



**RFP DETERMINATION BOOK
FOR
INSURANCE BROKER SERVICES**



**RELEASED BY
HUMAN RESOURCES DIVISION
CITY OF COSTA MESA**

INSURANCE BROKER SERVICES

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PROJECT CHRONOLOGY

This section is a list of the significant events from the release of the RFP to the Interview phase of the evaluation process.

INSURANCE BROKER SERVICES

CHRONOLOGY

08/17/12	RFP released & posted with a due date of 10/18/12
09/07/12	Question Submittal Deadline
09/07/12	Sent compiled list of questions to Risk Management to answer
09/19/12	Amendment 1 – Changing the Q&A posting date to 09/19/12
09/19/12	Questions & Answers were posted to the City Website
09/25/12	Amendment 2 – Changing the Interviews to the week of November 13-16
09/26/12	Proposals Received
10/10/12	Outside evaluator is identified
10/10/12	Evaluation packets were distributed
10/25/12	Reference Letters Sent Out
10/25/12	Evaluator Team Meeting
11/13/12	Interviews

RFP NOTICE

This is a requirement under the Costa Mesa Municipal Code, Title 2-Administration, Chapter V. Finance, Article 2 Purchasing, Section 2-166 Procedure for purchases exceeding fifty thousand dollars (a) (1)



Los Angeles Times

CLASSIFIED ADVERTISING PROOF

Printed by: 0602 Patricia Gamino
Salesperson:
Phone:

Aug 17, 2012, 7:21 am

Ad # 35148404



Los Angeles Times

Account Information

Phone #: (714) 754-5216
Name: City of Costa Mesa (Parent)
Address: 77 Fair Dr
Costa Mesa, CA 92626-6546
Acct #: CU00067980
Client: Human Resources
Placed by: Jennifer Sommers
Fax #: (714) 754-4942

Ad Information

Start date 08-21-12
Stop date 08-21-12
Insertions 1
Rate code &Legal Costa Mesa
Taken by 0602 Patricia Gamino

Size 1 x 54.470
Billed size 5.50 TCN Inch
Keyword
Ad type Liner

Class: 13000 - Legal Notices
Pubs: TCN Daily Pilot

Gross price: \$ 52.25
Net price: \$ 52.25
Amt Due: \$ 52.25

Note: Amount Due is subject to change due to discounts, miscellaneous fees, or other charges.

Ad Copy:

City of Costa Mesa Request for Proposals for Insurance Broker Services

NOTICE IS HEREBY GIVEN that sealed proposals shall be received by the City of Costa Mesa to wit: The City of Costa Mesa, City Clerk, Attn: Jennifer Sommers, P.O. Box 1200, Costa Mesa, California 92628-1200, on or before the hour of **12:00 p.m. (P.S.T.) on Wednesday, September 26, 2012.** It shall be the responsibility of the offeror to deliver his proposal to the City Clerk's Office by the announced time. Delivery Location: City of Costa Mesa, City Clerk's Office - 1st Floor, 77 Fair Drive, Costa Mesa, California 92626.

Proposal shall be returned to the attention of Jennifer Sommers, HR Analyst, within said time limit, in a sealed envelope identified on the outside with the Offeror's Business Name, Proposal Identity-RFP for Insurance Broker Services and the due date.

There will be no public opening of proposals.

The Request for Proposal may be downloaded from the website at **www.costamesaca.gov.**

Please contact Kim Wilson, Purchasing Coordinator, at (714) 754-5062, 77 Fair Drive, Costa Mesa, California 92626.

Dated August 16, 2012
Published Newport Beach/
Costa Mesa Daily Pilot
August 18, 2012.

RFP

The RFP (Request for Proposal) provides information on the service level improvements, key elements for this particular solicitation, an overview and solicitation protocol. Also included are any amendments to the RFP that were posted to the web.



