



**CITY OF
COVINGTON
KENTUCKY**

**CITY OF COVINGTON, KENTUCKY
REQUEST FOR PROPOSALS**

Insurance Broker/Agent of Record

**Issue Date:
MARCH 27, 2019**

**Issuing Department:
LEGAL DEPARTMENT
20 WEST PIKE STREET
COVINGTON, KY 41011**

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I. ADVERTISEMENT.

Insurance Broker/Agent of Record

The City of Covington, Kentucky ("City") invites proposals from qualified, competent, knowledgeable, and experienced providers that provide the services outlined in this Request for Proposal ("RFP"), in compliance with all applicable laws and regulations. Companies submitting responses must be prepared to enter into an agreement ("Agreement") for the provision of requested services or goods as set forth in this RFP.

Issue Date: MARCH 27, 2019

RFP Title: Insurance Broker/Agent of Record

Issuing Department: City of Covington
Legal Department
20 West Pike Street
Covington, KY 41011

Contact: Emilee Buttrum
Legal Assistant
(859) 292-2311
ebuttrum@covingtonky.gov

Proposals must be submitted in a sealed envelope plainly marked on the outside "**SEALED PROPOSAL FOR INSURANCE BROKER/AGENT OF RECORD - DO NOT OPEN WITH REGULAR MAIL.**"

SEALED BIDS MUST BE MAILED OR PHYSICALLY DELIVERED TO:

Finance Department
First Floor Window
City Hall
City of Covington
20 West Pike Street
Covington, Kentucky 41011

RESPONSES MUST BE SUBMITTED BY: 10:00 a.m. on April 12th, 2019. A submission received after this date and time will be considered non-responsive.

REVIEW: Pursuant to KRS 45A.370, the evaluation of proposals and making any awards shall be conducted using competitive negotiation. Any final award shall be based upon the criteria set forth below, and shall include the preference for residential bidders in KRS 45A.494 where required. The City of Covington finds that selection based upon competitive negotiation is necessary based upon the finding that specifications cannot be made sufficiently specific to permit an award on the basis of the lowest bid price or lowest evaluated bid price, and sealed bidding is inappropriate because a fixed price contract is not applicable . The Board of Commissioners reserves the right to reject any and all proposals.

II. TIMELINE OF EVENTS.

PROPOSAL SCHEDULE	DATE
Issuance of RFP; Solicitation for Proposals	March 27, 2019.
Deadline for Vendor Questions or Clarification.	April 8, 2019. Modification/ answers shall be posted by April 9, 2019, via www.covingtonky.gov .
Deadline for Submission	10:00 a.m., April 12, 2019
Anticipated Award Date	Contingent upon Commission Approval

III. SCOPE OF WORK.

The City is seeking a qualified agent or broker licensed to do business in the Commonwealth of Kentucky to assist the City with marketing, placement, and servicing the City's insurance policies for the 2019-2020 fiscal year including the following types of coverage and services:

- **Professional and general liability (Umbrella, stop loss, or equivalent)**
- **Use of a third-party administrator for third-party liability claims handling under the City's current self-insurance program**

The City anticipates implementation of an agent/ broker no later than July 1, 2019.

The selected agent or broker will assist the City in compiling all necessary documents and information and then submit all required documentation on behalf of the City in order to obtain coverage and premium quotes. The agent or broker must agree to submit the City's information to all carriers or companies for which the agent or broker is designated as the City's agent of record. The agent or broker will negotiate with underwriters on behalf of the City. It will submit either a quote or declination letter to the City from each carrier or company contacted. Failure to do so may result in immediate terminate of the agent of record designation and may void any quotes the broker has already received and/or submitted, thereby giving an opportunity for the newly-designated agent of record to obtain a quote.

After insurance is obtained, the agent or broker will issue certificates of insurance and other program documents as required. The agent or broker will process endorsements and other program changes as required or as requested by the City.

Responding bidders must have and be able to provide documentation for all applicable local, state and federal licensing.

Anticipated policy effective dates will be July 1, 2019 through June 30, 2020.

Agent or Broker experience and qualifications are a substantial part of the selection process. During the term of the agreement, agent or broker must ensure that qualified, experienced personnel provide services to the City. Broker or agent experience with Kentucky local government entities will be a factor of the selection process.

1. City of Covington – Customer Overview

The City of Covington has maintained a self-insurance program related to liability claims for several years. The City's self-insurance plan applies to any third-party liability claim arising out of incidents including but not limited to: motor vehicle accidents, premises liability, negligence claims against employees and officials for acts or omissions occurring within their scope of employment, and others. The City has claims history data

available, but such data may need re-formatting before submission to carriers for premium and coverage proposals.

