

Town of Vernon, Connecticut

**Contract # 974 – 04/04/11**

Request for Proposal

Commercial Property and Casualty Insurance  
Agent / Broker Services

**(1) General Information**

The Town of Vernon, Connecticut (“Town”), a community with a population of approximately 30,000, is seeking an appropriate and qualified expert professional Agent / Broker firm ("Firm") to provide for the following professional services, beginning July 1, 2011: (a) annual marketing of Town's property/casualty insurance program; (b) responding to the daily services needs of the Town in the areas of property/casualty loss control, claims servicing and administration.

The purpose of this Request for Proposals (“RFP”) is to select a Firm qualified to represent the insurance interests of the Town. As this is an Agent / Broker RFP, insurance/risk management consultants and carriers will not be considered.

**(2) Scope of Services**

The selected Firm is expected to provide qualified and expert professional services, including but not limited to:

- a. Annual review of all of the Town's property and casualty insurance programs and making recommendations concerning changes in terms, conditions and limits of coverage; based on best industry practices.
- b. Upon approval by the Town, annual marketing of Town's property/casualty insurance program, including, a negotiation of carrier contract extension or change(s). This service will include comprehensive assistance and guidance in completing the insurance application process in a timely fashion.
- c. Solicitation of proposals from qualified insurance carriers on an annual or as needed basis who are experienced and familiar with writing Connecticut municipalities (Town and Board of Education).
- d. Development of bid specifications to be submitted to the municipal marketplace for which proposals are sought.
- e. Evaluation of proposals submitted by insurance carriers relative to compliance with insurance specifications, cost and ability of each carrier to perform as required including relative solvency.
- f. Detailed report of solicited policy renewal options available to the Town.
- g. Examination and approval of issued policies and bonds for conformance with the Town's specifications and the carrier's proposal.

- h. Provision of an annual stewardship report, including insurance schedule, policy summaries, review of past year's activities and outlook for coming year's market conditions.
- i. Assistance to the Town in determining funding mechanisms for new or newly discovered exposures.
- j. Assistance to the Town in drafting insurance specifications for contracts and agreements as requested.
- k. Provision of assistance in tandem with the Town's legal counsel, as appropriate.
- l. Provision of insurance certificates, as needed, to others pertaining to the Town's coverage.
- m. Advice to the Town on new developments in the field of insurance and/or bonding.
- n. Periodic review of the Town's specific property and casualty insurance coverages, loss data, and risk management measures; and making recommendations to the Town with respect to the need for ancillary insurance services, additional coverage and modifications, updating or upgrading of existing coverage(s).
- o. Responding to the daily service needs of the Town in the areas of property/casualty loss control, claims servicing and administration. Such response shall include, but will not be limited to office hour access by e-mail, telephone and fax; prompt response time on insurance related issues; availability of the Firm's representatives for meetings and presentation, some of which may be held in the evening or on the weekends, such as, e.g. Risk Management Advisory Committee meetings, etc.

### **(3) SELECTION PROCESS**

The Town's current Firm will continue to handle the Town's present property and casualty insurance program until the new Firm is appointed. The new appointment shall be for an initial term of three (3) years, as follows:

- Year 1 – July 1, 2011 – June 30, 2012
- Year 2 – July 1, 2012 – June 30, 2013
- Year 3 – July 1, 2013 – June 30, 2014

The Town reserves the sole right to extend the contract annually for up to two (2) additional years, as follows:

- Year 4 – July 1, 2014 – June 30, 2015
- Year 5 – July 1, 2015 – June 30, 2016

If the Town's governing body fails to appropriate sufficient funds in any fiscal year for services of the Firm, and if no other funds are available for such payments, then a "non-appropriation" shall be deemed to have occurred. In the event of "non-appropriation," the any agreement with the Firm shall terminate and the Town shall not be obligated to pay any amounts due under such an agreement.

While the stated appointment term is three (3) years, the Town may terminate the Firm, if, in the opinion of the Town, the Firm fails to perform the functions and duties as outlined in this RFP. A new Firm would be appointed if the original Firm is terminated.

