

**BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT**

FOR THE PURPOSE OF APPROVING)	RESOLUTION NO. 92-1710
A REQUEST FOR PROPOSALS)	
DOCUMENT FOR PROPERTY/)	Introduced by Finance Committee
CASUALTY AGENT OF RECORD/)	
BROKER AND WAIVING THE)	
REQUIREMENT FOR COUNCIL)	
APPROVAL OF THE CONTRACT AND)	
AUTHORIZING THE EXECUTIVE)	
OFFICER TO EXECUTE THE)	
CONTRACT SUBJECT TO CONDITIONS)	

WHEREAS, Section 2.04.033 (b) of the Metro Code requires the Council to approve any document which is subject to competitive bidding or Request for Proposals procedures; and

WHEREAS, the contract for Property/Casualty Agent of Record/Broker requires Council approval, and the Request for Proposals document has been filed with the Council Clerk; now, therefore,

BE IT RESOLVED,

1. That the Council of the Metropolitan Service District approves the Request for Proposals for Property/Casualty Agent of Record/Broker attached as Exhibit A hereto and authorizes immediate release for response by vendors or proposers.
2. That subject to the conditions in Exhibit B attached hereto waives the requirement for Council approval of the contract and authorizes the Executive Officer to execute the contract if the conditions are met.

ADOPTED by the Council of the Metropolitan Service District this 24th day of
November, 1992.



Jim Gardner, Presiding Officer



Request for Proposals

**For Property/Casualty
Agent of Record/Broker
and/or Loss Control
Consultant**

METRO

*Finance & Management Information
Department
Risk Management Division
2000 SW First Avenue
Portland, OR 97201-5398*

Printed on recycled paper

**REQUEST FOR PROPOSALS
FOR PROPERTY/CASUALTY AGENT
OF RECORD/BROKER AND/OR
LOSS CONTROL CONSULTANT**

I. INTRODUCTION

The Risk Management Division of the Metropolitan Service District (Metro) is requesting proposals for Property/Casualty Agent of Record/Broker and/or Loss Control Consultant services which are outlined in this proposal. Proposals will be due on Friday, December 18, 1992, 3:00 p.m.; PST, in Metro's business offices, attention R. Scott Moss, Risk Manager, 2000 S.W. First Avenue, Portland, OR 97201. Details concerning the project and proposals are contained in this document. It is anticipated that the term of the contract will be from January 1, 1993 to December 31, 1995. A proposal may be provided for either an Agent of Record or a Loss Control Consultant or both.

II. REGIONAL RESPONSIBILITIES

Metro serves more than one million residents of the urban areas of Clackamas, Multnomah and Washington counties in the fast-growing Portland, Oregon, region. There are 24 cities ranging in size from Rivergrove (population 294) to Portland (population 437,319).

Metro provides the following regional services:

- Planning and management of the region's solid waste system and promotion of recycling.
- Planning of the regional transportation system.
- Planning and management of regional growth, including the urban growth boundary.
- Operation of the Metro Washington Park Zoo, the state's largest paid tourist attraction.
- Maintenance of a regional economic and demographic database and computer mapping system.
- Management of the Oregon Convention Center, Memorial Coliseum, Civic Stadium and Portland Center for the Performing Arts through the Metropolitan Exposition-Recreation Commission. Effective July 1, 1993, the Memorial Coliseum will transfer back to the City of Portland.

III. RISK MANAGEMENT PROGRAM

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 coverages. 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. During FY 1991-92, Metro had 31 general liability and automobile claims. On July 1, 1992, Metro contracted with Self-insured Management Services (SiMS) to provide adjusting services. Metro purchases a liquor liability policy from United National Insurance Company. This policy has a continuous January 1, renewal date.

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 insures approximately \$280,000,000 worth of property through Allendale Insurance Company. On July 1, 1993, Metro will have concluded a three-year contract with Allendale, which will be up for renewal.

Metro purchases crime insurance and a faithful performance bond from Hartford Accident & Indemnity Company. Both policies renew July 1, 1993.

Metro's Risk Management Division maintains a high standard of service by responding to the needs of our departments through the development of innovative and creative risk management techniques. To this end, Metro has developed relationships with a number of local brokerage firms. It is our expectation to continue utilizing these firms' services for specific and unique risk management projects.

