



RFP # 704
PROFESSIONAL, TECHNICAL AND EXPERT SERVICES

Clark County Washington
Wednesday, October 21, 2015

Request for Proposal for:

Risk Management, Brokerage and Insurance Services

PROPOSALS DUE: Monday, November 30, 2015 by 3:00 p.m.

Proposal(s) shall be sealed and clearly marked with RFP # and Project Title.

Submit one (1) original and three (3) complete copies of the Proposal to:

Clark County
Office of Purchasing
P.O. Box 5000
1300 Franklin Street, 6th Floor, Suite 650
Vancouver, Washington 98666-5000
(360) 397-2323

Refer Questions to:
Mark R. Wilsdon, MBA, CPCU, ARM
Risk Manager, Management services
Clark County, WA
E-mail: mark.wilsdon@clark.wa.gov

General Terms and Conditions

ADMINISTRATIVE REQUIREMENTS - Contractors shall comply with all management and administrative requirements established by Washington Administrative Code (WAC), the Revised Code of the State of Washington (RCW), and any subsequent amendments or modifications, as applicable to providers licensed in the State of Washington.

ALL proposals submitted become the property of Clark County. It is understood and agreed that the prospective Proposer claims no proprietary rights to the ideas and written materials contained in or attached to the proposal submitted. Clark County has the right to reject or accept proprietary information.

AUTHORSHIP - Applicants must identify any assistance provided by agencies or individuals outside the proposer's own organization in preparing the proposal. No contingent fees for such assistance will be allowed to be paid under any contract resulting from this RFP.

CANCELLATION OF AWARD - Clark County reserves the right to immediately cancel an award if the contractual agreement has not been entered into by both parties or if new state regulations or policy make it necessary to change the program purpose or content, discontinue such programs, or impose funding reductions. In those cases where negotiation of contract activities are necessary, Clark County reserves the right to limit the period of negotiation to sixty (60) days after which time funds may be unencumbered.

CONFIDENTIALITY: Proposer shall comply with all applicable state and federal laws governing the confidentiality of information."

CONFLICT OF INTEREST - All proposals submitted must contain a statement disclosing or denying any interest, financial or otherwise, that any employee or official of Clark County or the appropriate Advisory Board may have in the proposing agency or proposed project.

CONSORTIUM OF AGENCIES - Any consortium of companies or agencies submitting a proposal must certify that each company or agency of the consortium can meet the requirements set forth in the RFP.

COST OF PROPOSAL & AWARD - The contract award will not be final until Clark County and the prospective contractor have executed a contractual agreement. The contractual agreement consists of the following parts: (a) the basic provisions and general terms and conditions, (b) the special terms and conditions, (c) the project description and goals (Statement of Work), and (d) the budget and payment terms. Clark County is not responsible for any costs incurred prior to the effective date of the contract. Clark County reserves the right to make an award without further negotiation of the proposal submitted. Therefore, the proposal should be submitted in final form from a budgetary, technical, and programmatic standpoint.

DISPUTES: Clark County encourages the use of informal resolution to address complaints or disputes arising over any actions in implementing the provisions of this RFP. Written complaints should be addressed to Clark County – Purchasing, P.O. Box 5000, Vancouver, Washington 98666-5000.

DIVERSITY IN EMPLOYMENT AND CONTRACTING REQUIREMENTS - It is the policy of Clark County to require equal opportunity in employment and services subject to eligibility standards that may be required for a specific program. Clark County is an equal opportunity employer and is committed to providing equal opportunity in employment and in access to the provision of all county services. This commitment applies regardless of race, color, religion, creed, sex, marital status, national origin, disability, age, veteran status, on-the-job injury, or sexual orientation. Employment decisions are made without consideration of these or any other factors that are prohibited by law. In compliance with department of Labor Regulations implementing Section 504 of the Rehabilitation Act of 1973, as amended, no qualified handicapped individual shall be discriminated against in admission or access to any program or activity. The prospective contractor must agree to provide equal opportunity in the administration of the contract, and its subcontracts or other agreements.

ENVIRONMENTALLY RESPONSIBLE PURCHASING PROGRAM - Clark County has implemented an Environmentally Responsible Purchasing Policy with a goal to reduce negative impacts on human health and the environment. Negative environmental impacts include, but are not limited to, greenhouse gases, air pollution emissions, water contamination, waste from the manufacturing process and waste in packaging. This policy also seeks to increase: 1) water and energy efficiency; 2) renewable energy sources; 3) use of products with recycled content; 4) product durability; 5) use of products that can be recycled, reused, or composted at the end of its life cycle. Product criteria have been established on the Green Purchasing List <http://www.clark.wa.gov/general-services/purchasing/erp/environmental.html>

INDEPENDENT PRICE DETERMINATION - The prospective contractor guarantees that, in connection with this proposal, the prices and/or cost data have been arrived at independently, without consultation, communication, or agreement for the purpose of restricting competition. This does not preclude or impede the formation of a consortium of companies and/or agencies for purposes of engaging in jointly sponsored proposals.

INTERLOCAL AGREEMENT - Clark County has made this RFP subject to Washington State statute RCW 39.34. Therefore the bidder may, at the bidders' option, extend identical prices and services to other public agencies wishing to participate in this RFP. Each public agency wishing to utilize this RFP will issue a purchase order (or contract) binding only their agency. Each contract is between the proposer and the individual agency with no liability to Clark County.

LIMITATION - This RFP does not commit Clark County to award a contract, to pay any costs incurred in the preparation of a response to this RFP, or to procure or contract for services or supplies.

LATE PROPOSALS - A proposal received after the date and time indicated above will not be accepted. No exceptions will be made.

ORAL PRESENTATIONS: An oral presentation may be required of those prospective contractors whose proposals are under consideration. Prospective contractors may be informed that an oral presentation is desired and will be notified of the date, time and location the oral presentation is to be conducted.