2. Required Services

The City is looking for an insurance broker/agent of record that can provide professional, highly qualified benefits guidance and services. This includes but is not limited to the following responsibilities:

- Review existing claims history data and information and assist the City with reformatting to industry standards.
- Review and analyze claims experience, claims services, and claim administration to ensure a maximum benefit to the City.
- Provide the City with in-depth analysis of insurance policies, coverages, and products and related services and assist with the process of selecting the most favorable options.
- Advise the City of innovative products or services, that will assist in ensuring the City is adequately protected and insured from catastrophic third-party claims.
- Provide oversight and guidance on how to best manage third-party liability claims and costs, both currently and into the future.

3. Submission Requirements, Request for Information, and Mandatory Responses.

The responding agent or broker must submit with their bids a copy of the declarations page for the errors and omissions policy providing current coverage to the agent or broker.

A. Mandatory Response Questions:

Responses to the following questions are mandatory. You may respond to the questions below (and attach any necessary additional pages) or as part of your proposal. If you choose to respond within your proposal, you must have a section of your proposal clearly identified as “**Mandatory Responses to Questions**” and questions must be numbered and retyped exactly as below.

1. What lines and or types of insurance (Umbrella, Stop Loss, Third-Party Administrator Services, Etc.) are you interested in providing to the City?

2. How many Kentucky local government entities do you currently service? What is the typical length of time you have worked with these local government entities?

3. Please list the names, contact persons, and telephone numbers of at least three (3) Kentucky local government entities that you currently serve that we may call for references.

4. What insurance carriers licensed in the state of Kentucky (for the lines of insurance specified in #1) can you access directly? What are their AM Best ratings?

5. What additional value-added services do you provide to your local government entities clients at no additional charge?

6. Are there other additional services you will provide for additional fees? What are they and what are the additional fees?

B. Additional Items.

1. How will you assist the City with the competitive marketing and placement of its plans, including development of marketing specifications, identification of market conditions, evaluation of proposals, negotiations, and placement of insurance contracts for annual renewals?

2. Furnish a list of insurance companies, third-party administrators, and other providers for which the consultant is an authorized agent or broker.

3. How will you save the City of Covington money?

4. How will you demonstrate the savings?

5. How will you help with the management of insurance, including monthly (or quarterly) supervision and/or preparation of claims activity reports from carriers; executive summary reports; underwriting analysis for annual renewals; annual financial projections for budgeting purposes; and alternative funding analyses?

6. Describe your proposed form of compensation (e.g., commission, annual retainer, and fee-for-service). If you are proposing a fee, please include your fee schedule and/or hourly rates

7. If you charge fees for consulting and employee communication, please indicate the basis of your charges (hourly, by project, etc.) and what typical charges might be.

IV. PROPOSAL FORMAT.

Proposals shall consist of one (1) signed original and four (4) copies, submitted in a sealed envelope plainly marked "**SEALED PROPOSAL FOR HEALTH BENEFIT AGENT/ BROKER - DO NOT OPEN WITH REGULAR MAIL.**" **City requests Respondents to include a digital copy of their Proposal, via a USB drive or compact disc, to be submitted with their physical Proposal submission.**

Proposals shall consist of the following:

1. **A Letter of Transmittal.** Which includes (a) the name of the company, (b) a contact person, (c) the names of individuals authorized to negotiate with the City, (d) current address (e) telephone number, (f) email address, and (g) the signature of an authorized representative of the Respondent.
2. **A Table of Contents.** Indicating the page where each section begins.
3. **Company Qualifications & References.** Should identify how the company is owned; the year the company was established; the former name(s) of the company, *if applicable*; and the state in which the company is incorporated. This section should also include company, and team specific, qualifications; and references to other companies and/or public entities for which the Respondent has provided similar services.
4. **Proposal Response.** Your proposal response should include your elaborated responses from the detailed Scope of Work (See Section III above). Your response to the Scope of Work must be formatted in a way that is consistent with the formatting of Section III above.

Responses should include an anticipated timelines of implementation.

Responses should also include detailed information about Vendor's customer service structure and customer accessibility to support.

5. **Compensation – Fee Structure.** Respondent should include a complete cost and fees breakdown of all proposed compensation, costs and fees. Annual fees should detail all included services. Pricing should be listed for all (5) five years of the proposed contract term.
6. **Sample Contract Terms.** Respondent should include a sample contract and/or standard terms and conditions generally associated with the requested products.
7. **Notice of Deviation.** *If applicable.* Deviations from the requested product specifications must be expressly disclosed. Proposals failing to meet all of the specifications will not necessarily be rejected, but any deviations must be clearly noted to be considered.

