

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF APPROVING A)
REQUEST FOR PROPOSAL DOCUMENT FOR)
INSURANCE BROKER OF RECORD)

RESOLUTION NO. 89-1159

) Introduced by Rena Cusma,
) Executive Officer

WHEREAS, Section 2.04.033(b) of the Metro Code requires the
Council must approve the proposal document for certain contracts; and

WHEREAS, The contract for Insurance Broker of Record requires
Council approval, and the proposal document has been filed with the
Council Clerk; now, therefore,

BE IT RESOLVED,

That the Council of the Metropolitan Service District approves the
Request for Proposal for Insurance Broker of Record attached as Exhibit
A hereto and authorizes that it be released for response by vendors or
proposers.

ADOPTED by the Council of the Metropolitan Service District this

26th day of October, 1989.


Mike Ragsdale, Presiding Officer

kr:insur:resrfp
9/29/89

**REQUEST FOR PROPOSALS
INSURANCE BROKER OF RECORD**

I. INTRODUCTION

The Metropolitan Service District (Metro) is requesting proposals from qualified firms to act as Metro's Insurance Broker of Record for a period of three (3) years. Proposals will be due by 5:00 p.m. on _____, 1989 in Metro's business offices at 2000 S.W. First Avenue. Details concerning the proposal are contained in this document.

II. BACKGROUND

The Metropolitan Service District (Metro) is the nation's first directly elected regional government. Established by voters in the region in May 1978, Metro serves the urban areas of Clackamas, Multnomah and Washington counties (including 24 cities), with a population of approximately one million persons. Metro is governed by an Executive Officer elected region-wide, and 12 Councilors elected from subdistricts.

Metro is responsible for addressing issues of regional significance that cut across traditional city and county boundaries.

Through Metro's enabling legislation (Oregon Revised Statutes, chapter 268) the service district is a municipal corporation having a variety of specific authorized functions. The range of potential services include water and wastewater management, and providing for public transportation and terminal facilities. The District has the ability to issue General Obligation Bonds, to levy serial taxes and to establish a property tax base upon approval of the voters.

Currently Metro owns and operates the Metro Washington Park Zoo, is responsible for disposal of the region's solid waste as well as the construction and operation of the Oregon Convention Center. Further, Metro provides development and transportation planning services to cities, counties and special districts in the region. A more detailed description of Metro services may be found in Attachment A to the Request for Proposal.

III. SCOPE OF WORK

All work of the Insurance Broker of Record will be coordinated through the Manager of Financial Services, Metro's Risk Manager. Other principle contact will be the Associate Management Analyst for Budget and Risk Management.

The selected broker of record will be required to perform the duties and responsibilities as follows:

- A. Formulate and maintain an adequate insurance program for Metro, recommend insurance coverages and assist the administration in the preparation of specifications for those insurance coverages.
- B. Write and service all policies for liability, property, casualty, statutory bonds and such other policies of insurance as broker may be authorized to write as requested by Metro
- C. Coordinate with the administration in the examination of policies to determine that such policies meet the requirements of the specifications.
- D. Coordinate with the administration in examination of audits on those policies subject to audit.
- E. Be available to the Metro Risk Manager, or other staff as directed, for insurance counseling.
- F. Assist the administration in preparing guiding principals for the Management of Metro's insurance program, including claims processing.
- G. Shall notify Metro of all expirations of coverage at least sixty (60) days prior to the expiration date.
- H. Shall annually review Metro's insurance program and prepare and present a report to Metro's Council.
- I. Shall review, prepare and submit a quarterly report of claims activity for use by Risk Management staff.
- J. All insurance contracts shall be awarded in compliance with Oregon Revised Statutes chapters 731-752.

IV. QUALIFICATIONS AND EXPERIENCE

The successful proposer must possess the following minimum qualifications and experience:

- A. Shall be licensed by the Insurance Commissioner of the State of Oregon and shall be in good standing

- B. Shall have had at least ten (10) years active experience in the insurance fields of surety, property, casualty, inland marine and transportation coverage. The experience should preferably include writing insurance for public agencies.
- C. Shall maintain an office in the Metro area consisting of at least two brokers licensed by the State of Oregon, together with a trained office staff including safety personnel.
- D. Shall furnish satisfactory evidence that firm carries an Error and Omissions Policy with a minimum limit of not less than \$1,000,000.
- E. Shall have an annual premium volume of over \$500,000 excluding personal lines, life, health and accident insurance.