OTHER AUDIT/MONITORING REQUIREMENTS - In addition, auditing or monitoring for the following purposes will be conducted at the discretion of Clark County: Fund accountability; Contract compliance; and Program performance.

PRICE WARRANT - The proposal shall warrant that the costs quoted for services in response to the RFP are not in excess of those which would be charged any other individual or entity for the same services performed by the prospective contractor.

PROTESTS must be submitted to the Purchasing Department.

REJECTION OF PROPOSALS - Clark County reserves the right to accept or reject any or all proposals received as a result of this RFP, to negotiate with any or all prospective contractors on modifications to proposals, to waive formalities, to postpone award, or to cancel in part or in its entirety this RFP if it is in the best interest of Clark County to do so.

SUBCONTRACTING - No activities or services included as a part of this proposal may be subcontracted to another organization, firm, or individual without the approval of Clark County. Such intent to subcontract shall be clearly identified in the proposal. It is understood that the contractor is held responsible for the satisfactory accomplishment of the service or activities included in a subcontract.

VERBAL PROPOSALS: Verbal proposals will not be considered in making the award of any contract as a result of this RFP.

WORKERS COMPENSATION INSURANCE - The contractor shall comply with R.C.W. Title 51- with minimum coverage limits of \$1,000,000 for each accident, or provide evidence that State law does not require such coverage.

FOR ALTERNATIVE FORMATS

**Clark County ADA Office; V (360) 397-2025;
TTY (360) 397-2445; ADA@Clark.wa.gov**

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Part I Proposal Requirements

Section IA General Information

1. Introduction Named for Captain William Clark of Lewis and Clark Expedition fame, our county is one of the fastest growing regions in Washington state and in the Portland, Oregon, metropolitan region. Today, more than 430,000 people live in Clark County.
2. Background Why are so many people moving here? The simplest answer may be our quality of life. Clark County is a very family-oriented community and a good place to raise children. And that's not to mention the beautiful scenery, moderate climate, and lots of recreational opportunities.
- We are seeking a firm that has the expertise to operate as our Insurance Broker, our Risk Management Services Resource and to administer our Workers' Compensation program. This would be for five (5) years with five (5) renewable one year extensions. This would be a fee based operation and with commissions allowed. We are self-insured and operate in the State of Washington with 1724 employees (FTE). Since April 28th, 2014, we are no longer members of the Washington Counties Risk Pool and are now self-insured for Liability, Property, and Workers' Comp Coverages.
3. Scope of Project Not exhaustive, but our current insurance coverages include the following:
- Workers' Compensation, currently Gallagher Bassett Services Inc. is the third party administrator and A.J. Gallagher is our Broker of record. The W/C claims include 82 open claims; 43 medical, 39 indemnity.
- | | |
|---|-----------------|
| Excess Workers' Compensation: (1 million) | SIR \$750,000 |
| Excess Liability Insurance: (25 million) | SIR \$1,000,000 |
| Property Insurance: (350 million) | SIR \$50,000 |
- Public Officials Bonds
Crime Insurance
Aviation Liability
Pollution Blanket
Cyber Liability
Railroad Owners Liability
Inmate injury coverage of 2500 for those on road clean-up crews
Notary Bonds
- Renewals occur throughout the year.
4. Project Funding ***Allocated during the Budget process biannually.***
5. Timeline for Selection **The following dates are the intended timeline:**
- | | |
|--|------------------------------|
| Proposals due | <i>November 30, 2015</i> |
| Proposal review/evaluation period | <i>December 1-15, 2015</i> |
| Interviews/demonstration (if deemed necessary) | <i>December 16-23, 2015</i> |
| Selection committee recommendation | <i>December 23, 2015</i> |
| Contract negotiation | <i>Jan1-March 30th, 2016</i> |
| Contract completion/intended to begin | <i>April 1, 2016</i> |

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6. Employment Verification

“Effective November 1st, 2010, to be considered responsive to any formal Clark County Bid/RFP or Small Works Quote, all vendors shall submit before, include with their response or within 24 hours after submittal, a recent copy of their E-Verify MOU or proof of pending enrollment, page 2 in order of RFP response. The awarded contractor shall be responsible to provide Clark County with the same E-Verify enrollment documentation for each sub-contractor (\$25,000 or more) within thirty days after the sub-contractor starts work. Contractors and sub-contractors shall provide a report(s) showing status of new employee’s hired after the date of the MOU. The status report shall be directed to the county department project manager at the end of the contract, or annually, whichever comes first. E-Verify information and enrollment is available at the Department of Homeland Security web page: www.dhs.gov/E-Verify

How to submit the MOU in advance of the submittal date:

1. Hand deliver to 1300 Franklin St, Suite 650, Vancouver, WA 98660, or;
2. Fax to (360) 397-6027, or;
3. E-mail: beth.balogh@clark.wa.gov or mike.westeman@clark.wa.gov

Note : Sole Proprietors are exempt.

Section IB

Work Requirements, Scope of Work

1. Required Services

The Broker or their subsidiary will perform the following duties:

1. Identify, review, evaluate and report on exposures facing the Clark County.
2. Identify overlaps or deficiencies in insurance coverage.
3. Provide assistance on development of underwriting data and property values.
4. Work with risk manager in insurance programs.
5. Provide recommendations about placement of insurance.
6. Assure financial strength of insurance companies used.
7. Analyze and provide recommendations insurance limits, deductibles, and retentions.
8. Provide easy to read summaries of insurance and cost.
9. Provide an annual stewardship report as well as an annual actuarial report for Clark County.
10. Provide consultation on risk management issues, policies, procedures.
11. Provide consultation on claims and coordination of claims adjusters if required.
12. Provide consultation on loss control, 40 hours included.
13. Respond to questions and attend meetings as requested.
14. Provide assistance in time element insurable values.
15. Respond to questions and issues related to special events.
16. As requested, review agreements, contracts, and leases.