V. EVALUATION PROCEDURES.

1. Mandatory Criteria

The City will only consider proposals from Respondents who:

- A. Can demonstrate a proven history of successfully and reliably providing similar services, and products, to similar entities.
- B. Are in good standing with the City, as that term is defined in Commissioners’ Ordinance No. O-11-06.
- C. Are not involved in any adverse claims against the City and are not delinquent in their financial obligations to the City.
- D. Can demonstrate substantial compliance with this Request.

2. Evaluation Criteria

Respondents meeting the mandatory criteria will have their Proposals evaluated and scored based on the below criteria, with consideration of the preference for residential bidders as prescribed in KRS 45A.495 (where required). Award will be made to the Respondent whose Proposal is determined to be the most advantageous to the City. The following criteria shall be used to determine the most-qualified, evaluated proposal:

Experience and Qualifications of Firm.	40 points
Approach to Work (including communication, planning, consultations and innovativeness).	20 points
Experience providing similar services to similar entities.	20 points
Pricing/ Fees.	20 points
Total	100 points

3. Respondent Questions

City shall answer any questions that Respondents may have prior to the submission deadline. All questions should be submitted in writing by electronic mail directly to Emilee Buttrum, Legal Assistant, at ebuttrum@covingtonky.gov. All answered questions shall be made available via the City’s website, www.covingtonky.gov. It shall be Respondent’s obligation to reference the City’s website, prior to submission of a Proposal. It is each Respondent’s responsibility

to read this RFP in its entirety, and fully acquaint themselves with the scope of services outlined herein. The failure of the Respondent to do the foregoing does not relieve the Respondent from any obligation with respect to the bid Proposal submitted. If any Respondent is in doubt as to the true meaning of any part of the specifications, the Respondent should submit a written request for an interpretation.

4. Oral Presentations

Written or oral discussions shall be conducted with all responsible Respondents who submit Proposals determined in writing to be reasonably susceptible of being selected for award. Such presentations will provide firms with an opportunity to provide a brief presentation of their firm and answer any questions the City may have as to their submitted Proposal. Not all firms may be asked to make such oral presentations.

5. Award

Award shall be made to the Respondent whose Proposal is determined in writing to be the most advantageous to the City based upon the evaluation factors set forth herein, and the reciprocal preference for resident bidders required by KRS 45A.494.

6. Negotiation of Award

After the Selection Committee makes a final determination, the Awardee and the City will negotiate and execute a final agreement prior to the commencement date. Failure by any Respondent to timely respond or come to terms with the City will be cause for a rejection of the Proposal.

VI. STIPULATIONS AND REQUIREMENTS

1. General Information

The City of Covington has prepared this RFP to solicit responses from qualified agents or brokers who can assist the City in maintaining a quality and competitive insurance strategy to guard against catastrophic third-party liability claims and to improve how the City currently manages its self-insurance program.

The City is a Kentucky Home Rule class City. The executive and legislative authority is vested in the Board of Commissioners, which consists of the Mayor and four Commissioners. The City Manager is the chief administrative officer and is responsible for day-to-day operations. The City Manager is assisted by an Assistant City Manager for Administration, in addition to various department heads and City staff. The City operates a full-service Fire Department, with associated EMS services, as well as a full-service Police Department. Additional City departments include: Department of Public Works, Neighborhood Services Department, Department of Economic Development, Administration Department, Legal Department and Finance Department. The City maintains an approximate employee count of 375+ employees comprised of elected officials, full-time employees, part-time employees and seasonally based employees.

2. Proposal Guarantee/ Award Procedure

It is anticipated that a recommendation for award for this Proposal will be made no more than thirty (30) days after the Proposal due date. All interested parties are required to guarantee their Proposals as an **irrevocable offer valid for ninety (90) days after the Proposal due date**. The City in its sole and absolute discretion shall have the right to award a Proposal for any or all items/services listed in each Proposal, shall have the right to reject any and all Proposals as it deems to be in its best interests, to waive formalities and reasonable irregularities in submitted documents, shall not be bound to accept the lowest Proposal and shall be allowed to accept the total Proposal of any one vendor.

3. Revisions

If it becomes necessary to revise any part of this Request, a written addendum will be made available to the public via publication on the City's website, www.covingtonky.gov. The City is not bound by any oral representations, clarifications, or changes made by any City employee, unless such clarification or change is provided to all Respondents in written addendum from an authorized representative of the City.

4. Anti-Discrimination Statement

The City expressly prohibits discrimination of any kind or manner. The City does not discriminate against any individual or vendor based on disability, age, sex, race, color, religion, ancestry, national origin, sexual orientation, gender identity,

familial status, marital and/or parental status. City of Covington Code of Ordinances § 37.01.