The Town may accept those proposal(s), which will, in its opinion, most completely meet the requirements of the RFP. The Town solely determines which proposer best meets the specifications and is in the best interest of the Town of Vernon.

Proposals will be evaluated based on what is deemed to be in the best interests of the Town, including such factors as the bidder's experience and expertise in providing Insurance Advisory and Brokerage services for municipalities, clarity and creativity of the proposal, recommendations of entities for which the bidder has previously provided services, the persons to be assigned to the project by the bidder, and total cost. Cost will not be the sole factor in evaluating bids.

Proposals will first be examined to eliminate those, which do not respond to the stated requirements, and to identify the most promising responses.

Selection Criteria:

- Completeness and responsiveness to the requirements of the RFP.
- Experience, qualifications and competency in providing insurance agency / brokerage and consulting services to municipalities (Town and Board of Education) in the state of Connecticut.
- Experience of the individual and/or team that will be assigned to the Town.
- Experience in evaluating operations and making recommendations that are feasible.
- Understanding of the project's objectives and scope as evidenced by the quality of the proposal submitted.
- Good service and good value shall weigh heavily in the selection process.

The most promising responses will be evaluated in detail. Additional information may be sought from Firm(s).

Firm(s) may be asked to present and explain their proposals. If interviews are held, they will be 30-45 minutes long. Initial presentations will be limited to 15 minutes. The final 15-30 minutes will be reserved for questions from the Selection Committee and subsequent discussion. The key person to be assigned to this project must be present at this interview.

The Town reserves the right to waive non-material deficiencies in any proposal.

#### **(4) GENERAL SPECIFICATIONS**

##### **A. SUBCONTRACTING**

The Firm shall not subcontract the work under this project without prior written approval of the Town.

##### **B. INSURANCE REQUIREMENTS**

Based upon the outcome of this process, the final chosen Firm shall procure and maintain insurance against claims for injuries or losses to persons or property that are alleged to have arisen in connection with activities of the contractor and any agents, representatives, subcontractors or employees. Insurance companies must be licensed by the State of Connecticut or otherwise acceptable to the Town. The cost of such insurance, including required endorsements or amendments, shall be the sole responsibility of the contractor. Full disclosure of any nonstandard exclusion is required for all required coverages.

- Commercial general liability coverage naming the Town as additional insured, written on a "per occurrence" basis of \$1,000,000 with an aggregate limit of \$2,000,000.
- Automobile Liability coverage, including coverage for owned, hired or borrowed autos with a combined single limit of \$1,000,000 covering bodily injury and property damage.
- Workers' Compensation Coverage (per Connecticut Law) and Employer's Liability Coverage: coverage A at statutory limits and coverage B at limits of \$100,000 / \$500,000 / \$100,000.
- Professional errors and omissions coverage for \$5,000,000 per incident and with an aggregate limit of \$5,000,000.

It is further agreed that the Firm shall provide the Town with a sixty (60) day notice of cancellation, in advance of the retroactive date, and / or non-renewal.

##### **C. USE OF INFORMATION**

The information provided in these specifications shall NOT be used for the purpose of submitting applications or reserving insurance markets. Failure to comply will result in the disqualification of the Firm.

##### **D. LICENSES AND CERTIFICATIONS**

The Firm shall maintain in good standing all the necessary licenses and certifications as required by Connecticut General Statutes and regulations for insurance agents and/or brokers and shall provide copies of the same to the Town.

AM Best rating of –A or better highly preferred.

## **(5) RFP Procedure**

The following instructions and specifications shall be observed by all proposers:

### **A. PROPOSAL COMPLIANCE / RFP SUBMISSION TIMETABLE**

The Town shall be the sole judge as to whether any proposal complies with these instructions and specifications, and such a decision shall be final and conclusive. Proposers shall state any exceptions taken to the RFP specifications.

Addendums to RFP: In the event it becomes necessary to revise any part of the RFP, an addendum will be provided to all prospective firms submitting proposals.

