

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AUTHORIZING)
THE RELEASE OF A REQUEST FOR)
PROPOSALS FOR A PROPERTY AND)
LIABILITY AGENT OF RECORD)

RESOLUTION NO. 01-3137
Introduced by Mike Burton
Executive Officer

WHEREAS, Metro purchases property and liability insurance; and

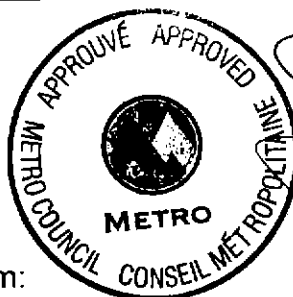
WHEREAS, Metro utilizes the expertise of an Agent of Record to assist in the placement of all property and liability insurance including evaluating premiums and proposals, identifying market conditions pertinent to successful carrier negotiations; and

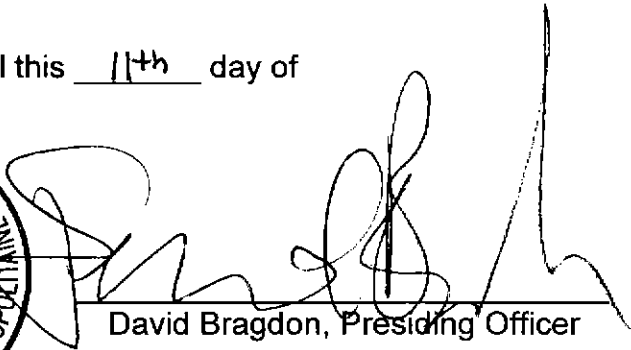
WHEREAS, the current personal services agreement with JBL&K has been in effect since January 1, 1998 and will expire on December 31, 2001, now, therefore,

BE IT RESOLVED,

That the Council authorizes release of a Request for Proposals to solicit a new Property & Liability Agent of Record from January 1, 2002 until December 31, 2006:

ADOPTED by the Metro Council this 11th day of
December, 2001.




David Bragdon, Presiding Officer

Approved as to Form:


Daniel B. Cooper, General Counsel

**REQUEST FOR
PROPOSALS**

FOR

Property and Liability Agent of Record

I. INTRODUCTION

The Risk Management Division of Metro located at 600 NE Grand Avenue, Portland, OR 97232-2736, is requesting proposals for a Property and Liability Agent of Record. Proposals will be due no later than 3:00 p.m., December 3, 2001 in Metro's business offices at 600 NE Grand Avenue, Portland, OR 97232-2736. Details concerning the project and proposal are contained in this document.

II. BACKGROUND/HISTORY OF PROJECT

In July 1986, the Metro Council adopted Resolution No. 86-670 directing the Executive Officer to prepare, administer and maintain a self-insurance and risk management program. With this direction and a recommendation from a 1990 actuarial study, Metro developed a new Risk Management Division in July of 1991, to administer the risk associated with property, auto, general liability, and workers' compensation losses for the agency.

Effective July 1, 1992, Metro became self-insured for its general and automobile liability coverage. Metro maintains an actuarially sound self-insured reserve, and the Risk Management Division has established policies and procedures to assure the integrity of the program

In June of 1992, the Risk Management Division conducted a thorough analysis of self-insuring versus insuring workers' compensation coverage. Based on the available information, Metro chose a unique insurance program with SAIF Corporation under a paid loss retrospective program with a low specific limit and a very high aggregate limit. The Risk Management Division will market workers' compensation directly. Metro averages approximately 100 workers' compensation claims per year.

- Metro insures approximately \$436,000,000 worth of property through FM Global. The policy has a \$100,000 deductible. During FY 2000-01 Metro had 13 property claims. All were within the policy deductible.