IV. CONTENTS OF PROPOSAL

A. General Information

- 1. Provide name, address of firm, date established and brief description of agency's historical background
- 2. State the number of personnel in your office and their general duties.
- 3. Describe the business experience and professional achievements of principals of your firm who would be assigned to work on Metro's account. Include resumes of individuals proposed for this contract.
- 4. Indicate your firm's approximate annual premium volume excluding personal lines, life insurance, and accident and health insurance. You may categorize this information by premium size bracket as follows:

Under \$500,000
\$500,000 - \$1,000,000
\$1,000,000 - \$2,500,000
Over \$2,500,000

If your office is a branch or subsidiary of a national or multi-office firm, also show the same information for your local office.

- 5. List principal insurance markets utilized by your firm. Indication of line of coverage by company is desirable.

6. Indicate insurance carriers with which you have binding authority and the maximum amount of such authority for property and casualty insurance.

7. List clients serviced through your office which are political subdivisions or accounts that may be similar.

B. Evidence of Insurance Agent/Broker Errors and Omissions Insurance

State the name of the insurer, liability limit and the deductible and include with the proposal a copy of the certificate of such insurance.

C. Services Provided by Agent/Broker

1. Describe the loss prevention/control services available from or through your agency.
2. Describe loss adjustment/claim control services including draft authority for small claims and time frames for responses.
3. Describe the assistance your agency can provide in appraising real and personal property of Metro.
4. Describe the assistance your agency can provide in developing and providing premium and loss records.
5. Describe the type of "Annual Report" that your office could provide on past premiums and losses. Included in such a report would be your observations on appropriate changes in coverage needed, changes in the insurance market, and a resume of Metro insurance coverage. Provide a representative example of a recent Annual Report you have prepared.

D. Proposed Marketing Plan

Discuss in detail how your firm would market Metro's insurance program. Your proposed plan will not be divulged to other brokers.

E. Coverages/Deductibles/Premiums

Discuss the approach you would use in preparing recommendations for Metro coverages, deductibles and level of self-insuring.

F. Compensation

Set forth both a fee schedule and a commission rate schedule for the services proposed. State hourly rates of personnel assigned to Metro's account. If Metro will be responsible for incidental costs, clearly state what type of incidental expenses Metro will be expected to bear. A copy of Metro's Insurance schedule including current limits and deductibles is attached to the RFP.

A budget of \$260,000 has been established for insurance premiums in FY 1989-90.

G. Other Information

Include any other information which you feel will aid Metro in evaluating the proposal from your firm.

V. PROPOSAL INSTRUCTIONS

A. Deadline and Submission of Proposals

Three copies of the proposal shall be furnished to Metro addressed to:

Jennifer Sims
Manager of Financial Services
Metropolitan Service District
2000 S.W. First Avenue
Portland, OR 97201-5398

Proposals will not be considered if received after 5:00 p.m., _____, 1989. Postmarks are not acceptable.

B. Basis for Proposals

This RFP represents the most definitive statement Metro will make concerning the information upon which proposals are to be based. Any verbal information which is not contained in this RFP will not be considered by Metro in evaluating the proposals. All questions relating to the RFP must be submitted in writing to Jennifer Sims, Manager of Financial Services. Any questions which in the opinion of Metro warrant a written reply or RFP amendment will be furnished to all parties receiving a copy of this RFP. Metro will not respond to questions received after _____, 1989.

VI. GENERAL PROPOSAL AND CONTRACT CONDITIONS

- A. Limitation and Award - This Request for Proposals 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 accept any or all proposals received as the result of this request, to negotiate with all qualified sources, or to cancel all or part of this RFP.
- B. Contract Type - Metro intends to award a personal services contract with the selected firm for this project. A copy of the standard contract form which the successful consultant will be required to execute is attached.
- C. 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. A monthly billing, accompanied by a progress report will be prepared for review and approval.
- D. 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.