IV. PROPOSED SCOPE OF WORK/SCHEDULE

Metro's risk management team combines internal and external resources to provide Metro departments with the highest quality of service. To this end, we request experienced Property/Casualty Agent of Records and Loss Control Consultants to submit proposals to be a part of Metro's risk management team. This request for proposals has two sections; agent of record services and loss control services. Qualified bidders may propose on either section or both sections. The agent of record services are further divided into two subsections: (A) general agent of record services; and (B) marketing

property insurance. Risk Management will evaluate the available resources and may directly be responsible for marketing property insurance.

A. General Agent of Record Services

1. **General Agent of Record Services - We anticipate the fee for the following services to be under \$10,000 annually.**
 - i. **Be available to the Risk Manager, or other staff as directed, for general insurance-related counseling.**
 - ii. **Shall annually review Metro's insurance program and make recommendations to Risk Management.**
 - iii. **Prepare and present, in coordination with Risk Management, a report on Metro's insurance program to Metro's Council the first calendar quarter of each year.**
 - iv. **Market Crime insurance.**
 - v. **Market Employee Dishonesty coverage.**
 - vi. **Provide miscellaneous services; i.e., drivers license checks.**
 - vii. **Be a resource for risk manager to exchange ideas**

2. **Market Property Insurance - We anticipate the fee for the following services to be under \$10,000 annually.**
 - i. **Survey the insurance market place to determine available property insurance markets.**
 - ii. **Assist Risk Management in developing underwriting information.**
 - iii. **Provide the available property insurance markets with Metro's underwriting information.**
 - iv. **Review suggested policy forms and coverage's.**
 - v. **Evaluate the financial strength of the proposed insurance company.**
 - vi. **Issue Certificates of Insurance.**
 - vii. **Assist in placement and resolution of any claims.**

B. Loss Control Consultation

1. Loss Control Consultation -- We anticipate the fee for the following services to be under \$10,000 annually.
 - i. Be a risk management team member for loss control engineering.
 - ii. At a minimum, provide a complete inspection of each of Metro's facilities annually.
 - iii. Review and make recommendations concerning Metro's Accident Prevention and Loss Control Policy and Supervisor and Safety Committee Resource Manual.
 - iv. Provide technical training to supervisors and employees as needed.
 - v. Review and comment on loss control recommendations submitted by Metro's property and workers' compensation insurance companies.
 - vi. Assist with compliance with OSHA rules and regulations.
 - vii. Assist with analysis of OSHA citations.
 - viii. Perform miscellaneous projects.

V. QUALIFICATIONS/EXPERIENCE

Metro is looking for an Agent of Record who is licensed in the State of Oregon and has demonstrated experience with self-insured organizations. The Agent of Record must also have experience serving commercial clients approximately the same size as Metro and have knowledge and experience with public entities and the Oregon Tort Claims Act.

The Loss Control Consultant will have a strong background in providing loss control services for public and private entities with similar operations to Metro. Experience with facilities catering to large numbers of visitors and experience with hazardous materials is required. The Loss Control Consultant's career will have focused on loss control engineering to avoid liability and workers' compensation injuries.

Both the Agent of Record and Loss Control Consultant will have demonstrated thorough education and experience that they are technical experts in their field with the ability to effectively communicate Metro's needs to risk management, supervisors, employees, and the Metro Council. Both will have demonstrated creativity, not only to see things as they are but as they might be. Perhaps most important, both will have a

reputation among their peers and clients to have utmost integrity and a willingness to place their clients interest above their own.

VI. PROJECT ADMINISTRATION

All the work of the Agent of Record and Loss Control Consultant will be coordinated through the Risk Manager. Other principle contacts will be the Risk Analyst and the division's Administrative Secretary.

VII. PROPOSAL INSTRUCTIONS

A. Submission of Proposals

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

Mr. R. Scott Moss, Risk Manager
Metropolitan Service District
2000 S.W. First Avenue
Portland, OR 97201-5398

B. Deadline

Proposals will not be considered if received after 3:00 p.m.; PST, Friday, December 18, 1992. Postmarks are not acceptable.

C. RFP as Basis for Proposals

This Request for Proposals represents the most definitive statement Metro will make concerning 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 or the project must be submitted in writing to R. Scott Moss, Risk Manager. 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 Wednesday, December 9, 1992.

D. Subconsultants; Disadvantaged Business Program

A subconsultant is any person or firm proposed to work for the prime consultant on this project. Metro does not wish any subconsultant selection to be finalized prior to contract award. For any task or portion of a task to be undertaken by a subconsultant, the prime consultant shall not sign up a subconsultant on an exclusive basis.