- Metro purchases crime insurance and a faithful performance bond from Hartford Fire Insurance Company.
- Metro maintains a liquor liability policy with Lexington Insurance Company.
- Metro maintains a special excess liability policy with Lexington Insurance. The policy has a \$3,000,000 limit and a \$500,000 retention.
- Metro maintains liability insurance only on approximately 25 homes purchased through a property acquisition bond measure. The home are valued at approximately \$1,800,000.
- Metro contracts out for liability claims adjusting services through Farrell and Associates.
- Metro is currently involved in an Owner Controlled Insurance Program using Marsh as a broker for OCIP related services for the expansion of the Oregon Convention Center. The successful bidder will have not direct involvement with the OCIP administration, claims or closing except as noted in the Scope of Work. The general contractor for the expansion is Hoffman Construction Corporation.

General information about Metro may be viewed at www.metro.dst.or.us

III. INSURANCE MARKETS

Proposers are directed to have no contact with any insurer or market without the express written consent of Metro.

IV. PROPOSED SCOPE OF WORK/SCHEDULE

Metro proposes entering into a 5-year agreement commencing January 1, 2002 and ending December 31, 2006.

a) General Agent of Record Services

- 1) The Agent shall be available to the Risk Manager, or other staff as directed, for general insurance-related counseling.
- 2) Shall annually review Metro's insurance program and make recommendations to Risk Management.
- 3) Market insurance as directed by Risk Management staff.
- 4) Be a resource for Risk Management staff to exchange ideas.
- 5) Annually prepare a booklet with policies and a summary of coverages. Include all commissions or fees received during each and all previous policy & contract years as well as expected commissions for current policy year.

- 6) If requested, provide sample contract language, review contracts and recommend insurance requirements for Metro contracts.
- 7) Conduct an initial review of insurance limits and coverages. Make recommendations of overall insurance program.
- 8) Review Metro's contract manual and provide written recommendation to update insurance and indemnification provisions.

b) Market Property Insurance

- 1) When directed by Metro, survey the insurance market place to determine available property insurance markets.
- 2) Assist Risk Management in developing underwriting information.
- 3) Provide the available property insurance markets with Metro's underwriting information.
- 4) Review suggested policy forms and coverages.
- 5) Evaluate the financial strength of the proposed insurance company.
- 6) Issue Certificates of Insurance.
- 7) Assist with placement and tracking of residential property insurance for the Parks OpenSpaces property acquisition.
- 8) Assist in placement and resolution of any claims.

c) Loss Control Consultation Services

In your RFP, address your ability to provide any of the following services:

- 1) Compliance with OSHA rules and regulations.
- 2) Onsite loss control inspections.
- 3) Workplace training.
- 4) New construction plan review.
- 5) Review Metro's loss control publications.
- 6) Onsite ergonomic and repetitive stress injury evaluation and training.
- 7) Conduct internal/indoor air quality testing.
- 8) Event or public venue loss control services.
- 9) Environmental and hazardous waste loss control services.
- 10) Volunteer, youth and young adult program loss control services.
- 11) Fleet automobile safety material or driver training.
- 12) Other loss control services or projects.

d) Oregon Convention Center Expansion OCIP services.

In addition to providing property insurance for existing Metro facilities, FM Global is providing builders risk insurance for the Oregon Convention Center OCIP expansion. Contractor will have the following responsibilities related to property insurance and the OCIP:

- 1) Attend OCIP meetings as needed.

- 2) Review or participate in any “difference of conditions” negotiations between Metro and Hoffman.
- 3) In conjunction with Hoffman & Marsh, provide or update forms & reporting guidelines to MARSH for inclusion in OCIP enrollment manual. If necessary develop and provide separate property loss reporting procedures to contractors enrolled in the OCIP.
- 4) Contact & work with Marsh, Hoffman and any enrolled contractor as requested by Metro on builders risk related topics.
- 5) Coordinate FM Global site inspections or review with OCIP enrollees, Owner & Marsh.
- 6) Provide either 1) separate invoice listing builders risk premium or 2) itemized property invoice separately listing builders risk premium.
- 7) If requested by Metro, Marsh, Hoffman or any subcontractor, provide evidence of builder's risk coverage and policies to enrolled contractors.
- 8) Ensure FM Global is notified of all subrogation waivers required by the OCIP.

e) Additional services offered by Broker.

