

# The City of York Pennsylvania

Honorable Michael R. Helfrich, Mayor

# RISK MANAGEMENT AND INSURANCE BROKERAGE SERVICES SELECTION PROCESS

REQUEST FOR PROPOSAL

Responses due by July 02, 2018

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#### STRATEGIC RISK MANAGEMENT INITIATIVE

The City of York is evaluating all areas of our business to strategically manage costs and maximize value. Our objective is to work with select vendors who can assist the City in maximizing the value and service quality of the goods and services we procure, while identifying opportunities to reduce the costs of externally purchased goods and services and improving our vendor selection and management processes.

We believe that the ultimate outcome will enhance the value of the City's relationship with its vendors. As part of this program, we are reviewing our procurement of Risk Management and Insurance Brokerage services. We believe there is significant value to be gained from reviewing the current broker arrangement, with the goal of assuring that our program is providing us with superior service at a competitive price.

#### **RFP GOALS**

The City of York has identified the following project goals:

- o Ensure the City's brokerage arrangements are priced competitively;
- Assemble a broker service team that will assist the City in the development and execution of a formal Risk Management Strategy;
- Evaluate and identify a broker service team with the capabilities to design and implement, as appropriate, Alternative Risk Management options.
- o Identify partners with the capability and expertise to actively participate in assisting with the strategic direction of the City and identify opportunities to add additional value to the City's operations.

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#### **DESCRIPTION OF OPERATIONS**

#### Websites:

http://www.yorkcity.org

#### **Description of Entities/Operations:**

The City of York, Pennsylvania, a City of the 3<sup>rd</sup> Class of the Commonwealth of Pennsylvania, operating under Optional Charter Law. The City's core services are public works, housing programs, economic development, police and fire department public safety, health and environmental services, sewer interceptor line maintenance and wastewater treatment. The City of York provides recreation programs for youths and adults and is the owner of the York City Ice Arena.

The City of York Sewer Authority operations have been primarily to acquire, construct, improve and lease the sewer wastewater treatment plant to the City of York.

The City of York General Authority operations are primarily to operate and maintain a municipal parking system through a management agreement with the City of York. This includes three parking garages and surface parking plus metered parking in the downtown district.

The City of York Redevelopment Authority strategically acquires underutilized, blighted and vacant parcels throughout the City of York for the purpose of promoting residential, commercial and industrial redevelopment projects in the City.

#### OVERVIEW OF INSURANCE PROGRAM / ENCLOSURES

#### Coverage / Policies:

- 1. Property Insurance, including coverage for System Breakdown, and Builders' Risk if necessary
- 2. General Liability
- 3. Commercial Automobile/Garage Keeper Liability
- 4. Inland Marine /Contractors Equipment
- 5. Crime, including Employee Dishonesty
- 6. Public Officials Liability
- 7. Employment Practices Liability
- 8. Law Enforcement Liability
- 9. Non-Profit Liability
- 10. Pollution Legal Liability
- 11. Excess Workers Compensation
- 12. Umbrella/Excess Liability
- 13. Fiduciary Liability
- 14. Network Cyber Security Liability and First Party Data Breach Notification
- 15. Flood

#### **SCOPE OF THIS SERVICES**

The RFP selection process will focus on the broker's capabilities: their ability to add value to the City of York through insurance market expertise, experience of service team members and broker compensation. The successful respondent shall provide to THE CITY OF YORK insurance risk management, loss control services, claims management, technical administrative service and quality control brokerage services. The services provided under this agreement will include, but not be limited to, the following:

- a. Providing a Risk Management and Exposure Analysis, and a policy/coverage review with recommendations. This includes updating all appropriate locations, property, auto and equipment schedules. THE CITY OF YORK is interested in an appraisal and insurance to value service component.
- b. Reviewing THE CITY OF YORK's current internal organizational structure and administrative expenses as it relates to risk management, safety and insurance, and making recommendations for restructuring, if appropriate.

