

5. SECTION B - SCOPE OF SERVICES:

5.1. Background/Intent

The Montgomery County Government, as authorized by County code, operates the Montgomery County Self-Insurance Program (MCSIP). This program has been in existence since July 1, 1978. The program provides self-insurance and commercial coverage to its members. Current members are Montgomery County Government, Montgomery County Public Schools, Montgomery Community College, Montgomery County Revenue Authority, Housing Opportunities Commission of Montgomery County, Rockville Housing Enterprises, Maryland-National Capital Park and Planning Commission, Town of Somerset, City of Gaithersburg, Bethesda Urban Partnership, Village of Friendship Heights, the Village of Drummond, Chevy Chase Village, and the Town of Garrett Park. The independent fire corporations within Montgomery County participate for Workers' Compensation coverage.

Coverage provided through the insurance program includes Workers' Compensation, General Liability, Automobile Liability, Automobile Physical Damage, Excess Liability, Public Officials Liability, Fiduciary Liability, Crime, Public Official Bonds, Railroad Protective Liability Policy and Real and Personal Property and miscellaneous other policies. Real and Personal Property is commercially insured above a retention of \$250,000 (direct writer). A separate commercial Property Policy for the Waste-to-Energy Plant is maintained. Liability coverage is retained to \$3,000,000 per occurrence. Commercial Excess liability coverage over the retained limit has been purchased for the program. Cyber Liability and other specialty coverages are also placed through this program.

The Montgomery County Department of Finance, Division of Risk Management, is soliciting proposals from qualified insurance brokers to provide marketing, placement of insurance policies, and other broker services for the County's property and casualty program as listed below in 5.1.1 and 5.1.2.

5.1.1 Commercial Insurance Policies

- 5.1.1.1 All Risk Property Policy, including Boiler and Machinery, Flood and Earthquake and Art work, (owned and Non-owned), \$15 Billion TIV – FM Global (Direct, No Broker involvement except consulting)
- 5.1.1.2 Fiduciary Liability policy (two (2) separate policies) for Montgomery County and Montgomery County Public Schools
- 5.1.1.3 Special Event Liability / Weather coverage Policies – (two (2) - three (3))
- 5.1.1.4 Railroad Protective Liability Policies
- 5.1.1.5 Property Policy for Waste-to-Energy Plant – Montgomery County. FM Global (Direct, No Broker involvement except consulting)
- 5.1.1.6 Crime Policy
- 5.1.1.7 Public Official Bonds – Montgomery County and Montgomery County Public Schools
- 5.1.1.8 Wine and Liquor Bond – Montgomery County
- 5.1.1.9 Commercial General Liability Policy (covers antennas) – Montgomery County
- 5.1.1.10 Cyber Liability coverage – several separate policies for agency participants
- 5.1.1.11 Umbrella Excess Liability (\$10 Million excess of \$3 Million SIR)
- 5.1.1.12 Cargo policy for overseas shipments of liquor and wine
- 5.1.1.13 Various other policies, as the need arises

5.1.2 Self-Insured Coverage

Workers' Compensation, General Liability, Automobile Liability, Public Officials Liability, Medical Health Care, Public Protective Liability and Environmental Impairment Liability, Automobile Physical Damage and deductible for Property Coverage.

5.1.3 Intent

The County intends to award one Contract as a result of this solicitation.

5.2. Primary Scope of Work

The Broker/Contractor (“Contractor”) must provide the following services for the term of any Contract resulting from this solicitation:

- 5.2.1 Review the County's requirements for the property and casualty insurance programs with the Insurance Manager and the Risk Manager, Division of Risk Management.
- 5.2.2 On the basis of instructions from the Insurance Manager, solicit proposals for property and casualty insurance policies and submit a written report of all proposals to the Risk Manager by the deadlines as specified in the marketing proposal, including markets contacted, prices, competitive analysis, and Contractor's recommendations. The Contractor must creatively market small and difficult coverage for specific needs identified by the County. The Contractor must place the coverage at the direction of the County.
- 5.2.3 Provide the Insurance Manager with an analysis of all property and casualty insurance policies, coverages, conditions, endorsements, and exclusions contained in the policy. The Contractor must provide the policy form with inaccuracies noted within 15 days of receipt from underwriter. The Contractor must provide the final policy document to the County within a delivery target period of 30 days post-inception.
- 5.2.4 Assist the Insurance Manager in negotiating with underwriters and in the development of a relationship between the County and insurance company officials, who in the event of losses, play an important role in loss settlement negotiations. The Contractor must review and provide comments on claim acknowledgements and reservations of rights letters within five (5) business days of receipt of the acknowledgement or Reservation of Rights letter.
- 5.2.5 Attend quarterly meetings with the Insurance Manager and the Risk Manager to review the Contractor's performance, at a time and place specified by the Insurance Manager. The Contractor must schedule quarterly meetings the first week of June, September, December, and March to review status of open issues.
- 5.2.6 On behalf of the County, the Contractor must send notice of claims and/or losses as requested to insurance companies and provide professional claims support in the resolution of claims. The Contractor must monitor claims reporting practices to ensure compliance with policy terms and applicable service instructions. The Contractor must negotiate claims-handling issues with the underwriter per the County's guidance.
- 5.2.7 Prepare and provide insurance certificates and endorsements to the Insurance Manager within one (1) business day of receipt of request by the County.
- 5.2.8 The key and technical personnel assigned to this contract must not be changed or modified without prior notification and approval by the Insurance Manager, Division of Risk Management. The Contractor must notify the County in writing two (2) weeks in advance of any account team changes. Any change or replacement must be with key and/or technical personnel of equal or better qualifications.
- 5.2.9 The County reserves the right to audit the information provided by the Contractor as needed at any point during the Contract Term.