Incurring Costs: The Town is not liable for any cost incurred by the Firms prior to the issuance of a contract and purchase order.

Ownership of Proposals: All proposals in response to the RFP are to be the sole property of the Town.

Ten (10) copies of all proposals, unbound, as well as one electronic copy (Adobe Acrobat format saved onto a PC readable medium), should be submitted in a sealed envelope, with "Contract # 974 – 04/04/11" clearly marked on the outside of the envelope, to: John D. Ward, Town Administrator, Town of Vernon, Memorial Building, 14 Park Place, 3<sup>rd</sup> Floor, Vernon, Connecticut 06066 by 11:00 a.m. on April 4, 2011; at which time proposals shall be opened and read aloud publicly.

Each proposer must submit qualifications and price proposals. The price proposal (Appendix A) must only include a fee for service amount. The proposer must agree to forgo any sales commissions or other type of funding that maybe provided by vendors in the form of after award compensation.

All questions about the proposals should be directed to the John D. Ward, Town Administrator, by e-mail at [jward@vernon-ct.gov](mailto:jward@vernon-ct.gov), with copies to Peter Graczykowski, Assistant Town Administrator, by e-mail at [pgraczykowski@vernon-ct.gov](mailto:pgraczykowski@vernon-ct.gov), no later than 1:00 p.m. March 25, 2011. Answers to all so received questions will be shall be posted on the Town's website under the bid section at <http://www.vernon-ct.gov/legal-notices> with the Contract # 974 – 04/04/11.

The selected Firm must meet all municipal, state and federal AA and EEO practices and requirements. The Town reserves the right to reject any or all proposals in whole or part, to award any one service or group of services or all services, to negotiate with any or all companies submitting proposals, and to enter into an agreement with any company for any services mentioned in this RFP; if it is deemed to be in the best interest of the Town.

The contents of the successful proposal may, at the Town's option, become part of the contract entered into by selected Firm and the Town. Selection as the preferred proposal

does not provide any contract rights to that Firm. Any such rights shall accrue only if and when the Town and the Firm execute a binding contract. The Town reserves the right to negotiate with the successful Firm in any manner necessary to best serve the interests of the Town. If the Town fails to reach an agreement with the successful bidder, the Town may commence negotiations with an alternative bidder or reject all bids and reinstitute the RFP process.

## B. INFORMATION REQUESTED OF RESPONDING FIRMS

Responding Firms must be capable of performing Agent of Record duties in full compliance with all federal and state statutes and regulations. Responding Firms will provide the following information:

1. Name of firm and parent company, if any.
2. Number of employees of firm, servicing office(s), and their respective addresses
3. Number of Connecticut public entity clients and their total annual property/casualty premium.
4. Principal public entity markets utilized and premium volume written with them.
5. Description of the insurance marketing expertise of the servicing office with regard to Connecticut towns and school districts and a sample marketing plan.
6. Number of full-time claims personnel employed by the servicing office who will be directly involved with the Town and their credentials.
7. Description of the Firm's claim tracking and claim review process.
8. A list of all personnel who would be involved with this account including: Name, Job Title, Responsibilities, Type of Work performed, municipal experience and credentials.
9. Description of the willingness of the account team to attend town meetings, which members are available to attend, and examples of the types of meetings they have previously attended and the value they provided.
10. Detailed description of any special, in-house, services or systems available to the Town.
11. Description of the Firm's performance monitoring and measurement of insurance carriers, negotiation of policy provision interpretations and possible intervention in claims processing.
12. Description of the Firm's involvement with municipal associations in Connecticut.
13. Description of issues faced by Connecticut towns relative to property/casualty insurance.
14. Name, address and telephone numbers of persons to receive notifications and reply to Town's inquiries.
15. Proposed fee (*See Appendix A*)

Town of Vernon, Connecticut

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APPENDIX A

**FEE PROPOSAL**

	Amount of Fee Proposed
Year 1	
Year 2	
Year 3	
Year 4	
Year 5	

	Information
Name of Responding Firm	
Address of Respond Firm	
Signature of Authorized Firm Principal	
Date	