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- c. Assisting THE CITY OF YORK in developing creative strategies to enhance existing insurance programs, and to identify future alternatives and options, in order to lower THE CITY OF YORK's Total Cost of Risk.
- d. Preparing all applications, marketing and negotiating all premiums, coverage conditions and terms, deductibles/retentions, payment terms, claims-handling fees, and where applicable collateral requirements.
- e. Work closely with the Third-Party Administrator of THE CITY OF YORK self-insured workers compensation program. Monitor TPA service and periodically prepare RFP and market for effective and competitive TPA providers. Prepare market search recommendations for City management.
- f. Providing technical administrative services and quality control including, but not limited to: processing and checking of all binders, invoices, policies, endorsements and audits for accuracy and compliance. Broker's Certificates of Insurance program to include preparation, issuing and monitoring of contractually required certificate of insurance, including an annual review of insurance certificates to City of York management.
- g. Provide an ongoing review of insurance provisions in contracts, leases and other agreements, as requested, with particular emphasis on additional insured protection in favor of the City of York.
- h. Performing all proposed Claims Management Services, which include claims advocacy, negotiating open claims and reserves, making recommendations for appropriate settlements, and completing at least semi-annual claims reviews with City management.

#### Claim Management Services shall include:

Assigned experienced claims management staff to the City of York account. It is expected that assigned Broker staff has a strong understanding of the Political Subdivision Tort Claims Act.

Compile information and prepare/submit loss reports to insurers for all coverages other than workers' compensation. Follow up with adjusters to make certain all claims are received and set up on a timely basis.

Act as City's advocate with the insurance company, challenge claim declinations, negotiate reserves, negotiate favorable coverage interpretations, and make certain that appropriate claims management strategies are developed and followed.

Assist the City and the insurance company in making recommendations for claim settlements, when appropriate.

Develop strong relationships with experienced local attorneys, medical providers and service contractors and use them for advice and technical support in handling difficult claims.

Regular communications with City staff on status of claims. A particular focus will be the mid-term claims review, making certain that all claim reserves are reduced to their lowest possible level.

- i. Risk Control Services: The Scope of Services can be expected to include, but not be limited to:
  - 1) Developing an annual three (3) party ACTION PLAN between THE CITY OF YORK, successful respondent and the Insurance Company.
  - 2) Auditing, directing and participating in all Safety Committee activities including monthly safety inspections of City properties.
  - 3) Monitor self-insured workers' compensation claim reports provided by TPA and suggest risk control actions to address negative trends.
  - 4) Assist in completing THE CITY OF YORK Self Insured Workers Compensation renewal application.
  - 5) Provide a Commonwealth authorized safety professional to provide Bureau of Workers' Compensation Accident and Illness Prevention training program for self-insurers.
  - 6) Providing Employee Training Programs relating to Safety as requested by the Safety Committee.

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- j. Performing and facilitating appropriate Managerial, Supervisory and Employee Training for insurance and risk management related activities, including, but not limited to, Claims Reporting and Management, Fleet Safety, Employment Practices Liability, and Cyber Security Training including ability to provide web-based training.
- k. Conducting an annual Stewardship meeting, which includes an analysis of the current risk management program to determine effectiveness of the carriers and successful bidders, consultation of outside insurance market conditions, claim review, and making recommendations for THE CITY OF YORK's next renewal project.

SPECIFICALLY, YOU ARE NOT TO APPROACH ANY INSURANCE MARKETS OR SERVICE PROVIDERS ON THE CITY OF YORKS'S BEHALF OR IN CONNECTION WITH THIS PROJECT. FAILURE TO ADHERE TO THIS REQUIREMENT WILL RESULT IN AN AUTOMATIC DISQUALIFICATION FROM THIS PROJECT.

#### **SECTION I – TIMELINE & RESPONSE GUIDELINES**

#### 1. Critical Dates

Activity		Target Date
1.	RFP Sent to Brokers	June 01, 2018
2.	Deadline for Initial Questions to RFP	June 15, 2018
3.	Qualifications and Proposals received from Respondents	July 02, 2018
4.	Notification of Selection of Respondents to Final Phase	July 15, 2018
5.	Meeting with Finalists Completed	August 01, 2018
6.	Selection of broker	August 15, 2018
7.	Execution of broker services Agreement	September 01, 2018

#### 2. Submittal Date and Location

Your response must be submitted no later than 2:00 PM on JULY 02, 2018 to:

Mail 5 copies to: Thomas Allen Ray, Deputy Business Administrator – Human Resources 101 South George Street P. O. Box 509 York, PA. 17405

or

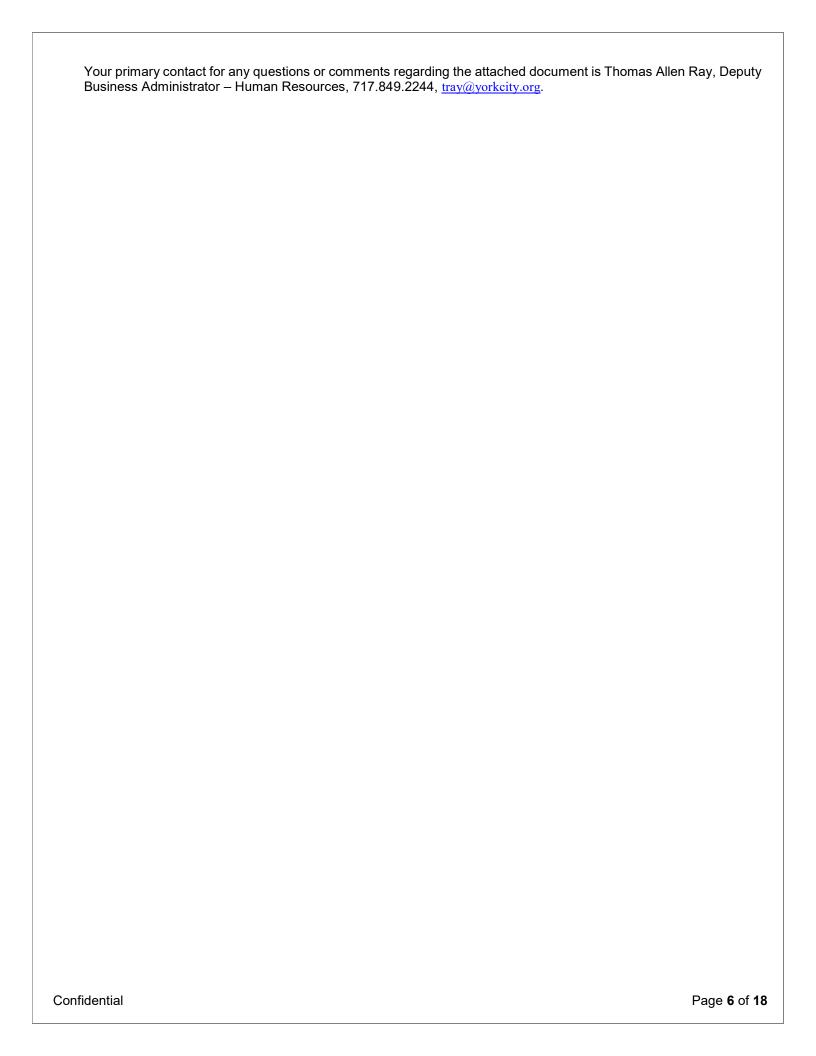
Electronically: tray@yorkcity.org

Following the receipt of responses, your firm's proposal will be evaluated and your firm may be asked to provide additional information or respond to follow up questions. Your firm's response should be tailored specifically to address the questions outlined in the RFP.

Following the broker evaluation process, the broker to handle the City of York's program will be selected. The selected broker will be expected to provide services as outlined in the sample broker service agreement presented with your firm's RFP response.

#### 3. Proposal Contact

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#### **SECTION II – RFP ELIGIBILITY & SELECTION CRITERIA**

#### Selection Process and Participation Requirements

- a. Comply with all instructions
- b. Complete all required sections of the RFP
- c. Respond to Broker Qualifications in reasonable detail
- d. Meet the deadline for submission of RFP to the City of York

#### Selection Criteria

The successful respondent will be selected for further consideration based upon, but not limited to, the following criteria:

- a. The anticipated Competitive Advantage to the City of York based on Broker's Qualifications
- b. Broker's Marketing expertise with municipal entities
- c. Experience of Service Team to be assigned to the City of York
- d. Broker's capability to provide full Scope of Services
- e. Loss Control Support to the City of York
- f. Claims Management Support to the City of York
- g. Risk Management Support to the City of York
- Ability to work with existing insurance underwriters as necessary
- i. Broker's Quality Control and Transparency internal policies and procedures
- j. Broker's narrative of similar services provided to at least four references- references may be contacted
- k. Broker Compensation for Proposed Services
- Explanation of any services or activities subject to additional charges or fees or commissioned based
- m. Broker's specimen scope of service and compensation agreement (subject to City negotiation)
- n. Article 136 (12%): Local and Disadvantaged Business Enterprise Program In evaluating bids and proposals, agencies shall award preferences in the form of points (in the case of proposals) or a percentage reduction in price (in the case of bids) as follows:
  - i. Eight points of a possible 100, eight percent (8%), for local business enterprises.
  - ii. Two points of a possible 100, two percent (2%), for businesses located in enterprise zones.
  - iii. Four points of a possible 100, four percent (4%), for a small business enterprise as defined herein.
  - iv. However, in no event shall any bidder receive greater than twelve points of a possible 100, twelve percent (12%), preference.