Worker’s Compensation Specifics

17. Be attentive to quality.
18. Maintain records for six years after closure.
19. Operate as our Third Party Administrator for Workers’ Compensation and coordinate with our various departments for support as needed.
20. Provide access to an automated data base to run reports and see current information with regard to the Workers’ Compensation Claimants and SEIDRS.
21. Annually provide a report on Clark County Program Performance.
22. Monitor branch supervision of:
 - a) claims reserved over the adjuster’s authority limit.
 - b) claims reported to carriers/excess carriers.
23. Review/approve authority limits assigned to staff.
24. Approve reserves over the local branch authority and maintain override supervision on selected claims.
25. Monitor Subcontractors – Annual audits of files assigned to subcontractors. Audits will target 15% of the annual average pending and will focus on the quality of work performed by our subcontractors and the quality of our oversight supervision of files.

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26. Monitor Branch Self-Audit Process:
 - a) Monitor Compliance.
 - b) Report to District/Corporate Management Quarterly.
 - c) Random audit of worksheets.
 - d) Approve and monitor corrective action plans and training plans.
27. Develop and coordinate implementation of adjuster/supervisor training programs.
28. Coordinate/monitor external audits:
 - a) Oversee preparation of files for auditors.
 - b) Respond to audit reports.
 - c) Depository for audit reports and responses.
29. Coordinate/monitor external audits:
 - a) Create audit schedule.
 - b) Identify audit team based on experience in various claim disciplines.
30. Update/Maintain Claims Procedures Manuals (Applicable for respective area)
 - a) Field Claims Services.
 - b) Worker's Compensation.
 - c) Liability.
 - d) Property.
31. Corporate Claims Department.
32. Subcontractors.
33. Branch Self-Audits.
34. Supervise carrier files handled by manager and perform Self-Audits on files handled by managers.
35. Coordinate adjuster/supervisor training programs.
36. Coordinate/monitor external audits, utilize a bill-review service and pay the adjusted amount.
37. Coordinate/monitor internal audits.
38. Maintain reporting through SEIDRS as L and I requires.
39. Maintain a toll free or local line for our employees.
40. Return employee inquiries, e-mail or telephonic, within 24 business-day hours, and Clark County Risk Management inquiries the same business day. If the inquiry is after 5pm that day, the morning of the next business day is acceptable.
41. Communication between Clark County Benefits and Payroll will occur regularly to ensure the proper payments of benefits to our employees and the response to Benefit's or Payroll's inquiries will occur at the same standard as Risk Management.

Term

It is anticipated this process will result in a five (5) year contract with five one year renewable periods.

Fees

This will be a fee based contract, commissions for specialty lines on a case by case basis, are acceptable and to be negotiated. The broker will be completely transparent by providing an annual report to the Risk Manager showing all income related to the County from all sources.

Funding for all services except Workers Compensation will come directly from Risk Management based on invoiced coverages and fees. Workers' Compensation for medical and indemnity will be funded at an agreed level, in a trust fund of \$150,000, currently sufficient to maintain the ability to operate and clear expenses for 60 days. The costs involved in absorbing all files, transferring the files, both physical and the automated records will be negotiated and coordinated with the outgoing TPA for both open and closed files from Gallagher Bassett Services Inc. to the awardee. Costs for the same will be part of the bid.

The selection of the winning Bid/Broker will occur on or after December 23rd 2015 by a panel with an expected start date of April 1, 2016, or shortly thereafter based on negotiations.

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In addition to "Duties", the following apply:

Brokerage Services to include written above as well as Workers' Compensation Administration. Besides handling the claims, wage, retraining programs and indemnity payments, this will include but not limited to interfacing and reporting to Washington State Labor and Industries. This will include at a minimum the Quarterly and Annual reports as well as the newly required automated reporting; SEIDRS, Self Insured Information Data Reporting System and be the Reporting Entity for the Section 111 MMSEA.

Worker's Compensation Claims Administrator Standards.

SUPERVISION

Initial Review and Assignment

All new and newly absorbed current claims will be reviewed by a supervisor and assigned to a technician. The supervisor will identify legal issues, serious injuries, claims requiring reporting to Client, carrier or executive operations, and potential subrogation. The extent of the assignment and instruction are dependent upon specific capabilities of the technician. Factors that will be considered are the level of experience, expertise, and authority level of the technician as well as applicable law, severity, and complexity of the issues.

Initial instruction will be clear and comprehensive, utilizing a remark worksheet. Issues will be identified with guidance given to the technician, comments on reserves, expense control, reporting requirements and a timeframe for expected completion.

Follow-up Supervision

The Files will contain documentation of periodic review by the supervisor to ensure that all assignments are completed timely and accurately. Documentation will include periodic supervisor comments on filing deadlines, legal issues and additional task assignments.

Supervisor Diary

The file notes will contain documentation, indicating whether or not the file is on a supervisor diary. All claims with specific time sensitive assignments, large loss claims, catastrophic claims, and claims over the adjuster's authority or experience level will be on a supervisor diary.

INVESTIGATION

Client Contact

The file notes will contain documentation of efforts to contact the Client within one (1) working day to acknowledge receipt of the claim, confirm information provided, and begin the initial investigation.

Claimant Contact

The files notes will contain documentation efforts to contact the claimant within one (1) working day to acknowledge the claim, confirm the information, and begin any necessary investigation. Telephonic contact is preferred. If telephone contact is unsuccessful, claimant will be contacted via fax, mail, e-mail, text or other more modern means. The files notes will document ongoing efforts to contact the claimant.

Statements

Recorded statements will be obtained on cases with questionable compensability, questionable injury, high severity, catastrophic claims and subrogation potential. If statements are refused, the file will contain clear documentation of the adjuster's efforts, and reasons why the statement was not obtained.

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Statements will be summarized in the file notes and contain the identity of the person interviewed, means of identification, date of the statement, and a brief summary of the items covered. The Summary will also provide enough information to avoid costly transcriptions unless and until the statement is needed for trial.