In the event that any subconsultants are to be used in the performance of this agreement, consultant is encouraged to make a good faith effort, as that term is defined in Metro's Disadvantaged Business Program (Section 2.04.160 of the Metro Code) to reach the goals of subcontracting 7 percent of the contract amount to Disadvantaged Businesses and 3 percent of the contract amount to Women Businesses. Consultant shall contact Metro prior to negotiating any subcontracts. For information on the status of this program please contact Metro's procurement officer at 221-1646 extension 536.

VIII. PROPOSAL CONTENTS

The proposal must be in the following format:

- A. Name, address, telephone number, and short history of the company. (one page)
- B. Name, education, experience of Agent of Record and/or Loss Control Consultant.
- C. Fees for services. (Agent of Records please separate general agent of record duties from the duties performed for marketing property insurance).
- D. List all public and private entities and clients of Metro's size (present and past). Please include contact person's name and telephone number.
- E. Describe in detail a proposed work plan to service Metro. The proposed work plan should include: the goals and objectives of the Agent of Record and Loss Control Consultant in servicing Metro; a detailed proposal of services; when these services are to be provided; and a proposed self-evaluation. The work plan will be judged on both creativity and proposed activities.

IX. FEES FOR SERVICES

Metro desires to provide an annual fee for service. Agent of Record must separate their annual fee for services into two segments. The first segment will be for general agent of record services and the second segment will be for marketing of property insurance. Agent of Record must also provide an annual statement detailing all commission earnings. Such earnings will be used to reduce the annual fee. Please indicate fee for the next three years. The Loss Control Consultant must also provide an annual fee for service.

X. 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 accept or reject

any or all proposals received as the result of the 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 firm 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 by consultant 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.

XI. EVALUATION OF PROPOSALS

- A. **Evaluation of 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. 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 may be requested prior to the final selection of one firm.
- B. **Evaluation Criteria** - Proposals submitted that conform to the instructions provided in this RFP will be evaluated on the following criteria:
 - 1. **Work plan (25 points)**
 - Organization of proposal. Response to purpose and scope of work.
 - Description of proposed services.
 - 2. **Experience and Qualifications of the Agent of Record and Loss Control Consultant as outlined (25 points)**
 - 3. **Cost of Service (25 points)**
 - 4. **Response from References (25 points)**

Project _____
Contract No. _____

PERSONAL SERVICES AGREEMENT

THIS AGREEMENT is between the METROPOLITAN SERVICE DISTRICT, a municipal corporation organized under ORS Chapter 268, referred to herein as "Metro," located at 2000 S.W. First Avenue, Portland, OR 97201-5398, 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 _____ and shall remain in effect until and including _____, 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 maximum sum of _____ AND _____/100THS DOLLARS (\$_____), in the manner and at the time specified in the Scope of Work.

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 personal 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 \$500,000 per occurrence, \$250,000 per person, and \$50,000 property damage. If coverage is written with an annual aggregate limit, the aggregate limit shall not be less than \$1,000,000.

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 are subject employers under the Oregon Workers' Compensation Law and 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 \$500,000. Contractor shall provide to Metro a certificate of this insurance, and 30 days' advance notice of material change or cancellation.

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 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. 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.

13. Termination. This Agreement may be terminated by mutual consent of the parties. In addition, Metro may terminate this Agreement by giving Contractor five 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.

14. 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.

15. Modification. This Agreement is the entire agreement between the parties, and may only be modified in writing, signed by both parties.

CONTRACTOR

METROPOLITAN SERVICE DISTRICT

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

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CONDITIONS FOR WAIVER OF COUNCIL APPROVAL

The Council of the Metropolitan Service District waives the requirement for the Council approval of the Property/Casualty Agent of Record/Broker and/or Loss Control Consultant contracts, subject to the following conditions:

1. The amount of the three year contract for all services shall not exceed \$30,000 annually.
2. The service provided shall conform in all material respects to the specifications set out in the Request for Proposals for a Property/Casualty Agent of Record/Broker and/or Loss Control Consultant.

FINANCE COMMITTEE REPORT

RESOLUTION NO. 92-1710 APPROVING A RFP DOCUMENT FOR
PROPERTY/CASUALTY AGENT OF RECORD/BROKER AND AUTHORIZING THE
EXECUTIVE OFFICER TO EXECUTE THE CONTRACT SUBJECT TO CONDITIONS

Date: November 23, 1992 Presented By: Councilor Van Bergen

COMMITTEE RECOMMENDATION: The Committee initially considered this resolution at the November 5, 1992 meeting. It was continued to the next regular meeting so staff could make changes to the RFP document. At its November 19, 1992 meeting the Committee voted unanimously to recommend Council approval of Resolution No. 92-1710. All Committee members were present and voting.