In your RFP, address your ability to provide the following services:

- 1) Accident or incident investigation services.
- 2) Loss control services.
- 3) Liability, property or auto claim adjusting services.
- 4) OCIP property adjusting & claims tracking services.
- 5) Annual actuarial review services.
- 6) Risk Management Information Systems (RMIS) access or use.
- 7) Internet or Web based services.
- 8) Any other services offered.

V. QUALIFICATIONS/EXPERIENCE

Proposers shall have the following experience:

- (1) The Contractor must be licensed in the State of Oregon
- (2) Each account principal must have at least 5 years experience working with an Oregon public entity.
- (3) Each account principal must have 5 years experience working with self-insured organizations (preferably Oregon public entities).

VI. PROJECT ADMINISTRATION

All the work of the Agent of Record will be coordinated through the Risk Manager. Other principal contacts will be the Assistant ASD Director, the division's Administrative Secretary and the Benefits/Workers Compensation Assistant.

VII. PROPOSAL INSTRUCTIONS

A. Submission of Proposals

5 copies of the proposal shall be furnished to Metro, addressed to:

Metro
Bill Jemison, Risk Manager
600 NE Grand Avenue
Portland, OR 97232-2736

B. Deadline

Proposals will not be considered if received after 3:00 p.m., December 13, 2001.

C. RFP as Basis for Proposals:

This Request for Proposals represents the most definitive statement Metro will make concerning the information upon which Proposals are to be based. Any verbal information that is not addressed in this RFP will not be considered by Metro in evaluating the Proposal. All questions relating to this RFP should be addressed to Bill Jemison at (503) 797-1622. Any questions, which in the opinion of Metro, warrant a written reply or RFP amendment will be furnished to all parties receiving this RFP. Metro will not respond to questions received after December 6, 2001.

D. Information Release

All proposers are hereby advised that Metro may solicit and secure background information based upon the information, including references, provided in response to this RFP. By submission of a proposal all proposers agree to such activity and release Metro from all claims arising from such activity.

E. Minority and Women-Owned Business Program

In the event that any subcontracts are to be utilized in the performance of this agreement, the proposer's attention is directed to Metro Code provisions 2.04.100.

Copies of that document are available from the Risk and Contracts Management Division of Administrative Services, Metro, Metro Center, 600 NE Grand Avenue, Portland, OR 97232 or call (503) 797-1717.

PROPOSAL CONTENTS

The proposal should contain not more than 11 pages of written material (excluding biographies and brochures, which may be included in an appendix), describing the ability of the consultant to perform the work requested, as outlined below. The proposal should be submitted on recyclable, double-sided recycled paper (post consumer content). No waxed page dividers or non-recyclable materials should be included in the proposal.

- A. Transmittal Letter: Indicate the company name, contact name, phone number, fax number and address of Proposer and that the proposal will be valid for ninety (90) days.

-- 1 page

- B. Approach/Project Work Plan: Describe how Metro's account will transition to your organization. Describe your approach to marketing insurance. **Do not obtain market quotes on behalf of Metro.** Include a proposed work plan and schedule.

-- 3 pages

- C. Staffing/Project Manager Designation: Identify specific personnel assigned to major project tasks, their roles in relation to the work required, percent of their time on the project, and special qualifications they may bring to the project. Include resumes of individuals proposed for this contract.

Metro intends to award this contract to a single firm to provide the services required. Proposals must identify a single person as project manager to work with Metro. The consultant must assure responsibility for any subconsultant work and shall be responsible for the day-to-day direction and internal management of the consultant effort.

-- 2 page (excluding resumes or biographies)

- D. Experience: Indicate how your firm meets the experience requirements listed in section IV. of this RFP. List clients over the past five years which involved services similar to the services required here. For each of these other clients, include the name of the customer contact person, his/her title, role, and telephone number. Identify persons on the proposed project team who worked on each of the other projects listed, and their respective roles.

Additionally, list your experience with:

1. Working with facilities catering to large numbers (100,000 to 1 million annual visitors) of visitors.
2. Working with clients having environmental and hazardous waste disposal exposures.