VII. EVALUATION OF PROPOSALS

- A. 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. The evaluation process will result in Metro developing a short list of the firms who, in its opinion, are most qualified. Interviews with these firms will be requested prior to final selection of one firm.
- B. Firms responding to the Request for Proposals will be evaluated on the basis of the following:
 - 1. General (15 points)
 - a. Organization of proposal
 - b. Responsiveness to the purpose and scope of services.

2. Personnel (30 points)

- a. Experience and qualifications of principals assigned to this project
- b. Availability of personnel assigned
- c. Additional professional resources available

3. Organization, Experience and Services of Firm (30 points)

- a. Previous history and experience with similar type of government agencies and/or special districts.
- b. Previous history and experience in the appropriate insurance fields
- c. Structure of services provided and appropriateness to Metro's needs
- d. Structure of working relationship
- e. Favorable references from previous clients for whom you have provided similar services.

4. Cost of services. (25 points)

All firms submitting proposals will be notified when a consultant has been selected. Metro reserves the right to reject any or all proposals, to waive irregularities and technicalities and to accept the proposal deemed most advantageous to the District.

ATTACHMENT A

METRO SERVICES

Metro Washington Park Zoo

Metro owns and operates a 64-acre zoo. This facility is a major cultural, educational and recreational attraction drawing visitors from throughout Oregon and the Pacific Northwest. Average annual attendance is 880,000 persons which is the largest admission attraction in the state.

The Zoo is funded through two major sources; 1) enterprise revenues (admission fees, concessions revenues, etc); and 2) a serial tax levy. The current serial levy funds both operating and capital improvements and will be in effect through June 1990. Since Metro began operating the Zoo, there have been a number of improvements. These include the Cascades Stream and Pond Exhibit, the Alaska Tundra Exhibit, the Africa Exhibit, and remodelling of the Penguinarium, West Bear Grottos, the primate facilities and the administration and entranceway facilities. A Master Plan proposes improvements to exhibits as well as investments to improve the function of the Visitor Services and parking areas. The Zoo has not used debt financing for any improvements since Metro began its operation.

Solid Waste

Metro is responsible for disposal of nearly one million tons of waste per year. This includes planning, developing and managing the region's landfills and transfer stations; and providing recycling promotion, education and local assistance programs. It does not include collection.

Metro through its operations directly handles approximately 600,000 tons of waste each year. To accomplish this Metro operates two facilities -- the St. Johns Landfill (owned by the City of Portland and operated by Metro), and the Metro South Station (owned and operated through contract by Metro).

Future facilities for handling solid waste are currently being planned. Most immediate is the region's second transfer station to service the East Wasteshed and facilitate transfer of waste to the new landfill in Eastern Oregon. A new privately owned landfill has been sited in Gilliam County and will begin receiving Metro area solid waste in 1990.

Funding for solid waste programs and operations is paid entirely through user fees. No taxes are used to fund these services. Debt financing (borrowing from funds derived from State Pollution Control Bonds issued by the Oregon Department of Environmental Quality) has been used to fund major capital investments. Although revenue bonds could have been used, because of the more

favorable interest rates provided by the Pollution Control Bonds in past years, no Metro public sale has occurred.

Local Government Services

Metro coordinates a variety of special services to local governments in the region, including: transportation planning, regional data research and analysis, development services, technical services to local governments and monitoring the urban growth boundary.

Through the Joint Policy Advisory Committee on Transportation, Metro works with local governments to secure and allocate federal highway and transit funds for the region. The Regional Transportation Plan, currently being updated, will be a guide to highway and transit improvements needed to the year 2005 in the tri-county area. Additionally, with a regional computerized data base, the Data Resource Center provides demographic data and analysis to private and public sectors. A regional population and employment forecast to the year 2005 has been updated.

The Planning and Development Department provides land-use, economic development and public facility planning services to local governments. Through administration of the urban growth boundary, Metro defines land to be used for urban development during the next 20 year. Metro also helps local governments prepare and update their comprehensive land-use plans. The department also provides services to local governments through professional training workshops, intern and grant application assistance and a directory of regional governments.