COMMITTEE DISCUSSION/ISSUES: Mr. Scott Moss, Risk Manager presented the Staff Report. He indicated the RFP had been changed to reflect comments made by the Committee Chair at the November 5 meeting. The specific changes made are listed in Attachment 1 to this Committee Report. Chair Van Bergen expressed satisfaction that his concerns had been taken care of in the revised RFP document.

Chair Van Bergen requested that Mr. Moss respond to the question that was asked in the Governmental Affairs Committee earlier in regard to Resolution No. 92-1709 (an RFP for employee benefits services) regarding potential cost savings and other benefits of combining the two procurement documents and resulting contract. Mr. Moss said he was prepared to respond now or in writing prior to the Council meeting. Chair Van Bergen requested the response in writing which is attached to this report as Attachment 2.

**METRO**2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Memorandum

DATE: November 23, 1992

TO: Don Carlson, Council Administrator

FROM: Scott Moss, Risk Manager *SM*

RE: Changes Made to Resolution #92-1710 -- Request for Proposal

Per our conversation, this memo is to clarify the changes made to Resolution #92-1710, Property/Casualty Agent of Record/Broker. These changes were made in response to the following Finance Committee concerns.

- With the development of a professional Risk Management Division, more activities should be incorporated in-house, with less reliance on external agents.
- The RFP was written in a matter which may have excluded smaller firms from providing bids.

In response to these concerns we made the following structural changes to the RFP.

- The RFP was redesigned to allow separate proposals on general agent of record duties or loss control consultant duties or combine both as a package proposal.
- The proposed scope of work was reformatted to list the specific tasks for the agent of record and the loss control consultant.
- We clarified that the following items have been excluded for the original RFP and will be absorbed internally effective January 1, 1992. The estimated cost savings is \$20,000 annually.
 - Market Liability Insurance
 - Allocation of Premium
 - Claims Review
 - Limited Risk Assessments
 - Market Workers' Compensation
 - Limited Risk Management Consulting
 - Limited Contract Review
- Risk Management will analyze marketing of property insurance proposals in-house depending upon the proposers; professional and clerical resources, insurance market availability, and cost proposed by agent of record. Therefore, the agent of record is required to submit a separate proposal for marketing property insurance. If absorbed internally, we estimate a cost savings of \$10,000 annually.
- The experience requirement was lowered to allow for a broader base of qualified proposers.

MEMO - Don Carlson
November 23, 1992
Page 2

We feel this revised request for proposal will meet the Finance Committee requirements.

If I can be of further service, please contact me.

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cc: Jennifer Sims, Director of Finance & Management Information

**METRO**2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Memorandum

DATE: November 23, 1992

TO: Finance Committee

FROM: Scott Moss, Risk Manager
Paula Paris, Personnel Manager

RE: Combining Agent of Record Services for Property/Casualty Insurance and Employee Benefits

This memo is in response to a question raised by the Finance Committee on Resolution No. 92-1710, Property/Casualty Agent of Record/Broker and/or Loss Control Consultant. It also responds to a question raised by the Governmental Affairs Committee on Resolution No. 92-1709, Agent of Record for Employee Benefits. The question is, "Are there financial savings and other benefits derived from combining these two RFP's and having one agent provide these services?"

Financial Benefits

Five of the six largest brokers in Portland provide property/casualty and employee benefit services. Each of these firms have specialized consultants offering these services. As a matter of practice, property/casualty insurance consultants have little interface with employee benefit consultants.

Of the five firms, one has experience with public entities in both insurance and employee benefits. We informally asked them and one other firm if discounts would be provided if they were chosen to be the consultant in both areas. They both said a discount would be offered, but not more than 5% of the total. This may result in a savings of approximately \$3,500 annually.

We are aware of one medium-size firm that offers both services, but does not have public entity experience. They do not provide loss control services.

Limited Agents

As was mentioned above, combining the two RFP's would significantly limit the number of brokers able to respond. Due to the technical nature and the differences between property/casualty insurance and employee benefits; firms tend to specialize.