-- 2 pages

- E. Cost/Budget: Metro expects the majority of compensation will come from the commission paid by SAIF Corporation under Metro's workers' compensation policy. Policy year 2001-02 standard premium is estimated to be \$413,624.

List all services provided within this commission.

Any services having cost in addition to the commission must have a proposed fee or commission basis for each item. If your fee basis includes any hourly rates, then list hourly rates for all staff involved assigned to the project. If work will be subcontracted list a fee schedule, provide a fee schedule or hourly rate for all contracted services.

-- 2 pages

- F. Exceptions and Comments: To facilitate evaluation of proposals, all responding firms will adhere to the format outlined within this RFP. Firms wishing to take exception to, or comment on, any specified criteria within this RFP are encouraged to document their concerns in this part of their proposal. Exceptions or comments should be succinct, thorough and organized.

-- 1 pages

VIII. GENERAL PROPOSAL/CONTRACT CONDITIONS

- A. Limitation and Award: This RFP does not commit Metro to the award of a contract, nor to pay any costs incurred in the preparation and submission of proposals in anticipation of a contract. Metro reserves the right to waive minor irregularities, accept or reject any or all proposals received as the result of this request, negotiate with all qualified sources, or to cancel all or part of this RFP.
- B. Billing Procedures: Proposers are informed that the billing procedures of the selected firm are subject to the review and prior approval of Metro before reimbursement of services can occur. Contractor's invoices shall include an itemized statement of the work done during the billing period, and will not be submitted more frequently than once a month. Metro shall pay Contractor within 30 days of receipt of an approved invoice.
- C. Validity Period and Authority: The proposal shall be considered valid for a period of at least ninety (90) days and shall contain a statement to that effect. The proposal shall contain the name, title, address, and telephone number of an individual or individuals with authority to bind any company contacted during the period in which Metro is evaluating the proposal.

- D. Conflict of Interest. A Proposer filing a proposal thereby certifies that no officer, agent, or employee of Metro or Metro has a pecuniary interest in this proposal or has participated in contract negotiations on behalf of Metro; that the proposal is made in good faith without fraud, collusion, or connection of any kind with any other Proposer for the same call for proposals; the Proposer is competing solely in its own behalf without connection with, or obligation to, any undisclosed person or firm.

IX. EVALUATION OF PROPOSALS

- A. Evaluation Procedure: Proposals received that conform to the proposal instructions will be evaluated. The evaluation will take place using the evaluation criteria identified in the following section. Interviews may be requested prior to final selection of one firm. Interviews will be schedule on Wednesday, December 19, 2001 from 1:00 to 4:00 pm.
- B. Evaluation Criteria: This section provides a description of the criteria which will be used in the evaluation of the proposals submitted to accomplish the work defined in the RFP.

50% Response to RFP:

1. Response to proposed scope of work.
2. Services provided within commission.
3. Cost of additional services.
4. Approach/project work plan.

25% Experience and qualification of agency and staff.

25% Response from references.

X. NOTICE TO ALL PROPOSERS -- STANDARD AGREEMENT

The attached personal services agreement is a standard agreement approved for use by the Metro Office of General Counsel. This is the contract the successful proposer will enter into with Metro; it is included for your review prior to submitting a proposal.

PERSONAL SERVICES AGREEMENT

THIS AGREEMENT is between Metro, a metropolitan service district organized under the laws of the State of Oregon and the 1992 Metro Charter, located at 600 NE Grand Avenue, Portland, OR 97232-2736, and _____ referred to herein as "Contractor," located at _____.

In exchange for the promises and other consideration set forth below, the parties agree as follows:

1. Duration. This personal services agreement shall be effective January 1, 2001 and shall remain in effect until and including December 31, 2006, unless terminated or extended as provided in this Agreement.

