

Supplemental Agenda Item No. 9A

General Policy Committee

October 10, 2012

9:00 a.m.

Location:

San Bernardino Associated Governments
Santa Fe Depot – *Super Chief Conference Room*
1170 W. 3rd Street, 2nd floor
San Bernardino, CA

Discussion Calendar

Administrative

9A. **Award Risk Management Advisor Services Contract**

That the Committee recommend the Board award Contract No. C13015 to Keenan & Associates, for Risk Management Advisor Services for a three year term with two one-year options to extend, in an amount not-to- exceed \$120,000 for the initial three year term.

This item was not available at the time of Agenda posting.



- San Bernardino County Transportation Commission
- San Bernardino County Transportation Authority
- San Bernardino County Congestion Management Agency
- Service Authority for Freeway Emergencies

Minute Action

SUPPLEMENTAL AGENDA ITEM: 9A

Date: October 10, 2012

Subject: Award Risk Management Advisor Services Contract

Recommendation:* That the Committee recommend the Board award Contract No. C13015 to Keenan & Associates, for Risk Management Advisor Services for a three year contract with two one-year options to extend for an amount not-to-exceed \$120,000 for the initial three year term.

Background: The San Bernardino Associated Governments (SANBAG) requires the services of a Risk Management Advisor (RMA). RMA will analyze the factors that are driving the cost of risk, develop and present cost-effective strategies for dealing with risk, and explore alternatives. RMA will represent SANBAG's interests in the marketplace when the purchase of insurance is necessary, function as SANBAG's broker/consultant and negotiate with the insurance companies on SANBAG's behalf.

The RMA will also provide risk management controls, review contract insurance language, insurance compliance, certificate compliance, and claims reporting and management. RMA will be the central destination for all claims, contract and insurance certificate and bond reviews, negotiate insurance-related contract language, determine appropriate insurance coverage, and verify all certificates of insurance, additional insured endorsement and bonds against the contract to ensure compliance.

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Approved
 General Policy Committee

Date: _____

Moved: _____ Second: _____

In Favor: _____ Opposed: _____ Abstained: 0

Witnessed: _____

COG	X	CTC	X	CTA	X	SAFE	X	CMA	X
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Check all that apply.

ADM1210c-ws

<http://portal.sanbag.ca.gov/mgmt/committee/admin/Admin2012/adm1210/AgendaItems/ADM1210c1-ws.docx>

On August 1, 2012, the SANBAG Board of Directors approved the release of a Request For Proposals (RFP) 13015 for Risk Management Advisor Services. The RFP was posted on SANBAG's website and RFP notifications were sent to approximately twenty-five (25) vendors who specialize in these services. A Pre-Proposal Meeting was conducted on August 15, 2012, and five firms were in attendance. Two Addendums were issued to respond to the proposers' questions during the meeting. On August 29, 2012, three proposals were received by the date and time specified in the RFP. A responsive review was conducted for the three proposals received on time. All three proposals were found to be responsive to the RFP.

An Evaluation Committee consisting of SANBAG staff reviewed the proposals. The proposals were evaluated based on the criteria identified in the RFP:

1. Qualifications of the firm
2. Related experience and client references
3. Qualifications and experience of the proposed staff
4. Work plan
5. Pricing

All three firms demonstrated significant experience in providing risk management advisor services to the public sector. The Evaluation Committee agreed to interview all three firms (listed in alphabetical order):

KEENAN & ASSOCIATES

POMS & ASSOCIATES INSURANCE BROKERS, INC.

WILLIS INSURANCE SERVICES OF CALIFORNIA, INC.

On September 12, 2012 and September 18, 2012, the Evaluation Committee conducted oral interviews with the three firms. The interviews were allotted fifty (50) minutes and consisted of an opening presentation followed by thirty (30) minutes of questions and answers. Each firm had an overall understanding of SANBAG's scope of work and requirements.

The Evaluation Committee selected Keenan & Associates due to extensive experience in the public sector including transportation. The firm's emphasis on risk avoidance and prevention was a key factor. Keenan & Associates was also able to provide information on available coverage on potential future commuter rail activities. The firm provides on-line and on-sight training to clients on risk avoidance and safety.

The contract is for three years with two one-year options. The initial cost for three years is \$115,900. Staff is requesting an increase of \$4,100 for possible on-sight employee training on a need basis. The total contract amount would be \$120,000.