#### • Evaluation Process

The City of York will systematically review and evaluate your firm's proposal. The City reserves the right to select, or not select, a broker for any reason.

#### • Submission Effort

- a. Date of Submission: Responses to the RFP received after the designated date will not be considered.
- b. **Proposal Acceptance**: The City of York reserves the right to accept or reject any proposals made to it in response to this RFP whether in whole or in part. The City makes no guarantee whatsoever implied or otherwise that it will contract or agree to contract with any party as a result of this RFP.
- c. **Cancellation of the RFP:** The City of York reserves the right, in its sole discretion, to cancel this RFP at any time prior to the execution of a written agreement with the successful respondent.

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- d. **Waivers:** In the interests of furthering competition, The City of York may waive minor procedural requirements or informalities during the process of soliciting, evaluating, or negotiating this award.
- e. **Submitted Materials:** Materials provided to the City of York by brokers will remain at the City. At the end of the proposal RFP process, all materials submitted will become the property of the City, unless alternative agreements have been reached in writing.

#### SECTION III- BROKER QUALIFICATIONS

All participants must complete this Qualification form to be eligible to participate in the City's selection process. Please provide answers to the following questions based on the required Scope of Services.

#### 1. Overview of Company Structure/ History/ Philosophy

- Describe the structure of your firm, including number of employees and available resources, locally, nationally and globally
- b. Describe your firm's areas of specialization, specifically including the resources your firm possesses in support of these areas of specialization
- c. What is your firm's employee to account ratio in each department including marketing, claims, loss control and risk management?
- d. Provide a certificate of insurance as proof of Broker's Errors & Omissions Insurance with limits of at least \$1,000,000

#### 2. Competitive advantage

- a. Outline your firm's perceived strengths and weaknesses in the municipal insurance marketplace.
- b. How is your firm different from your competitors?

#### 3. Service Team

- c. Illustrate the account service team structure of your firm.
- d. List the names of the proposed day-to-day account service team and describe each member's service role.
- e. Attach resumes of the proposed service team members to be assigned to the City of York.

#### 4. Qualifications

- a. Expertise; specific technical and industry certifications of your firm.
- b. Describe how your firm will act as an extension of the City of York's Senior Management in the area of Risk Management.
- c. Discuss and describe the experience your firm has in servicing and understanding the unique needs and exposures of the City's size and resources.

#### 5. Marketing

- a. Describe how your firm ensures its clients receive the broadest coverage available in the marketplace at an economical cost.
- b. Provide your firm's thoughts on the state of the insurance market the City of York will be experiencing for our 2019 renewal.
- c. Who are your firm's top markets?
- d. Provide a timeline and transition plan if your firm were selected to represent the City of York on our lines of coverage.

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#### 6. Risk Management

- a. Describe specific techniques and procedures, which your firm will use to assist the City in identifying current and anticipated new exposures to accidental loss.
- b. Explain and give an example of the skills and experience your firm has in designing insurance or other risk transfer techniques that fit with the City's business.
- c. Describe the steps your firm would take in reviewing the City's current program.
- d. How would your firm keep the City informed of current developments in the risk management arena?

#### 7. Risk Control Services - -Describe your firm's approach to loss control and the services to be provided:

- a. Casualty: Describe in detail how your firm will assist the City design and implement casualty loss control techniques that will reduce loss frequency and severity and ensure compliance with contractual requirements and various regulatory agencies.
- b. *Property*: Describe in detail how your firm will assist the City design and implement property loss control techniques that will reduce the potential for loss, including insurance to value for buildings and high value vehicles.
- c. *Professional Services*: Describe in detail how your firm will assist the City design and implement risk management to reduce the loss for municipal professional exposures including, but not limited to, fire protection and law enforcement.
- d. Describe your firm's approach to the providing or managing unbundled loss control services.

