culpable conduct of the TPA, its agents, servants, or employees.