Local government services are funded by two primary sources: 1) local government assessment dues (based on population) as authorized by the state legislature; and 2) state and federal grants for the transportation planning services. Because the Planning departments provide professional services, there are no capital or debt service requirements at this time.

Oregon Convention Center

Metro's Convention Center Project office is responsible for coordinating construction and management of a regional convention facility. The convention center site is on Portland's east side near the Memorial Coliseum. The facility will have 200,000 square feet of exhibit and meeting space plus 200,000 square feet for support facilities. The convention center is expected to draw 21 major conventions a year after it opens in September, 1990.

Metro has established the Metropolitan Exposition-Recreation Commission to oversee marketing and operations of the Oregon Convention Center. In addition, the Metro E-R Commission and the City of Portland have signed a Memorandum of Understanding to consolidate the operations of the Civic Stadium, the Memorial Coliseum, the Civic Auditorium and the Performing Arts Center with the operations of the Convention Center under the Metro E-R Commission. The Portland/Oregon Visitors Association, under contract to Metro E-R Commission, directs a national marketing campaign aimed at convention and trade show organizers.

Construction of the Oregon Convention Center is funded by three primary sources: 1) general obligation bonds; 2) State lottery proceeds; and 3) Local Improvement District funds. In November 1986, voters approved a \$65 million bond issue. Bonds were sold by Metro on July 9, 1987. The bonds were well rated and sold at a favorable rate. State Lottery proceeds will contribute an additional \$15 million to the project. Finally, the Local Improvement District in support of the convention center is expected to contribute \$5 million. All three funding sources are dedicated to the capital portion of the project.

kr:insur:rfpbroker
9/18/89

J. B. L. & K. INSURANCE

INSURANCE SCHEDULE

METROPOLITAN SERVICE DISTRICT2000 S.W. FIRST AVENUE
Portland, OR 97201-5398

July, 1989

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Policy Period	Company	Term	Coverage	Limits	Deductible	Premium
July 1, 1989 to July 1, 1990	Great American PAC085281001	1 yr.	PROPERTY Blanket - Loss Limit Sublimits: Business Interruption Railroad Loss of Income Extra Expense Valuable Papers INLAND MARINE - Special Property Scheduled Equipment Data Processing Equipment Valuable Papers District Fine Arts	 \$31,140,000 \$3,050,000 Included \$100,000 \$50,000 \$1,957,400 Incl. in Property \$50,000 \$81,180	 \$1,000 \$1,000 \$1,000 \$1,000 \$1,000 \$2,500 \$1,000 \$1,000	 \$37,144 Included
January 1, 1989 to January 1, 1990	Industrial of Hawaii (S.D.I.S.) JJ 899 7000	1 yr.	COMMERCIAL GENERAL LIABILITY Bodily Injury/Property Damage - Combined Limit Including Liquor Liability and Public Official Liability	 \$1,000,000	 \$100,000 Plus Taxes & Fees	 \$139,044
			AUTOMOBILE LIABILITY Bodily Injury/Prop.Damage Combined Limit	 \$1,000,000	 Nil	 Included
			AUTOMOBILE PHYSICAL DAMAGE Comprehensive Collision (newer vehicles only)	 Actual Cash Value Actual Cash Value	 \$100 \$500	
June 25, 1989 to June 25, 1990	Britancco Underwriters (Ill. Ins. Exch.) DOL0212487740	1 yr.	LIQUOR LIABILITY Zoo Concerts and Activities CLAIMS MADE COVERAGE - Applies to Claims first made during the policy period. Retro-Active Date	 \$100,000 June 25, 1987	 Nil	 \$2,376

INSURANCE SCHEDULE

METROPOLITAN SERVICE DISTRICT2000 S.W. FIRST AVENUE
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July, 1989

Page 2.