**REQUEST FOR PROPOSAL
FOR
INSURANCE BROKER SERVICES**



**HUMAN RESOURCES DIVISION
CITY OF COSTA MESA**

Released on August 17, 2012

REQUEST FOR PROPOSAL (RFP)

PROFESSIONAL INSURANCE BROKERAGE SERVICES

Dear Proposers:

The City of Costa Mesa (hereinafter referred to as the “City”) is requesting proposals from a qualified firm to provide professional insurance brokerage services to assist in the management of the City’s various insured and self-funded insurance programs in the areas listed below:

- a. Excess General Liability, including employment practices
- b. Property; including Cyber coverage
- c. Automobile
- d. Boiler and Machinery
- e. Excess Workers’ Compensation
- f. Earthquake and Flood
- g. Crime
- h. Environmental
- i. Special Event Insurance Program
 - Includes Tenant/User event, Instructor/Recreation event, Nominee event, Concessionaire and additional insured.
- j. Any other coverage requested by the City of Costa Mesa or recommended by the broker

The contract term is for three (3) years with two (2) one-year options to renew.

1. BACKGROUND

The City of Costa Mesa is a general law city, which operates under the council/manager form of government with a General Fund budget of over \$111 million and a total of over \$132 million of fiscal year 2012-2013.

The City of Costa Mesa, incorporated in 1953, has an estimated population of 116,479 and has a land area of 16.8 square miles. It is located in the southern coastal area of Orange County, California, and is bordered by the cities of Santa Ana, Newport Beach, Huntington Beach, Fountain Valley and Irvine.

The City is a “full service city” and provides a wide range of services. These services include: police and fire protection; animal control; emergency medical aid; building safety regulation and inspection; street lighting; land use planning and zoning; housing and community development; maintenance and improvement of streets and related structures; traffic safety, maintenance and improvement; and full range of recreational and cultural programs.

The City of Costa Mesa is home of the Segerstrom Center for the Arts, Orange County Fairgrounds, South Coast Repertory Theater and the South Coast Plaza Shopping Center, which is the single largest commercial activity center in the City. The volume of sales generated by South Coast Plaza, secures its place as the highest volume regional shopping center in the nation.

2. SCHEDULE OF EVENTS

This request for proposal will be governed by the following schedule:

Release of RFP	August 17, 2012
Deadline for Written Questions	September 7, 2012
Responses to Questions Posted on Web	September 14, 2012
Proposals are Due	September 26, 2012
Interview (if held)	October 15 – 19, 2012
Approval of Contract	December 4, 2012

All dates are subject to change at the discretion of the City.

3. SCOPE OF WORK

ASSIGNED PERSONNEL: The BROKER shall designate a Principal to be assigned to this account to act as the primary contact for the CITY. The CITY must approve the Principal and any other personnel assigned to perform services for the CITY (hereafter collectively referred to as “assigned personnel”). If for any reason the CITY finds, in its sole discretion, that the service provided by any assigned personnel is unsatisfactory, the BROKER will agree to assign replacement personnel that must also be approved by the CITY. Personnel assigned to the account must have a minimum of five (5) years full time experience as a broker and a minimum of three (3) years experience with public agency insured and self-insured insurance program management is preferred.

AUDIT: The BROKER will cooperate with the CITY and make available any and all files and records available for audits. The CITY will have reasonable access to the necessary portions of the BROKER facilities, records and files for review or audit purposes.

PROGRAM ADMINISTRATION: Program administration shall include, but not be limited to the following:

1. Act as an independent insurance advisor to the City and proactively provide ongoing unbiased professional advice and recommendations that benefit the City.
2. Proactively provide ongoing review and analysis of the City’s insurance programs and identification of risk transfer and risk financing options.
3. Be familiar with the major exposures of the City.
4. Be familiar with the coverage provided by all relevant insurance policies and documents issued to the City.
5. Assure that insurance policies are placed in a timely manner, without lapses in coverage periods, with reputable and financially responsible insurers.
6. Provide service for the insurance policies placed for the City including processing all changes and endorsements and verifying the accuracy of invoices within a reasonable time.
7. Provide early warning of rate and coverage changes or renewal problems through a process to be mutually agreed upon with the City.

8. Upon request of the City, but at least once a year, provide a comprehensive report that reviews all of the City's insurance programs.
9. Through a mutually agreed upon process, monitor the City's operations and loss exposures and make any appropriate recommendations for coverage changes or new coverage.
10. Be available to answer questions or obtain answers from underwriters for policy coverage questions.
11. Meet with City staff and designated representatives as reasonably requested.
12. Provide consultation service and written reports as normally expected of a professional broker to a large client.
13. Provide loss control services and assistance with claims as requested by the City. Assist in analyzing loss exposures from existing and new operations, and determine the appropriate risk management alternatives, including types, availability, costs and extent of coverage that should be considered.