#### **8. Claims Management** – Describe your firm's approach to claims management and the services to be provided:

- a. Discuss how your firm will assist in claim audits and other file reviews as deemed necessary for current insurer services. Provide details of the services provided and available for this type of program.
- b. Discuss your firm's experience and approach to analyzing and improving claims management programs.
- c. Describe your firm's involvement in the selection of unbundled claims services.
- d. What role does your firm play in first party property claims?
- e. Describe how your firm will assist the City to actively manage open claims to assure timely and costeffective closure.

#### 9. References

Please describe through service narratives how your firm has provided similar scope of services to at least four (4) references. (company's name, contact name and title, address, phone number, email) References will be contacted. Please notify them accordingly.

#### 10. Quality Control

Discuss how your firm will ensure accuracy and timely delivery of:

- a. Submissions to markets
- b. Binders/advices of insurance
- c. Policies, program agreements, loss runs and other "insurance related" documents.
- d. Certificates of insurance, auto ID cards, accident kits, posting notices, etc.
- e. Detail how your firm monitors insurer market quality and solvency. How is this information disseminated?

#### 11. Other Insurance/Risk Management Related Services

- a. Describe the step by step process your firm would use to set up and administer an effective Certificates of Insurance Program including software, if any that would be part of this process.
- b. Describe how your firm would provide analysis of the City of York data to assist us in obtaining the most favorable position with respect to insurance rates.
- c. How does your firm determine limits and retention levels to recommend to your clients?

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- d. Provide samples of your firm's presentations such as your renewal proposal and claim reviews.
- e. IMPORTANT: Please include your firm's specimen scope of service and compensation agreement should they be awarded as successful respondent.

#### **SECTION IV – BROKER COMPENSATION**

Participants are requested to provide thoughts about compensation including:

As compensation to the successful respondent, for the services rendered, THE CITY OF YORK pays a flat fee in quarterly installments on January 15<sup>th</sup>; April 15<sup>th</sup>; July 15<sup>th</sup>; and October 15<sup>th</sup>. In receiving this service fee, the successful respondent will not receive commission dollars on the placement of any insurance policy!

- Compensation: Please provide a compensation amount/arrangement your firm believes to be fair to all parties involved. Be specific as to what activities and services are included in your firm's compensation. Also, specify the services and/or activities that would be subject to additional charges or fees, and the dollar amount of all fees. Please avoid generalizations.
- 2. Explain any contingent commission structure your firm may have with service providers.
- 3. Describe your firm's transparency policy/ initiatives, if any.

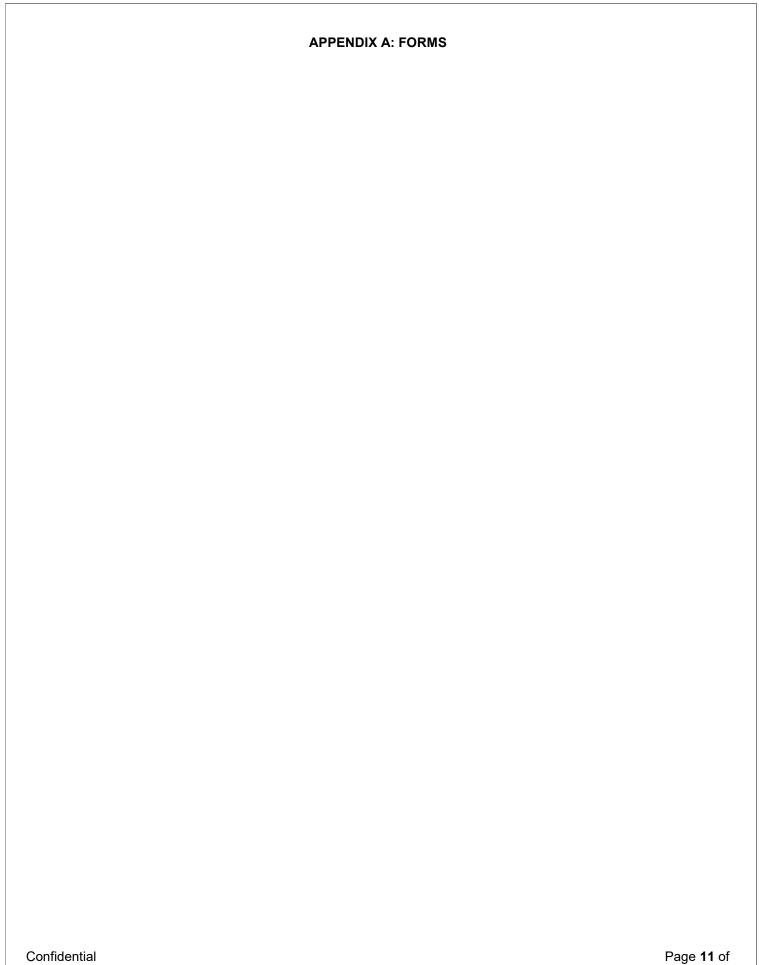
Before final broker selection we will progress with further compensation negotiation. We realize that all compensation issues require further dialogue.