- 5.2.10 The Contractor must review the self insurance retentions, limits and coverage and must suggest changes as dictated by market conditions. The Contractor must provide peer benchmarking annually.
- 5.2.11 The Contractor must provide phone or e-mail response to County inquiries within one (1) business day, at least 90 percent of the time. The Contractor must respond to urgent requests within one (1) business day.
- 5.2.12 The Contractor must report any material change in premium quotations or in terms and conditions of the policy in writing within one (1) business day of Carrier's notification to Contractor or at renewal.
- 5.2.13 The Contractor must report all ratings downgrades for any of the County's commercial carriers within five (5) business days of the change. The Contractor must monitor the financial conditions of carriers and share that knowledge with the County in writing semi-annually.
- 5.2.14 The Contractor must prepare and provide a list of all compensation received by Contractor from any insurance carrier or other entity, reflecting individual amount, applicable insurance coverage line, and reason for the compensation on an annual basis.
- 5.2.15 The Contractor must prepare a statement about all current or proposed insurance carriers or other entities with whom the Contractor has a corporate relationship as an owner, subsidiary, or co-subsidiary that the Contractor is proposing to introduce into Montgomery County's program. The statement must provide notice about the nature of the relationship and financial impact to the Contractor's organization by introducing the carrier. Alternate, non-affiliated carrier proposals must accompany any affiliated carrier proposal before it can be accepted.

5.3. Ad Hoc Services

At the County's request, for the term of any Contract resulting from this solicitation, the Contractor must provide the following ad hoc services:

- 5.3.1. Professional actuarial services to develop and provide an annual or semi-annual actuarial analysis and conclusion for funding the Montgomery County Self Insurance Program (MCSIP).
- 5.3.2. Review existing loss and premium allocation methods and make recommendations for improvements if indicated and in line with industry standards.
- 5.3.3. Benchmark MCSIP Program and member performance to guide accuracy of underwriting and premium allocations.
 - 5.3.3.1. Benchmark MCSIP Program member contributions to comparable commercially available insurance products.
 - 5.3.3.2. Benchmark MCSIP Program member contributions to member payments to ensure proper future contributions. Benchmarking should include, but not be limited to, development lag reports for each coverage line and each MCSIP member-agency.
- 5.3.4. Provide consultation and evaluation of Third Party Claims administration services.
- 5.3.5. Provide consultation and advice regarding a comprehensive Risk Management Information system.
- 5.3.6. Provide consultation services and advice regarding MCSIP actuarial services and other Risk Management services (e.g. audits, loss control).
- 5.3.7. Provide consultation and advice regarding property evaluations and appraisals.
- 5.3.8. Provide consultation and advice regarding claim and technical and/or best practices audit services for claims and/or litigation.

- 5.3.9. Provide consultation and advice regarding safety services to include short-term or long-term projects.
- 5.3.10. Maintain listings/schedules for the members of the program of all properties covered under the property policies. Each location must include building values, content values, total value, with square footage, number of stories, type of protection, type of construction, year built and the necessary underwriting information. These schedules must be maintained on a computer application capable of adding/deleting properties, making changes in the underwriting information, and trending values for buildings and contents based upon annual changes in the construction cost index and agreed to by the Risk Manager annually 45 days prior to the expiration of the policy. Copies of the complete file must be provided to the County electronically in a MS Window compatible format.
- 5.3.11. Other Risk Management services, consultation and evaluation, as requested.
 - 5.3.11.1. Provide up to ten (10) consultation hours annually as part of the included services. Services must include, but not be limited to, consultation for Loss Control and additional coverage feasibility and necessity.

The proposed hourly rates for the ad hoc services submitted by the Contractor in Attachment D, Fee Schedule, are fully burdened rates, inclusive of any incidental costs, travel or otherwise, incurred by the Contractor in completion of services under any Contract resulting from this solicitation and are fixed for the life of the Contract.

6. SECTION C - PERFORMANCE PERIOD

6.1. Term

The effective date of this Contract begins upon signature by the Director, Office of Procurement, and will continue for a period of two (2) years. The Contractor must perform all work in accordance with time periods stated in the Scope of Services. Before this term for performance ends, the Director at his/her sole option may, but is not required to, renew the term. The Contractor's satisfactory performance does not guarantee a renewal of the term. The Director may exercise this option to renew this term two (2) times for two (2) years each.

7. SECTION D - METHOD OF AWARD/EVALUATION CRITERIA

7.1 PROCEDURES

- 7.1.1. Upon receipt of proposals, the Qualification and Selection Committee (QSC) will review and evaluate all proposals in accordance with the evaluation criteria listed below under Section D.7.1.9.a.
- 7.1.2. Vendor interviews will be conducted with the offerors that achieve at least a score of 250 points or more based on the QSC's score for each written proposal; etc.). The interview criteria that will then be utilized are listed below under Section D.7.1.9.b. The QSC will also review an offeror for responsibility.
- 7.1.3. The QSC will make its award recommendation of the highest ranked offeror based on the QSC's combined written and interview scores, and its responsibility determination.
- 7.1.4. The Using Department Head will review and forward the QSC recommendation with concurrence, objection, or amendment to the Director, Office of Procurement.
- 7.1.5. The Director, Office of Procurement, may approve, approve with conditions, or reject the Using Department Head's recommendation.
- 7.1.6. Upon approval of a recommended award to a proposed awardee(s), by the Director, Office of Procurement, the County will enter into negotiations with the proposed awardee(s). If a contract cannot be successfully negotiated with the proposed awardee(s), the Using Department will proceed to negotiations with the next highest ranked offeror after obtaining approval from the