Brokerage and consulting services must be provided for annual policy renewals and on an as needed basis. The selected broker must provide a thorough renewal presentation each year at least thirty (30) days before current policy expiration date with policy recommendations to include an analysis of available alternatives in consideration of City's exposures. Brokerage services must also include market research, policy endorsements, certificates of insurance, and coverage consultation on claims filed against the City. The Broker will also advise on a continuing basis, and in a timely manner, of any and all significant matters and developments regarding carrier service issues.

SPECIAL REQUIREMENTS

A. Period of Agreement

The selected broker will be appointed as the City's Broker(s) of Record for property/casualty and other insurance as required for a period of three (3) years with two (2) additional one-year options, at the City's sole discretion. Appointment as Broker of Record creates no right to reappointment or continued service. If negotiations for renewal of this contract are delayed for reasons beyond control of broker, the contract shall automatically be extended under the same terms and conditions until terminated by written notice by either party or by execution of a new contract.

B. Policy Review

Review policies and other documents in detail within 14 days of receipt of the documents. Check the wording and accuracy of each policy, binder, certificate, endorsement or other document received from insurers. Ensure that the intended coverage is provided, all coverage, terms, conditions and other wording is complete and accurate, and in compliance with financial arrangements and administrative procedures acceptable to the City. Obtain revisions needed to achieve compliance with coverage request.

C. Policy Amendments

Process requests for additions or deletions to policies within five (5) business days of receipt. Provide follow up with insurer that the insurer has handled the request. Advise in writing of any changes to insurance policy(ies) within 14 days.

D. Marketing

1. Monitor expiration dates of policies and provide the City with written notification at least 90 days prior to expiration, including a description of information needed to process the renewal.
2. Develop and implement a marketing strategy, including identifying potential markets, for program renewals at least 90 days before policy expiration.
3. Develop underwriting information and assist in gathering and organizing exposure and loss data for renewals of policies placed.
4. Work with carriers to design policies and programs most advantageous to the City for coverage of exposures, policy form, exclusions, deductibles, self-insured retentions, coordination with other policies, costs and other pertinent factors.
5. Market renewal coverage for the City by obtaining timely and competitive quotations from available and responsible insurers & re-insurers.
6. Provide quotations to the City at least thirty (30) days prior to insurance policy expiration unless otherwise approved by the City.
7. If requested by the City, provide the City with copies of declination letters and all premium quotations received with a summary of coverage explaining deficiencies or benefits of the quote compared to the recommended insurance program.
8. Provide quotations for specialized types of insurance, as requested by the City.

E. Claims

1. Assist the City staff, as necessary, with filing claims.
2. Work with outside claims adjustors as necessary.
3. Represent the interests of the City in policy interpretation and other negotiations with insurance carriers.
4. Assist the City with review of claim reserves, and represent the City to the insurer with regard to requested explanation or reduction of reserve amounts. Follow-up with insurer as necessary until resolution of any reserve reduction requests are accomplished or until claim is closed.
5. Provide annual summaries by policy year for each of the last five years indicating total number of losses by type for each line of coverage and showing earned premium, incurred losses and loss ratio.

F. Certificates of Insurance

Issue certificates of insurance within three (3) business days following the date of request.

G. Contract Review

Review contracts and lease agreements as requested and notify the City whether the insurance programs of the City are in compliance with insurance requirements of contracts and/or agreements.

H. Legal Compliance

Comply with all State and Federal laws and regulations pertaining to insurance brokers licensed in the State of California.

4. PROPOSAL FORMAT GUIDELINES

Interested firms are to provide the City of Costa Mesa with a thorough proposal using the following guidelines:

Proposal should be typed and should contain no more than 20 typed pages using a 12-point font size, including transmittal letter and resumes of key people, but excluding Index/Table of Contents, tables, charts, and graphic exhibits. Each proposal will adhere to the following order and content of sections. Proposal should be straightforward, concise and provide “layman” explanations of technical terms that are used. Emphasis should be concentrated on conforming to the RFP instructions, responding to the RFP requirements, and on providing a complete and clear description of the offer. Proposals which appear unrealistic in terms of technical commitments, lack of technical competence or are indicative of failure to comprehend the complexity and risk of this contract may be rejected. The following proposal sections are to be included in the Proposer’s response:

- **Vendor Application Form and Cover Letter**

Complete Appendix A, “Request for Proposal-Vendor Application Form” and attach this form to the cover letter. A cover letter, not to exceed three pages in length, should summarize key elements of the proposal. An individual authorized to bind the consultant must sign the letter. The letter must stipulate that the proposal price will be valid for a period of at least 180 days. Indicate the address and telephone number of the contractor’s office located nearest to Costa Mesa, California and the office from which the project will be managed.