2. Scope of Work. Contractor shall provide all services and materials specified in the attached "Exhibit A — Scope of Work," which is incorporated into this Agreement by reference. All services and materials shall be provided by Contractor in accordance with the Scope of Work, in a competent and professional manner. To the extent that the Scope of Work contains additional contract provisions or waives any provision in the body of this Agreement, the Scope of Work shall control.

3. Payment. Metro shall pay Contractor for services performed and materials delivered in the amount(s), manner and at the time(s) specified in the Scope of Work for a maximum sum not to exceed _____ AND _____/100THS DOLLARS (\$ _____).

4. Insurance.

a. Contractor shall purchase and maintain at the Contractor's expense, the following types of insurance, covering the Contractor, its employees, and agents:

(1) Broad form comprehensive general liability insurance covering bodily injury and property damage, with automatic coverage for premises, operations, and product liability. The policy must be endorsed with contractual liability coverage; and

(2) Automobile bodily injury and property damage liability insurance.

b. Insurance coverage shall be a minimum of \$1,00,000 per occurrence. If coverage is written with an annual aggregate limit, the aggregate limit shall not be less than \$2,000,000.

c. Metro, its elected officials, departments, employees, and agents shall be named as ADDITIONAL INSUREDS. Notice of any material change or policy cancellation shall be provided to Metro 30 days prior to the change or cancellation.

d. Contractor, its subcontractors, if any, and all employers working under this Agreement that are subject employers under the Oregon Workers' Compensation Law shall comply with ORS 656.017, which requires them to provide Workers' Compensation coverage for all their subject workers. Contractor shall provide Metro with certification of Workers' Compensation insurance including employer's liability. If Contractor has no employees and will perform the work without the assistance of others, a certificate to that effect may be attached, as Exhibit B, in lieu of the certificate showing current Workers' Compensation.

e. Contractor shall maintain for the duration of this Agreement professional liability insurance covering personal injury and property damage arising from errors, omissions, or malpractice. Coverage shall be in the minimum amount of \$10,000,000. Contractor shall provide to Metro a certificate of this insurance, and 30 days' advance notice of material change or cancellation.

f. Contractor shall provide Metro with a certificate of insurance complying with this article and naming Metro as an additional insured within fifteen (15) days of execution of this Contract or twenty-four (24) hours before services under this Contract commence, whichever date is earlier.

5. Indemnification. Contractor shall indemnify and hold Metro, its agents, employees and elected officials harmless from any and all claims, demands, damages, actions, losses and expenses, including attorney's fees, arising out of or in any way connected with its performance of this Agreement, or with any patent infringement or copyright claims arising out of the use of Contractor's designs or other materials by Metro and for any claims or disputes involving subcontractors.

6. Maintenance of Records. Contractor shall maintain all of its records relating to the Scope of Work on a generally recognized accounting basis and allow Metro the opportunity to inspect and/or copy such records at a convenient place during normal business hours. All required records shall be maintained by Contractor for three years after Metro makes final payment and all other pending matters are closed.

7. Ownership of Documents. All documents of any nature including, but not limited to, reports, drawings, works of art and photographs, produced by Contractor pursuant to this Agreement are the property of Metro, and it is agreed by the parties that such documents are works made for hire. Contractor hereby conveys, transfers, and grants to Metro all rights of reproduction and the copyright to all such documents.

8. Project Information. Contractor shall share all project information and fully cooperate with Metro, informing Metro of all aspects of the project including actual or potential problems or defects. Contractor shall abstain from releasing any information or project news without the prior and specific written approval of Metro.

9. Independent Contractor Status. Contractor shall be an independent contractor for all purposes and shall be entitled only to the compensation provided for in this Agreement. Under no circumstances shall Contractor be considered an employee of Metro. Contractor shall provide all tools or equipment necessary to carry out this Agreement, and shall exercise complete control in achieving the results specified in the Scope of Work. Contractor is solely responsible for its performance under this Agreement and the quality of its work; for obtaining and maintaining all licenses and certifications necessary to carry out this Agreement; for payment of any fees, taxes, royalties, or other expenses necessary to complete the work except as otherwise specified in the Scope of Work; and for meeting all other requirements of law in carrying out this Agreement. Contractor shall identify and certify tax status and identification number through execution of IRS form W-9 prior to submitting any request for payment to Metro.