Medical Provider Contact/Reports

The file notes will contain documentation of efforts to confirm diagnosis, obtain prognosis, obtain a return to work date, and develop a treatment plan. Medical reports and/or documentation of efforts to obtain medical reports to substantiate a return to work, permanent disability factors, and ongoing discussion of medical management will be documented in the file.

Subrogation and Recovery

The file notes will contain documentation of discussion and appropriate efforts to pursue recovery, including notice letters to carriers and liable parties. Statute constraints, efforts to file appropriate legal proceedings, discussion with the Client to determine concurrence with contractual obligations and personnel issues, and documentation of follow-up to ensure receipt of recovery and proper distribution of funds will be contained in the file.

Allocated Loss Adjusting Expenses (ALAE)

Most referrals will require approval by the supervisor, Client, and /or the manager. The file will contain documentation of approval and discussions of specific Client service procedures, and documentation in the file that approval has been obtained from the supervisor, manager, and Client when required.

RESERVES

All reserving is done on a "probable ultimate cost" basis.

Initial Reserve

Reserves are to be entered within forty-eight (48) hours of receipt of claim. The adjuster can request a ten (10) day hold to obtain additional pertinent information needed to complete the claim set up. Documentation is required of a substantial reason for requesting a ten (10) day hold, with comments by the adjuster and supervisor.

Reserve Changes

Reserve changes will be made within fourteen (14) days of receipt of substantial information that changes the value of the case. When the reserve requires Client concurrence, documentation may be in the form of file notes by the adjuster and/or supervisor, forms provided to Client for concurrence, or correspondence. Documentation should be in an easy to understand format for auditors and other non-claims personnel with access to our claim files.

MEDICAL MANAGEMENT

Medical Providers

The file should contain documentation that we have provided all information necessary for our Client to direct employees to a designated facility.

Dialog with Treating Physician(s)

The file will contain documentation of proactive communications with the treating physician to discuss return to work, expectation of permanent impairment and the need for medical management. Documentation may be in the form of correspondence, notes of phone conversations, and /or medical reports.

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Modified Duty

The file will contain documentation on all time loss claims with ongoing discussions with both the employer and physician until a return to work or determination of permanency is made.

Early Intervention

The file will contain documentation of discussions or consideration of referral to a designated medical management provider. Documentation may be in the form of written notes by the technician, supervisor and/or manager on cases meeting medical management protocols.

Assignment to Medical Case Manager

After a decision to refer to a Case Manager is made, the file will contain documentation of timely assignment, including documentation of the assigned tasks/goals.

The adjuster will maintain ongoing dialog and direction with the Case Manager. Reports received from the Case Manager will be reviewed to confirm that the assigned tasks/goal are presented timely. Case Management invoices should be reviewed and adjusted as needed by the adjuster or supervisor. The adjuster will close Case Management assignments as soon as all tasks are completed or goals have been met.

PRODUCTIVE ADMINISTRATION

File Documentation

Clear documentation with a detailed history of the incident, current activity, and a plan of action (POA) is required. The current POA should also include a timeline for expected completion. All documentation should be professional and non-prejudicial.

Efforts to Follow A Plan of Action

The plan of action will summarize progressive efforts to conclude specific issues and move the claim to closure. POA's will be updated periodically, usually at ninety (90) day intervals, or when new information is received that will change our strategy.

State Compliance Issues

Documentation of compliance may be in the form of state forms, letters, attorney evaluations, and/or notes. Documentation will be reviewed for accuracy and timeliness. Legal documents and notices from the state entity that oversees worker's compensation compliance will be reviewed.

Diary

The file will contain documentation of ongoing review on diary by the adjuster. Diary history is compared to documentation in the note screens to track diary reviews. Frequency of diary reviews is contingent upon the complexity of the claim file and the experience of the adjuster. Time loss claims are reviewed every fourteen (14) days. Medical Only and Indemnity claims are reviewed every thirty (3) days. Less active claims are reviewed every sixty (60) days. Claims with no outstanding issues are reviewed every sixty to ninety (60-90) days. Claims with no outstanding issues are reviewed every sixty to ninety (60-90) days. No diaries will exceed ninety (90) days.

Adherence to Client Special Instructions

Initial supervisor and adjuster entries in the notes will document specific Client Special Instructions (CSI). File documentation can consist of copies of the CSI at the technician's desk or inside the claim file, comments in the note screens to document specific Client service tasks as they are completed, appropriate use of the Issues screen and/or correspondence in the file.

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Reporting

The file will contain documentation of timely reports, as set forth in the CSI that provide a clear picture of file activity and current status of the claims.

Reports to Excess Carriers

Reports on claims over office authority, catastrophic claims, and high profile claims to and excess carrier will be documented in the file and reported to our excess carrier, as required by the carrier.

Prompt Indemnity Payments

Payment history and state notice forms will be reviewed to ensure payments were sent timely. Documentation is required for late or unpaid indemnity payments. Documentation of reasons for any delay or denial of payments for each state may include state notice forms, letters, or notes.

Prompt Vendor/Provider Payments

Audit personnel will review bills to determine average time from receipt to payment. Bills over technician authority will be reviewed and approved by the supervisor or manager.

Customer Service

All Client contact, whether updates, reports, or recommendations for file reviews, will be courteous and timely.

LITIGATION MANGEMENT POLICY

Pre-Litigation Handling

An effective litigation management program requires an approach designed to reduce the number of litigated files, economically settle those which should be settled and aggressively defend those cases which are legitimately in dispute.

Recognizing the vast majority of cases are settled rather than tried, we understand the importance of early investigation and assessment. Early assessment is necessary to identify those cases that are likely to settle, and those that are likely to be tried. Of the cases to be settled, perhaps only three types should actually reach the stage where defense counsel is retained. Those include:

1. Blind lawsuits, where no information is known about the case prior to a mandatory answer date.
2. Cases in which investigation has been curtailed by lack of cooperation on the part of the claimant or claimant's attorney, or
3. Cases where liability is determined but damages are either in dispute or legitimately still accruing.