- **Background and Project Summary Section**

The Background and Project Summary Section should describe your understanding of the City, the work to be done, and the objectives to be accomplished. Refer to Scope of Work of this RFP.

- **Methodology Section**

Provide a detailed description of the approach and methodology to be used to accomplish the Scope of Work of this RFP. The Methodology Section should include:

1. An implementation plan that describes in detail (i) the methods, including controls by which your firm manages projects of the type sought by this RFP; (ii) methodology for soliciting and documenting views of internal and external stakeholders; (iii) and any other project management or implementation strategies or techniques that the respondent intends to employ in carrying out the work.
2. Detailed description of efforts your firm will undertake to achieve client satisfaction and to satisfy the requirements of the "Scope of Work" section.

3. Detailed project schedule, identifying all tasks and deliverables to be performed, durations for each task, and overall time of completion, including a complete transition plan. Include your plan to deal with fluctuation in service needs and any associated price adjustments.
4. Detailed description of specific tasks you will require from City staff. Explain what the respective roles of City staff and your staff would be to complete the tasks specified in the Scope of Work.
5. Proposers are encouraged to provide additional innovative and/or creative approaches for providing the service that will maximize efficient, cost-effective operations or increased performance capabilities. In addition, the City will consider proposals that offer alternative service delivery means and methods for the services desired.

- **Staffing**

Provide a list of individual(s) who will be working on this contract and indicate the functions that each will perform and anticipated hours of service of each individual. Include a resume for each designated individual.

Upon award and during the contract period, if the proposer chooses to assign different personnel to the contract, the Proposer must submit their names and qualifications including information listed above to the City for approval before they begin work.

- **Minimum Qualifications**

The information requested in this section should describe the qualifications of the firm or entity and key staff performing projects within the past five years that are similar in size and scope to demonstrate competence to perform these services. Information shall include:

Names of assigned personnel dedicated to the account and their specific responsibilities with respect to this scope of work. Please include an organizational chart that reflects the titles of key staff and management contacts of each individual assigned to provide services under this contract.

A summary of your firm's demonstrated capability, including length of time that your firm has provided the services being requested in this Request for Proposal.

Provide at least three references that received similar services from your firm. The City of Costa Mesa reserves the right to contact any of the organizations or individuals listed. Information provided shall include:

- Client Name
- Project Description
- Project start and end dates
- Client project manager name, telephone number, and e-mail address.

Be licensed as insurance brokers in the State of California. A copy of license is to be provided with response;

Have at least five (5) years of experience in providing brokerage services to municipalities;

Have the experience with municipalities similar in size, types of exposures to the City and in the types of policies and coverage referenced herein;

Have the ability to place all lines of coverage currently purchased by the City, that may be appropriate for the City, or that may be recommended by the broker.

In addition, all firms shall have:

1. At least ten (10) years experience with commercial insurance policies.
2. At least five (5) years experience working with governmental entities.
3. No prior history of corrective action with the California Department of Insurance.

- **Financial Capacity**

Provide the Proposer's latest audited financial statement or other pertinent information such as internal unaudited financial statements and financial references to allow the City to reasonably formulate a determination about the financial capacity of the Proposer. Describe any administrative proceedings, claims, lawsuits, or other exposures pending against the Proposer.

- **Fee Proposal**

All Proposers are required to use the form in Appendix D to be submitted with their proposal. Pricing instructions should be clearly defined to ensure fees proposed can be compared and evaluated. Proposals shall be valid for a minimum of 180 days following submission.