10. Right to Withhold Payments. Metro shall have the right to withhold from payments due to Contractor such sums as necessary, in Metro's sole opinion, to protect Metro against any loss, damage, or claim which may result from Contractor's performance or failure to perform under this Agreement or the failure of Contractor to make proper payment to any suppliers or subcontractors.

11. State and Federal Law Constraints. Both parties shall comply with the public contracting provisions of ORS chapter 279, and the recycling provisions of ORS 279.545 - 279.650, to the extent those provisions apply to this Agreement. All such provisions required to be included in this Agreement are incorporated herein by reference. Contractor shall comply with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations including those of the Americans with Disabilities Act.

12. Situs. The situs of this Agreement is Portland, Oregon. Any litigation over this agreement shall be governed by the laws of the State of Oregon and shall be conducted in the Circuit Court of the state of Oregon for Multnomah County, or, if jurisdiction is proper, in the U.S. District Court for the District of Oregon.

13. Assignment. This Agreement is binding on each party, its successors, assigns, and legal representatives and may not, under any circumstance, be assigned or transferred by either party.

14. Termination. This Agreement may be terminated by mutual consent of the parties. In addition, Metro may terminate this Agreement by giving Contractor seven days prior written notice of intent to terminate, without waiving any claims or remedies it may have against Contractor. Termination shall not excuse payment for expenses properly incurred prior to notice of termination, but neither party shall be liable for indirect or consequential damages arising from termination under this section.

15. No Waiver of Claims. The failure to enforce any provision of this Agreement shall not constitute a waiver by Metro of that or any other provision.

16. Modification. Notwithstanding and succeeding any and all prior agreement(s) or practice(s), this Agreement constitutes the entire Agreement between the parties, and may only be expressly modified in writing(s), signed by both parties.

METRO

By _____

By _____

Title _____

Title _____

Date _____

Date _____

STAFF REPORT

RESOLUTION 01-3137, FOR THE PURPOSE OF AUTHORIZING THE RELEASE OF A REQUEST FOR PROPOSALS FOR A PROPERTY AND LIABILITY AGENT OF RECORD.

Date: November 27, 2001 Presented by: Bill Jemison, Risk Manager

PROPOSED ACTION

Approval to solicit for requests for proposal for a property and liability agent of record for Metro.

EXISTING LAW

Metro Code 2.04.026 (a)(1)(D) requires the Metro Council to authorize issuing the RFP for a personal services contracts for a term greater than 12 months and in an amount greater than \$50,000 and listed as significant impact in the budget. This proposed contract meets all of these criteria.

BACKGROUND AND ANALYSIS

Metro has historically used the expertise of an Agent of Record to assist in the placement of all property and casualty insurance including evaluating premiums and proposals along with identifying market conditions pertinent to successful carrier negotiations.

The Agent of Record also assist in determining appropriate insurance coverage for Metro, annual financial projections for Metro's budget decision-making process, and filing claims with insurance carriers.

The Agent of Record also prepares an annual summary of insurance with updated premiums and values. In addition, Agent of Record maintains copies all insurance policies and provides additional copies to Metro.

Metro has historically used the expertise of an Agent of Record to periodically review insurance and indemnification clauses for contracts. The Agent of Record serves as a valuable resource to evaluate required or demanded coverage, limits and types of insurance.

FISCAL IMPACT:

Historically, commissions from Metro's workers' compensation premiums have paid this contract. Therefore, Metro has had no direct expense for this service. Current Agent of Record has averaged \$15,000 per year in commissions during the expiring and previous contract.

Insurance Brokers and Agents of Records have been moving towards a "fee for service" model. Metro may receive fee-based proposals or offers of additional services for set fees that may provide valuable future services.

EXECUTIVE OFFICER RECOMMENDATION: The Executive Officer recommends Council approve issuing a Request for Proposals for a Property and Liability Agent of Record and executing a contract with the most responsive proposer.