Financial Impact: This item is consistent with SANBAG's Fiscal Year 2012/2013 budget. Risk Management Advisor activities are budgeted under various projects.

Reviewed By: This item is not scheduled for review by any other policy committee or technical advisory committee. SANBAG General Counsel and Contract Administrator have reviewed this item and Contract.

Responsible Staff: William Stawarski, Chief Financial Officer



CONTRACT SUMMARY SHEET

Contract No. C 13015 Amendment No. 0

By and Between

San Bernardino Associated Governments and Keenan & Associates

Contract Description Risk management advisor services

Board of Director's Meeting Date: 11/7/12	
Overview of BOD Action: Award Contract No. C13015 to Keenan & Associates, for Risk Management Advisor Services for a three year contract	
Is this a Sole-Source procurement? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

CONTRACT OVERVIEW					
Original Contract Amount	\$	120,000	Original Contingency Amount	\$	0
Revised Contract Amount <i>Inclusive of prior amendments</i>	\$	0	Revised Contingency Amount <i>Inclusive of prior amendments</i>	\$	0
Current Amendment Amount	\$	0	Contingency Amendment	\$	0
TOTAL CONTRACT VALUE	\$	120,000	TOTAL CONTINGENCY VALUE	\$	0
TOTAL BUDGET AUTHORITY (contract value + contingency)					\$ 120,000

Contract Start Date 11/7/12	Current Contract Expiration Date 11/7/15, with 2 1-yr extensions	Revised Contract Expiration Date N/A
Has the contract term been amended? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes - please explain.		

FINANCIAL INFORMATION				
<input checked="" type="checkbox"/> Budget authority for this contract currently exists in Task No. <u>0105-Indirect Project Management</u> .				
<input type="checkbox"/> A Budget Amendment is required.				
How are we funding current FY? Task <u>0105-Indirect Project Management</u>				
<input checked="" type="checkbox"/> Federal Funds	<input checked="" type="checkbox"/> State Funds	<input checked="" type="checkbox"/> Local Funds	<input type="checkbox"/> TDA Funds	<input checked="" type="checkbox"/> Measure I Funds
Provide Brief Overview of the Overall Funding for the duration of the Contract:				
<input checked="" type="checkbox"/> Payable <input type="checkbox"/> Receivable				

CONTRACT MANAGEMENT INFORMATION	
Check all applicable boxes:	
<input type="checkbox"/> Retention? If yes, indicate % _____.	
<input type="checkbox"/> Disadvantaged Business Enterprise (DBE) Goal _____ %	<input type="checkbox"/> Underutilized DBE (UDBE) Goal _____ %

Task Manager (Print Name)

Project Manager (Print Name)
Jeffrey Hill

Contracts Administrator (Print Name)

Chief Financial Officer (Print Name)

Signature _____ Date _____

Signature _____ Date _____

Signature *[Signature]* Date *10/5/12*

Signature _____ Date _____

ATTACHMENT A
“SCOPE OF WORK”

Scope of Services

The CONSULTANT shall provide a variety of services to assist SANBAG with the purchase and management of insurance, third party claims and the management of insurance-related activities related to procurement. The Scope of Services is presented below:

- I. CONSULTANT will manage risk and control costs. CONSULTANT will:
 - a) Analyze the factors that are driving the cost of risk;
 - b) Develop & present cost-effective strategies for dealing with risk;
 - c) Seek out creative solutions and fully explore alternatives before recommending the purchase of insurance;
 - d) Provide a clear, concise written explanation of what SANBAG is buying, what it costs, and why.

- II. Represent SANBAG interests in the marketplace when the purchase of insurance is necessary. Functioning as SANBAG's broker/consultant, CONSULTANT will negotiate with the insurance companies on SANBAG's behalf, and protect SANBAG's interests. CONSULTANT will:
 - a) Give SANBAG broad access to the insurance marketplace;
 - b) Monitor the published financial information of SANBAG's Insurers and alert SANBAG to changes in their status;
 - c) Follow up with insurance carriers for timely issuance of policies, endorsements, and agreements;
 - d) Review policies and endorsements for accuracy and conformity to specifications;
 - e) Provide easy-to-understand coverage summaries for all new coverage and updates on changes to existing coverage.

- III. Provide SANBAG with new ideas and information on a regular basis. To ensure that SANBAG's program remains effective and competitive, CONSULTANT will keep SANBAG informed of significant changes and/or trends in the insurance industry that could have an impact on SANBAG or affect from a risk and insurance perspective.