In each case, the critical objective in the litigation is the early attempt to secure information necessary to evaluate the case, and then push toward resolution.

Selection of Defense Counsel

It is the Client's prerogative to designate counsel or to delegate this authority to Awardee. This is in consultation with Clark County Prosecuting Attorney's Office We believe selection of

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counsel is most effectively administered with the approval of fewer and more select defense firms.

Guiding this philosophy is the understanding that law firms must have substantial experience in the specialty area in which the Client's litigation arises.

Accordingly, the expectation is that designated partner and experienced associates within a firm will be the only counsel assigned to out Client's cases.

Several objectives are addressed by limiting and selecting counsel. First, the Client becomes a vital aspect of the law firm's business and the Client's needs are continually in the forefront. Second, attorneys become intimately familiar with the philosophy, directives, and business practices of the Client. Finally, limiting designated counsel assures the Client's priorities and interests will be recognized as a matter of practice.

Assignment/Direction of Cases

Employing the established guidelines in the selection of counsel, cases are assigned to the attorney who is most qualified to handle and advise on the specific case under consideration. For example, trial attorneys may not be the best suited to handle cases where settlement strategy is the identified objective; a litigator is, however, essential to the preparation of those cases identified as headed for trial.

The Client's goals are far more likely to be met when they are clearly conveyed to counsel at the outset, along with the specific litigation objective of each case. Communication problems and unnecessary legal expenses can be avoided through the use of clear and detailed case referral letters which give an assessment of the case, an outline of our investigation and its results, procedural requirements of the Client, and approval of initial discovery.

Counsel is required to provide a legal assessment identifying alternative paths of resolution, as well as any complication or hindrances to the litigation objective. A litigation plan will accompany the attorney's assessment, allowing the adjuster to make the appropriate economic judgment on the merits of each discovery or tactical recommendation.

As part of the litigation partnership, it is expected the adjuster will benefit from the specialized legal talent of defense counsel. We require an approved litigation plan and budget, and pre-approval of all expert, legal research, and law motion expenses. These measures ensure that the adjuster maintains the responsibility for the economic decisions of litigation.

A dialogue between the Awardee adjuster and counsel should be sustained throughout the term of litigation to reinforce and reassess the objective of the litigation. Reporting by the attorney is done not simply as a matter of calendar, but at any interval where significant facts or events may impact the litigation objective. Each report should indicate not only new developments, but also future strategy in order to fulfill the Client's objective. Counsel is required to provide their strategy at appropriate times in the litigation process to move the case forward towards a resolution that will mitigate costs. Instances wherein we expect a strategy report from counsel include after depositions, pre-arbitration, post-arbitration, prior to status conferences and upon trial settings.

Reservation of rights/Defense and Coverage Issues

The Client's directives with respect to the handling of coverage and potential reservation of rights issues must be clearly understood and followed. The adjuster, however, is often the first person to acquire the information which gives rise to coverage or defense obligation questions; therefore, it is essential coverage issues be identified and evaluated promptly, and in accordance with the Client's designated procedures.

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In most cases, the selected vendor will be asked to draft a Reservation of Rights letter. The Client must approve the language and release of the letter; therefore, it is submitted in draft form

to the Client before being issued to the defendant. Copies of policies or memoranda of coverage will be maintained on file and referenced in coverage analysis reports as well as in the reservation of rights letter. A Reservation of Rights letter to an insured will not be sent until a signed approval is received from the Client.

Alternative Dispute Resolution

The Client's philosophy and preferences will dictate the use of mediation or other alternative dispute resolution methods. There are, however, many cases and situations wherein the consideration of those alternatives leads to a more cost-effective method of case resolution, either before or during the formal litigation process.

The following are examples where ADR might be effective:

1. Cases where emotional issues drive the demand, and where damages are catastrophic or another fear (such as unemployment, loss of home) is the trigger of an unreasonable demand that inhibits settlement. Mediation often creates an atmosphere where emotional issues can be aired empathetically and the settlement discussions can be focused on economic assessment.
2. Many smaller exposure cases are "swearing matches" as to liability, where credibility of witnesses or presentation of disputed facts will turn the case on an "all or nothing" finding. The plaintiff often prevails where the evidence is equal to both sides; therefore, the defendant must produce evidence that is demonstrably more convincing. In cases where the evidence is available, binding arbitration may be appropriate, as it costs less than trying the case and does not allow the plaintiff the avenue of another hearing.
3. In more complex cases where multiple parties must rely on the accumulation of technical documents from various sources, some of which are not forthcoming, the expense of a mediator to facilitate issue resolution may be economically sound. Mediation is likely to generate the desired production of documents in a timely fashion, facilitating resolution of some disputed issues early in the process. The advantage of taking the initiative in such a proposal rather than allowing the court to appoint a monitor is often the benefit of taking the lead and playing a key role in the direction of the case. History demonstrates that, in multi-party cases, it is usually the party who steps forward to take a leadership role is whose position is most favorably heard.

Reserving Philosophy

We understand and continually reinforce the importance of accurate reserves for Clients. Awardee sets separate reserves for indemnity and allocated expense, and separate reserves within the indemnity category where different coverages, and thus different loss ratio issues, might apply. Indemnity reserves are set to reflect the probable ultimate exposure to the Client. Therefore, in a case with disputed liability but catastrophic damages, the reserve must reflect the potential for a compromised settlement prior to the trial, or conversely, the assessed probability of an adverse verdict.

The Client's reserving philosophy governs the practice of setting reserves on each account. It is our practice, however, that reserves be reviewed at each handling in order to maintain accuracy. Reserves should be set with sufficient foresight and adequate planning early in the claim to avoid "stair stepping". Additionally, Awardee will contact County's Excess Carrier if required by Excess Carrier criteria.