5. References and Experience

All interested parties are required to submit with their Proposal a comprehensive list of references. Interested parties should provide a minimum of three (3) references in which they have provided similar or related services. References shall need to include at a minimum: company name, address, telephone number and contact person. Responding parties agree to authorize the City to verify references provided, so as to determine quality and manner of previous work performed.

6. Compliance with Laws

All Respondents shall observe and comply with all regulations, laws, and ordinances of local, state, and federal governments as they apply to this Request for Proposal.

7. Deviations from Specifications

All deviations from requested specifications must be clearly stated in your Proposal. Any significant limitation in scope or manner of proposed work, restrictive conditions, etc., should be clearly disclosed. Responses failing to meet all of the specifications will not necessarily be rejected, but any deviations must be clearly noted to be considered.

8. Terms of Proposal

The City requests to view pricing information for services from qualified vendors who can provide and meet all specified requirements of this Proposal for a (3) three year period, with the option of (2) two, singular year renewals to be exercised at the City's sole discretion. For a total engagement period not to exceed (5) five years. The City is not bound by the terms of this Proposal and may choose to alter the length of the contract at any time during the negotiation process or any time prior to contract execution.

9. Subcontracting

The City is seeking responses from full-service providers. The requirements of this Proposal shall not be subcontracted to other agents, absent express written agreement from the City permitting such assignment.

10. Insurance Requirements

A. **Policies, Coverages, and Endorsements.** Respondent agrees to maintain, at its sole cost and expense, the following insurance policies with minimum coverage and limits required by the Commonwealth of Kentucky. Prior to an award of contract Respondent will be asked to name

the City (its officers, agents and employees) as 'Certificate Holders' on the original policy and all renewals or replacements during the term of the agreement.

a) Commercial General Liability

- (1) Each Occurrence \$1,000,000
- (2) General Aggregate \$2,000,000

B. **Worker's Compensation.** Responses to this Proposal will serve as an affirmation that Respondents are in compliance with the Commonwealth of Kentucky's requirements for Worker's Compensation Insurance, KRS Chapter 342. Should Respondent receive an award of contract and enter into an agreement with the City, the Respondent confirms their ongoing compliance with KRS Chapter 342 throughout the lifetime of their agreement with the City.

C. **Subrogation.** Vendor agrees to a waiver of subrogation to the effect that the issuer waives any claim or right in the nature of subrogation to recover against the City, its officers, agents and employees. An endorsement should be furnished to the City upon request, and prior to an award of service.

D. **Proof of Insurance.** The policies, coverages and endorsements required by this provision shall be shown on a Certificate of Insurance on which the City must be listed as the 'Certificate Holder' and which should be furnished to the City upon request, and prior to an award of service.

E. **Cancellation.** All relevant Vendor policies, including worker's compensation and general commercial liability, shall be endorsed to provide thirty (30) days advanced written notice to the City of cancellation, nonrenewal and reduction in coverage. Mailed to: City Solicitor, 20 West Pike Street, Covington KY 41011.

12. Indemnification

Respondent shall agree to indemnify and hold harmless the City and its directors, officers, employees and agents from all suits, actions, claims or cost of any character, type or description brought or made on account of any loss, expense, liability, damage, claim, including personal injury and/or death sustained by any person(s) or property arising out of the acts or negligence of the Respondent, the Respondent's personnel, its agents, and employees, occurring during the performance of its duties.

13. Non-Compliance with Proposal

It is understood and agreed upon by all parties, in the event of an award of contract, if said contract fails to meet the terms and conditions accepted by the

City as specified in this Request for Proposal, and any prior agreements leading up to contract, then the City shall at its sole option have the right to:

- a. Cancel the contract in its entirety; OR
- b. Require the Vendor to provide the services as stated in this Proposal at the proposed price.

11. Response Request Disclaimer

This Request for Proposal does not commit the City to enter into a contract, or award any services in relation to this specific document, nor does it obligate the City to pay any costs incurred in preparation or submission of a Proposal or in anticipation of a contract.

12. Conflicts of Interest Prohibition

By submitting a response, Respondent certifies that it is aware of the prohibition against conflicts of interest, gratuities, and kickbacks in KRS 45A.455, which are set forth herein as follows:

(1) It shall be a breach of ethical standards for any employee with procurement authority to participate directly in any proceeding or application; request for ruling or other determination; claim or controversy; or other particular matter pertaining to any contract, or subcontract, and any solicitation or proposal therefor, in which to his knowledge:

- (a) He, or any member of his immediate family has a financial interest therein; or
- (b) A business or organization in which he or any member of his immediate family has a financial interest as an officer, director, trustee, partner, or employee, is a party; or
- (c) Any other person, business, or organization with whom he or any member of his immediate family is negotiating or has an arrangement concerning prospective employment is a party. Direct or indirect participation shall include but not be limited to involvement through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or purchase standard, rendering of advice, investigation, auditing, or in any other advisory capacity.