- **Disclosure**

Please disclose any and all past or current business and personal relationships with any current Costa Mesa elected official, appointed official, City employee, or family member of any current Costa Mesa elected official, appointed official, or City employee. ***Any past or current business relationship may not disqualify the firm from consideration.***

- **Sample Agreement**

The firm selected by the City will be required to execute an Agreement for Services (Agreement) with the City. The form of the Agreement is enclosed as Appendix B, but may be modified to suit the specific services and needs of the City. If a Proposer has any exceptions or conditions to the Agreement, these must be submitted for consideration with the proposal. Otherwise, the Proposer will be deemed to have accepted the form of Agreement. See Section 13, below.

- **Checklist of Forms to Accompany Proposal**

As a convenience to Proposers, following is a list of the forms, included as appendices to this RFP, which should be included with proposals

- (1) Vendor Application Form
- (2) Ex Parte Communications Certificate
- (2) Price Proposal Form
- (3) Disclosure of Government Positions
- (4) Disqualifications Questionnaire

5. PROCESS FOR SUBMITTING PROPOSALS

- **Content of Proposal**

The proposal must be submitted using the format as indicated in the proposal format guidelines.

- **Preparation of Proposal**

Each proposal shall be prepared simply and economically, avoiding the use of elaborate promotional material beyond those sufficient to provide a complete, accurate and reliable presentation.

- **Number of Proposals**

Submit one original, five (5) hard copies, plus one disk copy of your proposal in sufficient detail to allow for thorough evaluation and comparative analysis. In the event of a conflict between the original and any hard copy or disk copy, the original shall control.

- **Submission of Proposals**

Complete written proposals must be submitted in sealed envelopes marked and received no later than 12:00 p.m. (P.S.T) on September 26, 2012 to the address below. Proposals will not be accepted after this deadline. Faxed or e-mailed proposals will not be accepted.

Costa Mesa City Clerk
Attn: Jennifer Sommers
77 Fair Drive
Costa Mesa, CA 92626
RE: Insurance Broker Services

- **Inquiries**

Questions about this RFP must be directed in writing, via e-mail to:

Kim Wilson, RFP Facilitator

Kimberly.Wilson@Costamesaca.gov

The City reserves the right to amend or supplement this RFP prior to the proposal due date. All amendments, responses to questions received, and additional information will be posted to the Costa Mesa Procurement Registry, [Costa Mesa - Official City Web Site - Business - Bids & RFP's](#); Proposers should check this web page daily for new information. The City will endeavor to answer all written questions timely received no later than September 14, 2012. The City reserves the right not to answer all questions.

From the date that this RFP is issued until a firm is selected and the selection is announced, firms are not allowed to communicate outside the process set forth in this RFP with any City employee other than the contracting officer listed above regarding this RFP. The City reserves the right to reject any proposal for violation of this provision. No questions other than written will be accepted, and no response other than written will be binding upon the City.

- **Conditions for Proposal Acceptance**

This RFP does not commit the City to award a contract or to pay any costs incurred for any services. The City, at its sole discretion, reserves the right to accept or reject any or all proposals received as a result of this RFP, to negotiate with any qualified source(s), or to cancel this RFP in part or in its entirety. The City may waive any irregularity in any proposal. All proposals will become the property of the City of Costa Mesa, USA. If any proprietary information is contained in the proposal, it should be clearly identified.

6. EVALUATION CRITERIA

The City's evaluation and selection process will be conducted in accordance with Chapter V, Article 2 of the City's Municipal Code (Code). In accordance with the Code, the lowest responsible bidder will be determined based on evaluation of qualitative factors in addition to price. At all times during the evaluation process, the following criteria will be used. Sub-criteria are not necessarily listed in order of importance. Additional sub criteria that logically fit within a particular evaluation criteria may also be considered even if not specified below.

1. Qualifications of Firm and Key Personnel-----25%

Includes ability to provide the requested scope of services, the Proposer's financial capacity, recent experience conducting work of similar scope, complexity, and magnitude for other public agencies of similar size, references.

2. Approach to Providing the Requested Scope of Services-----35%

Includes an understanding of the RFP and of the project's scope of services, knowledge of applicable laws and regulations related to the scope of services.

3. Price Proposal-----30%

Price Proposals will be evaluated on the basis of the Total Estimated Annual Price submitted in Appendix D.