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Risk Management, Brokerage and Insurance Services

Settlement Negotiations

We believe attorneys are retained to perform the legal work needed to resolve litigation; however, it remains the responsibility of the adjuster to complete all work that does not require an attorney. An essential element of this is the recognition that adjusters are often better trained for, and usually more experienced in, evaluating cases and negotiation settlement. Therefore, except in unusual circumstances when strategy dictates otherwise, the adjuster will prepare an independent evaluation of the case, secure settlement authority (if required by Client guidelines), and proceed to negotiate settlement. The file will reflect the basis of the evaluation and document all offers and counter-offers. Consideration of economic alternatives should be addressed in the evaluation, along with the issues of liability and damages, leaving the prerogative of economic decision to the Client.

Trial Preparation

A case identified early in the life of the file as trial-bound should not require an unusual increase in discovery activity as the trial date approaches. Necessary discovery should be anticipated and concluded prior to court-ordered deadlines. Should the discovery process yield new information that alters the case assessment, a shift in strategy may be necessary and will, of course, be immediately reported to the Client.

Counsel will be expected to draft a pre-trial report 60 days prior to trial. This report will provide an assessment of liability and damage issues and an outline of the projected course of trial. The report will also include witnesses for both sides, experts, anticipated testimony, cross examination issues, jury verdict range, and chances of prevailing at trial, identification of potential hazards and costs. Additionally, the pre-trial report will address motions in limine and special instructions, as well as information regarding the abilities of opposing counsel.

The Client will be provided daily telephonic updates during the trial.

Counsel will provide a post-trial report with any comments on issues that altered the outcome of the trial and recommendation on the satisfaction or appeal of the judgment.

Managing Litigation Expense

Litigation expense cannot be adequately managed without strict adherence to a policy of planning and assessment at all stages of the litigation process. Effective litigation cost control requires recognition and settlement of liability exposure cases prior to or early in litigation. The second line of defense is strategic planning and constant re-evaluation for settlement and cost savings.

No expense should be incurred without an objective, and no course of action undertaken that will not move the case toward the objective. It remains the critical responsibility of the adjuster to carefully review all legal bills for accuracy and compliance with the budget. Unauthorized activity should not be included. The bill should reflect the plan and the budget and variances will be immediately discussed with counsel and documented.

Recognizing our role with counsel is a directed partnership, billing questions will first be treated as professional inquiries with formal documentation of the action taken. Unresolved issues and repeated occurrences of discrepancies will be addressed formally, with appropriate recommendations made to the Client.

- 2. County Performed Work The County Will provide information as required by the administrator or broker. This may include payroll and other information.
- 3. Deliverables & Schedule That on 1 April, 2016, the winning Bid will work to get Clark County transferred to a new Third Party Administrator to fully operate the Workers' Compensation program and have the trust account set up to draw on in an amount to be negotiated.

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4. Place of Performance The Workers' Compensation process office must be within 50 miles or 90 minutes of Clark County, Washington. All other services may reside elsewhere.
5. Period of Performance Five years from April 1, 2016. Clark County reserves the right to extend the contract resulting from this RFP for a period of five (5) one (1) year periods, with the same terms and conditions, by service of a written notice of its intention to do so prior to the contract termination date. If awardee should withdraw for any reason during contract period, 180 days' notice is required.
6. Insurance/Bond
- A. Commercial General Liability (CGL) Insurance written under ISO Form CG0001 or its latest equivalent with minimum limits of \$1,000,000 per occurrence and \$3,000,000 in the aggregate for each one year policy period. This policy will renew annually. This coverage may be any combination of primary, umbrella or excess liability coverage affording total liability limits of not less than \$1,000,000 per occurrence and \$3,000,000 in the aggregate. However, if other policies are added they must be a follow-form policy in language, renewal date, and have no more exclusions than the underlying coverage. Products and Completed Operations coverage shall be provided for a period of three years following Substantial Completion of the Work. The deductible will not be more than \$50,000 unless prior arrangements are made with Clark County on a case by case basis; the criterion is the Contractor's liquidity and ability to pay from its own resources regardless of coverage status due to cancellation, reservation of rights, or other no-coverage-enforce reason. Coverage shall not contain any endorsement(s) excluding nor limiting Product/Completed Operations, Contractual Liability or Cross Liability and will be primary to all other collectible policies.
- B. Automobile
If the Proposer or its employees use motor vehicles in conducting activities under this Contract, liability insurance covering bodily injury and property damage shall be provided by the Proposer through a commercial automobile insurance policy. The policy shall cover all owned and non-owned vehicles. Such insurance shall have minimum limits of \$1,000,000 per occurrence, combined single limit for bodily injury liability and property damage liability with a \$3,000,000 annual aggregate limit. If the Proposer does not use motor vehicles in conducting activities under this Contract, then written confirmation to that effect on Proposer letterhead shall be submitted by the Proposer. This coverage may be included in the CGL.
- C. Professional Liability (aka Errors and Omissions)
The Proposer shall obtain, at Proposer's expense, and keep in force during the term of this contract Professional Liability insurance policy to protect against legal liability arising out of contract activity. Such insurance shall provide a minimum of \$1,000,000 per occurrence, with a maximum deductible of \$50,000 and \$3,000,000 in the aggregate. It should be an "Occurrence Form" policy. If the policy is "Claims Made", then Extended Reporting Period Coverage (Tail coverage) shall be purchased for three (3) years after the end of the contract, will renew annually, and be primary to all other collectible insurance.
- D. Proof of Insurance
Proof of Insurance shall be provided prior to the starting of the contract performance. Proof will be on an ACORD Certificate(s) of Liability Insurance, which the Proposer shall provide to Clark County. Each certificate will show the coverage, carrier, deductible, and policy period. Policies shall be endorsed to state that coverage will not be suspended, Voided, canceled or reduced without a 30 day written notice by mail. It is the Proposer's responsibility to provide evidence of continuing coverage during the overlap periods of the policy and the contract. At the beginning of the contract, full insurance contract language, to include the "Additional Insured Endorsement" will be provided to Clark County.