MEMO - Finance Committee
November 23, 1992
Page 2

At the request of the Finance Committee, Risk Management's request for proposals for insurance consultants was significantly modified to allow for a wider range of qualified proposers. The request for proposals for employee benefits currently provides for a wide range of proposers. Due to limited competition, combining the two will limit qualified proposers and may increase costs.

Recommendation

Risk Management and Personnel will invite firms known to provide both property/casualty insurance and employee benefits agent of record services to bid separately or jointly on the two RFP's. Any qualified proposers bidding on both RFP's will be jointly interviewed by Risk Management and Personnel and rated in accordance with the established criteria.

RSM:kc

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cc: Jennifer Sims, Director of Finance and Management Information

STAFF REPORT

APPROVAL OF RESOLUTION NO. 92-1710 FOR THE PURPOSE OF REQUESTING PROPOSALS AND EXECUTING A CONTRACT FOR PROPERTY/CASUALTY AGENT OF RECORD/BROKER

Date: November 19, 1992

Presented by: Scott Moss, Risk Manager

BACKGROUND

A three-year contract with Willis Corroon will expire on December 31, 1992. The original contract was for \$50,000 annually, for a total of \$150,000. Under this contract, a full range of services was provided by the broker. With the establishment of a Risk Management Division, the contract was re-negotiated to \$29,000 in FY 1991-92 to reflect reduced services required.

Risk Management originally proposed an RFP to the Finance Committee which was based on the reduced services currently being provided by the broker of record. Upon the advice and counsel of the Finance Committee, Risk Management has re-evaluated the use of a broker of record. The analysis takes into account the level of experience and expertise of the Risk Management Division as well as the transfer of the Memorial Coliseum. The RFP has been significantly revised.

The RFP has been modified to have two separate sections: Section One provides for general agent of record services. Section Two provides for loss control services. Qualified bidders may propose to do either or both sections.

Section One: Agent of Record Services

The services of the agent of record is further subdivided into two subsections. Subsection A provides for general agent of record services including marketing crime insurance and employee dishonesty insurance, reviewing Metro's insurance program, preparing an annual insurance report, and providing general insurance-related consulting.

Subsection B provides for marketing Metro's property insurance program. Risk Management will be analyzing internal resources and may opt to market this coverage directly.

Each of these services is expected to cost approximately \$10,000 annually.

Section Two: Loss Control Services

A separate section is established for loss control services. This has two advantages: 1) it provides a larger pool of loss control experts who may contract with Metro, and 2) it will

allow smaller brokers, who do not employ loss control consultants, to submit a response to the RFP. Loss control services include inspections at each Metro facility, review of hazardous operations, specific safety training, review recommendations of property insurance companies, assistance with specific projects, i.e. new building loss control, ergonomics, OSHA citations. The expected cost of this contract is under \$10,000 and is included in the current budget as a "B" contract.

Attachment A demonstrates the standard agent of record services.

Standard Agent of Record Duties

Excluded from RFP

- Market Liability Insurance
- Claims Review
- Market Workers Compensation
- Limited Contract Review
- Allocation of Premium
- Limited Risk Assessments
- Limited Risk Management Consulting

Estimated Cost \$20,000

Absorbed Internally effective January 1, 1992

Section One - Agent of Record Subsection A

- General Insurance Consulting
- Prepare annual report to Finance Committee
- Market Crime Insurance
- Market Employee Dishonesty Insurance
- Market Liquor Liability Insurance
- Miscellaneous services
- Drivers License Records
- Policy Review

Estimated Cost \$10,000

Proposed duties of broker under new contract

Section One - Agent of Record Subsection B

- Market Property Insurance
- Issue Certificates of Insurance

Estimated Cost \$10,000

Under consideration for internal responsibility

Section Two - Loss Control Consultant

- Loss Control Engineering
- Safety Inspections
- Technical Training on Safety
- Review of insurance company safety recommendations
- Miscellaneous projects
- OSHA Citations

Estimated Cost \$10,000

Handled by separate contract

Mr. Robert Rayfield
Senior Vice President
Willis Corroon
1600 S.W. Fourth Avenue
Portland, OR 97207

Mr. Ron Graybeal
Assistant Vice President
JBL&K Insurance
Public Entity Department Manager
220 N.W. Second Avenue, Suite 800
Portland, OR 97209

Mr. Bob Lilly
Vice President
Sedgwick James of Oregon, Inc.
111 S.W. Columbia
Portland, OR 97201-5897

Mr. Donald E. Sprague
Vice President
Johnson & Higgins
111 S.W. Fifth Avenue
Suite 2600
Portland, OR 97204-3629