#### **SECTION V – ADDITIONAL INFORMATION**

The forms contained in Appendix a shall be returned with the response to this RFP.

THE CITY OF YORK RESERVES THE RIGHT AT ITS SOLE DISCRETION TO MODIFY THIS RFP AND THE TERMS DESCRIBED AT ANY TIME AND FROM TIME TO TIME. THE TERMS OF THIS DOCUMENT ARE NOT, AND ARE NOT INTENDED TO BE, BINDING ON THE PARTIES. ANY AGREEMENT BETWEEN THE CITY OF YORK AND A SUCCESSFUL BIDDER SELECTED BY CITY OF YORK MUST BE MUTUALLY SIGNED BY BOTH PARTIES FOR IT TO BE BINDING. EACH BIDDER RECOGNIZES AND ACKNOWLEDGES THAT THE CITY OF YORK HAS THE RIGHT TO AND WILL ESTABLISH NEGOTIATIONS WITH MULTIPLE PARTIES UNTIL MUTUALLY SIGNED EXECUTION OF A DEFINITIVE AGREEMENT WITH THE PARTY IT SELECTS. THE CITY OF YORK CONSIDERS THE BID PROCESS, ALL RELATED COMMUNICATIONS AND DOCUMENTS, AND THE FACT THAT WE ARE IN DISCUSSIONS REGARDING THE SUBJECT MATTER, ALL TO BE CONFIDENTIAL INFORMATION. THE CITY OF YORK EXPECTS THAT BOTH PARTIES WILL KEEP ALL INFORMATION IN CONFIDENCE AS REQUIRED.

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#### NON-COLLUSION AFFIDAVIT

#### INSTRUCTIONS FOR NON-COLLUSION AFFIDAVIT

- 1. This Non-Collusion Affidavit is material to any contract pursuant to this bid. According to the Pennsylvania Antibid-Rigging Act, 73 P.S. 1611 <u>et seg.</u>, governmental agencies may require Non-Collusion Affidavits to be submitted together with bids.
- 2. This Non-Collusion Affidavit must be executed by the member officer, or employee of the bidder who is authorized to legally bind the bidder.
- 3. Bid rigging and other efforts to restrain competition, and the making of false sworn statements in connection with the submission of bids are unlawful and may be subject to criminal prosecution. The person who signs the Affidavit should examine it carefully before signing and assure himself or herself that each statement is true and accurate, making diligent inquiry, as necessary, of all other persons employed by or associated with the bidder with responsibilities for the preparation, approval or submission of the bid.
- 4. In the case of a bid submitted by a joint venture, each party to the venture must be identified in the bid documents, and an Affidavit must be submitted separately on behalf of each party.
- 5. The term "complementary bid" as used in the Affidavit has the meaning commonly associated with that term in the bidding process and includes the knowing submission of bids higher than the bid of another firm, any intentionally high or noncompetitive bid, and any form of bid submitted for the purpose of giving a false appearance of competition.