All policies must have a Best's Rating of A-VII or better.

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7. Plan Holders List

- All proposer's are required to be listed on the plan holders list.
✓ Prior to submission of proposal, review the posting at:
<http://www.clark.wa.gov/general-services/purchasing/documents/rfp#.html>

If your organization is NOT listed, submit the 'Letter of Interest' to ensure your inclusion.
See Attachment B.

Proposals received by Clark County by proposers not included on the Plan Holders List may be considered non-responsive.

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Risk Management, Brokerage and Insurance Services**

Part II Proposal Preparation and Submittal

Section IIA

Pre-Submittal Meeting / Clarification

1. Pre-Submittal Meeting

There will be no pre-submittal meeting or site visit scheduled for this project.

2. Proposal Clarification

Questions and Requests for Clarification regarding this Request for Proposal must be directed in writing, via email, to the person listed on the cover page. The deadline for submitting such questions/clarifications is ****7 calendar days prior to the due date for proposals (unless otherwise specified in section 1A-5.** An addendum will be issued no later than ****7 calendar days prior to the proposal due date** to all recorded holders of the RFP if a substantive clarification is in order.

To review questions and answers regarding this RFP please visit our web site:
<http://www.clark.wa.gov/general-services/purchasing/rfp.html>

Questions may come to you via email only (unless arranged prior to release of RFP). Upon receipt, acknowledge receipt – then follow procedures below.

Section IIB

Proposal Submission

1. Proposals Due

Sealed proposals must be received no later than the date, time and location specified on the cover of this document.

The outside of the envelope/package shall clearly identify:

1. RFP Number and;
2. TITLE and;
3. Name and address of the proposer.

Responses received after submittal time will not be considered and will be returned to the Proposer - unopened.

Proposals received with insufficient copies (as noted on the cover of this document) cannot be properly disseminated to the Review Committee and other reviewers for necessary action, therefore, may not be accepted.

2. Proposal

Proposals must be clear, succinct and not exceed 15 pages, excluding resumes, e-verify, and cover. Proposer's who submit more than the pages indicated may not have the additional pages of the proposal read or considered. The e-verify form is page two, behind the cover.

For purposes of review and in the interest of the County, the County encourages the use of submittal materials (i.e. paper, dividers, binders, brochures, etc.) that contain post-consumer recycled content and are readily recyclable.

The County discourages the use of materials that cannot be readily recycled such as PVC (vinyl) binders, spiral bindings, and plastic or glossy covers or dividers. Alternative bindings such as reusable/recyclable binding posts, reusable binder clips or binder rings, and recyclable cardboard/paperboard binders are examples of preferable submittal materials.

Proposer's are encouraged to print/copy on both sides of a single sheet of paper wherever applicable; if sheets are printed on both sides, it is considered to be two pages. Color is acceptable, but content should not be lost by black-and-white printing or copying.

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All submittals will be evaluated on the completeness and quality of the content. Only those Proposers providing complete information as required will be considered for evaluation. The ability to follow these instructions demonstrates attention to detail.

Additional support documents, such as sales brochures, should be included with each copy unless otherwise specified.

Section IIC

Proposal Content

1. Cover Sheet

This form is to be used as your proposal Cover Sheet

See Cover Sheet - Attachment A

2. Project Team

At least the broker and account manager for TPA we would correspond with.

3. Management Approach

To incorporate both Broker and TPA for a unified approach..

4. Respondent's Capabilities

Together as Broker and TPA.

5. Project Approach and Understanding

Broker and TPA only need to be affiliated through a working relationship.

6. Proposed Cost

Both for brokerage and per case amounts for the TPA.

7. Employment Verification

Please refer to section 1A.6. – e-Verify

IMPORTANT NOTE: *Include this portion of the response immediately AFTER the cover page, if not already on file with Clark County. Current vendors on file can be viewed at: <http://www.clark.wa.gov/general-services/purchasing/documents/e-verifylog.pdf>*

Please put this after the cover page. (See section 1A.6)

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Risk Management, Brokerage and Insurance Services**

Part III Proposal Evaluation & Contract Award

Section IIIA Proposal Review and Selection

1. Evaluation and Selection: Proposals received in response to this RFP will be evaluated by a Review Committee. Committee review results and recommendations may be presented to an appropriate advisory board prior to the consent process with the Clark County Board of Commissioners.

2. Evaluation Criteria Scoring Each proposal received in response to the RFP will be objectively evaluated and rated according a specified point system.

A one hundred (100) point system will be used, weighted against the following criteria:

Consider:

- | | | |
|----|--|----|
| 1. | <i>their proposal approach/quality</i> | 25 |
| 2. | <i>creativity / experience</i> | 20 |
| 3. | <i>previous work with Public Entities (Counties)</i> | 25 |
| 4. | <i>cost</i> | 5 |
| 5. | <i>references</i> | 25 |

Section IIIB Contract Award

1. Consultant Selection *The County will award a contract to the highest scoring Proposer. Should the County not reach a favorable agreement with the highest scoring Proposer, the County shall suspend or terminate negotiations and commence negotiations with the second highest scoring Proposer and so on until a favorable agreement is reached.*

2. Award Review The public may view proposal documents after contract execution. However, any proprietary information so designated by the Proposer as a 'trade secret' will not be disclosed unless the Clark County Prosecuting Attorney determines that disclosure is required. At this time, Proposers not awarded the contract, may seek additional clarification or debriefing, request time to review the selection procedures or discuss the scoring methods utilized by the evaluation committee.

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Attachment A COVER SHEET

General Information:

Legal Name of Applicant/Company/Agency _____
Street Address _____ City _____ State _____ Zip _____
Contact Person _____ Title _____
Phone _____ Fax _____
Program Location (if different than above) _____ Email address _____
Tax Identification Number _____

ADDENDUM:

Proposer shall insert number of each Addendum received. If no addendum received, please mark "**NONE**".

No. _____ Dated: _____ No. _____ Dated: _____ No. _____ Dated: _____.