(2) It shall be a breach of ethical standards for any person to offer, give, or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment, in connection with any decision, approval, disapproval, recommendation, preparation of any part of a purchase

request, influencing the content of any specification or purchase standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling or other determination, claim or controversy, or other particular matter, pertaining to any contract or subcontract and any solicitation or proposal therefor.

(3) It is a breach of ethical standards for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order.

(4) The prohibition against conflicts of interest and gratuities and kickbacks shall be conspicuously set forth in every local public agency written contract and solicitation therefor.

(5) It shall be a breach of ethical standards for any public employee or former employee knowingly to use confidential information for his actual or anticipated personal gain, or the actual or anticipated personal gain of any other person.

8. Affidavits

Each Respondent must complete and submit the attached 'Non-Collusion Affidavit,' 'Campaign-Finance Affidavit,' and 'Certification Regarding Debarment, Suspension and Other Responsibility Matters,' with their Proposals.

9. Claims against the City

In consideration of the right to respond to this RFP, Proposer, waives any claim, liability or expense whatsoever against the City and its Staff, Commissioners, and agents by reason of any or all of the following: any aspect of this RFP, the Selection Process or any part thereof, any informalities or defects in the Selection Process, the failure to enter into any agreement, any statements, representations, acts or omissions of the City, the exercise of any discretion set forth or concerning any.

10. Governing Law

This RFP and any agreement resulting from this RFP shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky. Any dispute arising under this RFP shall be resolved in a court of competent jurisdiction in Kenton County, Kentucky.

11. Competitive Negotiations

It is the intent of the City that this RFP is conducted according to the competitive negotiation procedures set forth in KRS 45A.370. It shall be the Vendor's responsibility to advise the City if any language, requirements, etc. or any combination thereof, inadvertently restricts or limits the requirements stated in

this Proposal to a single source. Such notification must be submitted in writing and must be received no later than three (3) days after the opening date.

12. Public Information Notice

All Proposals submitted to the City will be kept in confidence by the '*Selection Committee*' and shall be used solely for the purpose of evaluating the Proposal for a possible award. The City retains the right to provide copies provided by Respondents to its staff, legal, technical, and financial advisors and representatives. Respondent should take care not to provide any confidential information, trade secrets or other intellectual property, that they do not want to be received by City staff.

Please note that all information submitted for review may be subject to the **Kentucky Open Records Act** and may be made available upon request by the public. Respondents should identify any confidential, proprietary information or trade secrets and provide justification as to why the disclosure of the records would permit an unfair commercial advantage to the Respondent's competitor.

- (c) did not, in any manner, directly or indirectly, seek by agreement, communication or conference with anyone to raise or fix the bid price of said submitter or of anyone else, or to raise or fix any overhead, profit or cost element of his proposal price, or that of anyone else;
- (d) did not, directly or indirectly, submit his bid price or any breakdown thereof, or the contents thereof, or divulge information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, or to any individual or group of individuals, except to the awarding authority or to any person or persons who have a partnership of other financial interest with said submitter in his business; and
- (e) did not include in his bid price any fees, dues, charges, or assessments because required to do so by reason of his membership in or affiliation with any association, organization, corporation, partnership, company, individual or group of individuals, or because of any agreement or understanding with anyone that he would do so.

Signed: _____

Title: _____

Subscribed and sworn to before me this _____ day of _____, 20____.

(SEAL OF NOTARY HERE)

Notary Public in and for

My commission expires _____.

++ END OF NON-COLLUSION AFFIDAVIT OF SUBMITTER ++

**CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER
RESPONSIBILITY MATTERS**

By the submission of this proposal, the prospective primary participant certifies to the best of his/her knowledge and belief, that it and its principals:

- I. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

- II. Have not, within a three-year period preceding this proposal, been convicted of, or had a civil judgment rendered against them, for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

- III. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (B) of this certification; and

- IV. Have not, within a three-year period preceding this Request for Qualifications, had one or more public transactions (Federal, State or local) terminated for cause or default.

Signed:

Printed Name:

Title:

Subscribed and sworn to before me this day of _____, 20__.

(SEAL OF NOTARY HERE)

Notary Public in and for

My commission expires