Policy Period	Company	Term	Coverage	Limits	Deductible	Premium
January 1, 1989 to January 1, 1990	Navigators Insurance Co. NFE 500735	1 yr.	EXCESS LIABILITY Bodily Injury/Property Damage Aggregate Limit	\$1,000,000		\$17,315
July 1, 1988 to July 1, 1989	Royal Insurance PWW 573486	1 yr.	BOILER & MACHINERY Limit Per Accident Business Interruption & Extra Expense Limit	\$1,000,000 Included	\$1,000 24 hours	\$1,310
July 1, 1989 to July 1, 1990	Hartford A & I DDD PX 0999	1 yr.	COMPREHENSIVE CRIME COVERAGE Theft, Disapperance & Destruction Depositors Forgery Computer Fraud	\$125,000 \$75,000 \$125,000	\$500 Nil Nil	\$5,956
July 1, 1989 to July 1, 1990	Hartford A & I PEB PE 8687	1 yr.	FAITHFUL PERFORMANCE BLANKET BOND Limit Per Loss	\$500,000	\$1,000	\$2,747
May 26, 1989 to May 26, 1990	Hartford A & I 507 1915	1 yr.	PUBLIC OFFICIAL BOND Don Cox, Accounting Manager - Limit	\$500,000	Nil	\$2,500
September 8, 1989 to September 8, 1990	INA CTF IO 525946	2 yrs.	BUILDERS RISK INSURANCE - CONVENTION CENTER Loss Limit	\$57,500,000	\$10,000	\$105,351 (2 yrs.)
Total 1989 Premiums						\$208,392

STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 89-1159 FOR THE PURPOSE OF APPROVING A REQUEST FOR PROPOSAL DOCUMENT FOR INSURANCE BROKER OF RECORD

Date: September 29, 1989

Presented by: Ray Phelps

FACTUAL BACKGROUND

Oregon State law permits local governments to appoint a single agent of record to act as broker for all casualty and liability coverage for a three-year period. The current three year contract expires January 1, 1990.

In 1986, Metro formulated a self-insurance and risk management program that created a self-insured retention reserve and defined the roles and responsibilities of both Metro and the Broker of Record and outlined administrative procedures for claims administration and loss prevention. This program was adopted by Council in July, 1986.

The Broker of Record is required to formulate and maintain an adequate insurance program for Metro, recommend insurance coverages and assist the administration in the preparation of specifications for insurance coverages. They shall annually review Metro's insurance program and prepare and present a report to Metro's Council. In addition, they shall be available to Metro's Risk Manager, or other staff as directed, for insurance counseling on such items as RFP/B requirements review, contract compliance and loss prevention.

The Broker of Record will be selected from respondents to the Request for Proposal and will be selected in accordance with Metro contract rules for personal services. Proposals will be evaluated on the basis of organization and experience of the firm, the qualifications and availability of the personnel assigned, and the cost of services determined either by a fee schedule or commission rate schedule. The firm selected will be appointed for a period of three years, beginning January 1, 1990.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 89-1159 approving the Request for Proposal for Insurance Broker of Record.

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9/29/89

COUNCIL FINANCE COMMITTEE REPORT

RESOLUTION NO. 89-1159, APPROVING A REQUEST FOR PROPOSAL
DOCUMENT FOR INSURANCE BROKER OF RECORD

Date: October 13, 1989

Presented By: Councilor Collier

COMMITTEE RECOMMENDATION: At the Finance Committee meeting October 5, 1989, all members were present and voted unanimously to recommend Council adoption of Resolution No. 89-1159.

COMMITTEE DISCUSSION/ISSUES: Jennifer Sims, Financial Services Manager, presented the resolution to approve the RFP documents for a three-year contract for casualty and liability insurance brokerage services. As noted in the staff report, the Council adopted a self-insurance and risk management program for Metro in 1986 which defined the roles and responsibilities of both Metro and a Broker of Record. The new broker services contract, to begin January 1, 1990, maintains the basic program services, including marketing, claims management, advising on claims payments and monitoring Metro's exposure.

The RFP does have a new approach; cost proposals must be submitted both for a straight fee for services and a commission basis. Staff said Metro has only had services on a commission basis in the past with \$18,900 paid to the current broker so far in calendar year 1989. Pros and cons were noted for both payment options. Staff stressed the double bid approach of fees and commissions should allow Metro to get the best possible deal. Concerns were raised the approach might discourage potential respondents but staff identified at least four firms who have indicated strong interest in the contract.

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