NOTE: Failure to acknowledge receipt of Addendum may render the proposal non-responsive.

→ Does the proposal comply with the requirements contained within the RFP?
A "No" response may disqualify the proposal from further consideration.

Yes No

→ Did outside individuals or agencies assist with preparation of this proposal?

Yes No (if yes, describe.)**

Total Funds Requested Under this Proposal \$ _____

I certify that to the best of my knowledge the information contained in this proposal is accurate and complete and that I have the legal authority to commit this agency to a contractual agreement. I realize the final funding for any service is based upon funding levels, and the approval of the Clark County Board of Councilors.

Signature, **Administrator of Applicant Agency***

Date

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Risk Management, Brokerage and Insurance Services**

Attachment B LETTER OF INTEREST

Legal Name of Applicant Agency _____

Street Address _____

City _____ State _____ Zip _____

Contact Person _____ Title _____

Phone _____ Fax _____

Program Location (if different than above) _____

Email address _____

- *All proposer's are required to be included on the plan holders list. If your organization is NOT listed, submit the 'Letter of Interest' to ensure your inclusion.*

In the body of your email, request acknowledgement of receipt.

Email Attachment B to: Beth.Balogh@clark.wa.gov

Clark County web link:
<http://www.clark.wa.gov/general-services/purchasing/rfp.html>

This document will only be used to add a proposer to the plan holders list. Submitting this document does not commit proposer to provide services to Clark County, nor is it required to be submitted with proposal.

Proposals may be considered non-responsive if the Proposer is not listed on the plan holders list.

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Risk Management, Brokerage and Insurance Services

APPENDIX A

INSURANCE BROKER OF RECORD

Necessary Prequalification's:

1. Licensed in the State of Washington.
2. Five years in business as a firm.
3. Annual premium volume over \$50,000,000 excluding personal lines.
4. Two qualified principals or account persons, each with a minimum of five years experience in commercial lines, or CPCU or ARM designation.
5. Experience in developing and supporting risk management programs.
6. Evidence of insurance agents Errors and Omissions insurance with minimum limits of \$1,000,000 per occurrence.
7. At least three years' experience with at least two accounts from the public sector, each with annual premiums of \$500,000 or more.
8. Agreement to prepare an annual report for Clark County, including a detailed accounting of those commissions earned (direct and contingent) on the account, a cumulative three-year premium and loss record and observations on appropriate changes in the insurance market.

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APPENDIX B

SPECIFIC FUNCTIONS OF THE BROKER OF RECORD

1. Act as intermediary in the negotiation of insurance rates with qualified companies.
2. Maintain contact with both the insurance companies and insured.
3. At least semi-annually, review and discuss current policies in effect with respect to market changes, changes in Clark County, exposure to risk, acceptable levels of retention, evaluation of cost comparisons versus deductibles and any new possibilities.
4. Annual premium/cost and insured loss report.
5. Claims and report assistance.
6. Consultation services for analysis of risk retention.
7. Loss control and risk management assistance (40 hours annually).
8. Public relations support in dealing with those pressing claims.
10. Attend Risk Management meetings when required.
11. Provide actuarial study of Liability and Workers' Compensation reserve funds every other year as required by GASB, with recommendation of premium assessment to each department.
12. Other services as required, see "Appendix A" and Statement of Work.

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Risk Management, Brokerage and Insurance Services**

PART II

RENUMERATION

Fees and Commission \$ _____ per annum.

Services Include:

Hours (if applicable)

1. _____

2. _____

3. _____

4. _____

Additional Services:

\$ Per Hour

1. _____

2. _____

3. _____

4. _____

5. _____

This contract will be for five (5) years, commencing April 2016 with five (5), one (1) year optional extensions.

Authorized Signature

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Risk Management, Brokerage and Insurance Services

BROKER/RISK CONSULTANT QUALIFICATION QUESTIONNAIRE

Please complete this questionnaire based on activities of your office, unless the question asks otherwise. If expertise from other offices will be used in servicing our requirements, please specify these services, the offices, and personnel to be involved. In this case if Brokerage Office is Parent and Worker's Compensation is subsidiary.

Date _____

1. Name of Firm _____
Address _____
Zip _____ Phone _____
Fax _____ Date Established _____

2. Names of office senior management, their titles, years of experience, expertise, and professional qualifications.

Name	
Title	
Professional Qualifications	
Expertise	
Years of Experience	

Name	
Title	
Professional Qualifications	
Expertise	
Years of Experience	

3. Annual gross income of your firm

Premiums: _____

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10. Do you have an in-house computer based loss recording and analysis system?

Yes No

If not, what services do you use? _____

11. Describe your internal loss prevention engineering capabilities including number of specialists, their areas of expertise, their availability, and their cost.

	# of Specialists	Area of Expertise	Availability	Cost
Fire Prevention				
Boiler & Machinery				
Personnel Safety				
Industrial Hygiene				
Chemical Safety				
Environmental Protection				
Security				
Liability Claims Adjustment				

12. a. What risk and loss control services do you contemplate being provided by insurers?

b. How frequently and in what manner do you propose to review and monitor these services?

13. Can your staff provide training services in risk and loss control? Yes No
 If yes, please describe:

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14. Clients. Please list by name, approximate annual premium (if not confidential), and services rendered to five public entity accounts with annual insurance premiums (including workers' compensation) in the \$1,000,000 plus range.

Name	Amount
A. _____	_____
B. _____	_____
C. _____	_____
D. _____	_____
E. _____	_____

15. References. Provide the names, contacts, addresses, and phone numbers of at least three **public entity** references from the foregoing accounts.

A. _____	_____
B. _____	_____
C. _____	_____

16. List the demographics of your office by type of employee.

Number of People

17. List the number of your clients in each of the following categories.

Counties _____

Cities _____

Self-Insured Clients _____

18. Provide any other information relative to your firm which might be pertinent to selection.

Signed

Title

Date