6. Failure to file an Affidavit in compliance with these instructions will result in disqualification of the bid.

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## NON-COLLUSION AFFIDAVIT OF PRIME BIDDER State of \_\_\_\_\_ County of , being first duly sworn, deposes and says that: (1) (Owner, Partner, Officer, Representative or Agent) , the Bidder that has submitted the attached Bid or Bids; He/She is fully informed respecting the preparation and contents of the attached Bid and of all pertinent circumstances respecting such Bid; Such Bid is genuine and is not a collusive or sham Bid; (3) Neither the said Bidder nor any of its officers; partners, owners, agents, representatives, employees or parties in interest, including this affiant, has in any way colluded, conspired, connived or agreed, directly or indirectly, with any other Bidder, firm or person to submit a collusive or sham Bid in connection with the Contract for which the attached Bid has been submitted or to refrain from bidding in connection with such Contract, or has in any manner, directly or indirectly, sought by agreement or collusion or communication of conference with any other Bidder, firm or person to fix the price or prices in the attached Bid or of any other Bidder, or to fix any overheld profit or cost element of the Bid price or the Bid price of any other Bidder, or to secure through any collusion, conspiracy, connivance or unlawful agreement any advantage against the City of York or any person interested in the proposed Contract; The price or prices quoted in the attached Bid are fair and proper and are not tainted by any collusion, conspiracy, connivance or unlawful agreement on the part of the Bidder or any of its agents, representatives, owners, employees, or parties in interest, including this affiant; and, Neither the said Bidder nor any of its officers, partners, owners, agents or parties in interest, have any interest, present or prospective, that can be reasonably construed to result in a conflict of interest between them and the City of York, which the Bidder will be required to perform.

I state that understands
(Name of Firm)
and acknowledges that the above representations are material and important and will be relied on by the City of York in awarding the Contract(s) for which this Bid is submitted. I understand and my firm understands that any misstatement in this Affidavit is and shall be treated as fraudulent concealment from the City of York of the true facts relating to the submission of bids for this Contract.
(Name and Company Position)
SWORN TO AND SUBSCRIBED BEFORE ME THIS DAY OF, 20
My Commission Expires:  Notary Public

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### PROVIDER'S CERTIFICATION OF NON-INDEBTEDNESS TO THE CITY OF YORK

Provider hereby certifies and represents that Provider and Provider's parent company(ies) and subsidiary(ies) are not currently indebted to the City of York (the "City"), and will not at any time during the term of this Contract (including any extensions or renewals thereof) be indebted to the City, for or on account of any delinquent taxes, liens, judgments, fees or other debts for which no written agreement or payment plan satisfactory to the City has been established. In addition to any other rights or remedies available to the City at law or in equity, Provider acknowledges that any breach or failure to conform to this certification may, at the option of the City, result in the withholding of payments otherwise due to Provider and, if such breach or failure is not resolved to the City's satisfaction within a reasonable time frame specified by the City in writing, may result in the offset of any such indebtedness against said payments and/or the termination of this Contract for default (in which case Provider shall be liable for all excess costs and other damages resulting from the termination).

Name of Provider	
By:	
Title:	President or Vice President
Attest:	

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#### NON-DISCRIMINATION STATEMENT

The undersigned hereby certifies that it shall not discriminate against any employee or applicant for employment because o
race, color, religion, sex, handicap, familial status, or national origin. The undersigned shall take affirmative action to ensure
that applicants for employment are employed, and that employees are treated during employment, without regard to their race
color, religion, sex, handicap, familial status, or national origin.

BIDDER	 	
TITLE	 	 

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#### INDEMNITY AGREEMENT & HOLD HARMLESS

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STIPULATION AGAINST LIENS					
WHEREAS,	, hereinafter called the CONTRACTOR, has entered into a				
CONTRACT, dated, 20, with hereinafter called the state of the contract of the contra	, hereinafter called the CONTRACTOR, has entered into a h he CITY, to provide materials and perform labor necessary for the				
manufacture and furnishing of the:					
as set forth in the CONTRACT DOCUMENTS as prepared b	by the City of York.				
CONTRACT, and for the consideration therein set forth, that	furnishing labor or materials to the said CONTRACTOR under this				
	ork County Prothonotary within ten (10) days after execution, in echanics Lien Law of 1963 of the Commonwealth of Pennsylvania				
IN WITNESS WHEREOF, the parties hereto have c	aused the signature of their proper officers to be affixed thereto on .				
(SEAL)					
	(CITY OF YORK)				
ATTEST:					
	TITLE:				
BY:	BY:				
TITLE:	TITLE:				
(SEAL)	(CONTRACTOR)				
ATTEST:	· · · · · · · · · · · · · · · · · · ·				
ATTEST.	BY:				
	TITLE:				
BY:	BY:				
TITLE:	TITLE:				

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