- IV. Deliver support and administrative assistance. CONSULTANT will provide SANBAG with prompt, accurate service at all times. CONSULTANT will:
 - a) Respond to questions and requests timely;
 - b) Return phone calls within 24 hours or less;
 - c) Assist SANBAG in preparing insurance applications;
 - d) Process certificates of insurance, auto identification cards, and motor vehicle report requests in a timely manner;
 - e) Issue binders prior to the expiration of current policies;
 - f) Maintain an updated schedule of insurance;
 - g) Work with SANBAG to determine a schedule for reviewing insurance company loss runs;
 - h) Check the accuracy of audits, rating adjustments, and dividend calculations;
 - i) Develop procedures to ease administration and claims handling;
 - j) Coordinate the activities of any third party loss control providers or claims consulting services.
 - k) Respond to RFP/IFB requests for review of contract language and insurance or bond review within three (3) business days or less.

- V. Take an aggressive, proactive approach to controlling losses and act as the SANBAG's advocate in the event of a claim. The CONSULTANT will:
- a) Analyze losses to identify trends and potential problem areas that need to be addressed;
 - b) Recommend and coordinate special loss control services, if necessary;
 - c) Act as a liaison between SANBAG and the Insurer or claims service organization, and negotiate on SANBAG's behalf;
 - d) Work with SANBAG in designing claims handling procedures;
 - e) Track significant claims and provide SANBAG with periodic reports;
 - f) Monitor third party claims to ensure that SANBAG's interests are protected;
 - g) Review experience modification factors;
 - h) Evaluate reserves and advise where adjustments are warranted.
- VI. Establish a strategy that meets SANBAG's needs, keeps CONSULTANT close to SANBAG's business, and facilitates joint planning. The CONSULTANT will:
- a) Meet with SANBAG's key people to discuss strategy and any changes in SANBAG's situation;
 - b) Conduct a *Stewardship Review* to assess performance and establish future objectives and strategies for the CONSULTANT and SANBAG. During the course of the review, the CONSULTANT will:
 1. Perform a complete review and analysis of the existing program;
 2. Ask about changes in SANBAG's goals, objectives, operations and exposures;
 3. Determine any short and long-term influences that stand to impact SANBAG's program in the future;
 - c) Develop a mutually agreeable renewal action plan and timeline that meet SANBAG's objectives and ensure that information is with SANBAG.
- VII. The CONSULTANT shall provide risk management controls on Risk Management services:
- a) Contract reviews;
 - b) Insurance compliance;
 - c) Certificate compliance; and,
 - d) Claims reporting and management.
 - e) Reviewing the Right-of-Way purchased by SANBAG and ensure that new properties are covered by SANBAG's insurance.
- VIII. The CONSULTANT will not provide SANBAG with certificate tracking.
- IX. CONSULTANT will:
- a) Be the central destination for all claims, contract and certificate and bond reviews.
 - b) Help negotiate insurance-related contract language with SANBAG's clients, vendors, and Insurers as desired by SANBAG.
 - c) Suggest the coverage's that are appropriate based on the usual insurance coverage's available.
 - d) Check all certificates and bonds against the contract to make sure that the certificate show compliance to the insurance requirements noted in the contract.
- X. Third Party Claims

- a) All claims should be reported to CONSULTANT directly (Workers Compensation being the exception), for reporting to the Insurer.
- b) With the current General Liability program, being written on a deductible structure there would be no need for a third party administrators for future claims.
- c) The Insurer would be responsible for filing tenders and defense.
- d) CONSULTANT will monitor the claims to prompt the Insurer to respond punctually to the claim and report to the SANBAG on a quarterly basis as to the status of all claims.
- e) For all of the claims that are being handled by the current third party administrators the consultant will monitor their progress on all open claims.
- f) The same process of reporting would be in place for Automobile, Crime, Property, and Public Officials Liability.
- g) All claims should be reported to the CONSULTANT for notification to the Insurer.

XI. Reports:

- a) Provide Quarterly Loss Run reports to SANBAG.

SANBAG's Role & Responsibilities

- a) Review the insurance policies and notify CONSULTANT promptly if SANBAG has questions or changes;
- b) Provide CONSULTANT with the information needed to do the CONSULTANT 's job. It is extremely important that such information is accurate, complete, and provided to us in a timely fashion;
- c) Respond to requests promptly;
- d) Allow CONSULTANT to participate in the settlement of losses with insurance carriers;