4. Innovative and/or creative approaches to providing the services that provide additional efficiencies or increased performance capabilities-----10%

7. EVALUATION OF PROPOSALS AND SELECTION PROCESS

In accordance with its Municipal Code, the City will adhere to the following procedures in evaluating proposals. An Evaluation/Selection Committee (Committee), which may include members of the City's staff and possibly one or more outside experts, will screen and review all proposals according to the weighted criteria set forth above. While price is one basic factor for award, it is not the sole consideration.

A. Responsiveness Screening

Proposals will first be screened to ensure responsiveness to the RFP. The City may reject as non-responsive any proposal that does not include the documents required to be submitted by this RFP. At any time during the evaluation process, the City reserves the right to request clarifications or additional information from any or all Proposers regarding their proposals.

B. Initial Proposal Review

The Committee will initially review and score all responsive written proposals based upon the Evaluation Criteria set forth above. The Committee may also contact Proposer's references. Proposals that receive the highest evaluation scores may be invited to the next stage of the evaluation process. The City may reject any proposal in which a Proposer's approach, qualifications, or price is not considered acceptable by the City. An unacceptable proposal is one that would have to be substantially rewritten to make it acceptable. The City may conclude the evaluation process at this point and recommend award to the lowest responsible bidder. Alternatively, the City may elect to negotiate directly with one or more Proposers to obtain the best result for the City prior to making a recommendation or selection.

C. Interviews, Reference Checks, Revised Proposals, Discussions

Following the initial screening and review of proposals, the Proposers included in this stage of the evaluation process may be invited to participate in an oral interview. Interviews, if held, are tentatively scheduled for October 15 - 19, 2012, and will be conducted at City of Costa Mesa City Hall, 77 Fair Drive, Costa Mesa, CA 92626. This date is subject to change. The individual(s) from Proposer's firm that will be directly responsible for carrying out the contract, if awarded, should be present at the oral interview. The oral interview may, but is not required to, use a written question/answer format for the purpose of clarifying the intent of any portions of the proposal.

In addition to conducting an oral interview, the City may during this stage of the evaluation process also contact and evaluate the Proposer's references, contact any Proposer to clarify any response or request revised or additional information, contact any

current users of a Proposer's services, solicit information from any available source concerning any aspect of a proposal, and seek and review any other information deemed pertinent to the evaluation process.

Following conclusion of this stage of the evaluation process, the Committee will again rank all Proposers according to the evaluation criteria set forth above. The Committee may conclude the evaluation process at this point, and make a recommendation for award, or it may request Best and Final Offers from Proposers. The City may accept the proposal or negotiate the terms and conditions of the agreement with the highest ranked firm, which shall be determined to be the lowest responsible bidder. The City may recommend award without Best and Final Offers, so Proposers should include their best proposal with their initial submission.

Recommendation for award is contingent upon the successful negotiation of final contract terms. Negotiations shall be confidential and not subject to disclosure to competing Proposers unless an agreement is reached. If contract negotiations cannot be concluded successfully within a time period determined by the City, the City may terminate negotiations and commence negotiations with the next highest scoring Proposer or withdraw the RFP.

8. PROTEST PROCEDURES

Failure to comply with the rules set forth herein may result in rejection of the protest. Protests based upon restrictive specifications or alleged improprieties in the proposal procedure which are apparent or reasonably should have been discovered prior to receipt of proposals shall be filed in writing with the RFP Facilitator at least 10 calendar days prior to the deadline for receipt of proposals. The protest must clearly specify in writing the grounds and evidence on which the protest is based.

Protests based upon alleged improprieties that are not apparent or which could not reasonably have been discovered prior to submission date of the proposals, such as disputes over the staff recommendation for contract award, shall be submitted in writing to the RFP Facilitator, within forty-eight hours from receipt of the notice from the City advising of staff's recommendation for award of contract. The protest must clearly specify in writing the grounds and evidence on which the protest is based. The RFP Facilitator will respond to the protest in writing at least three days prior to the meeting at which staff's recommendation to the City Council will be considered. Should Proposer decide to appeal the response of the RFP Facilitator, and pursue its protest at the Council meeting, it will notify the RFP Facilitator of its intention at least two days prior to the scheduled meeting.

9. CONFIDENTIALITY

The California Public Records Act (Cal. Govt. Code Sections 6250 et seq.) mandates public access to government records. Therefore, unless information is exempt from disclosure by law, the content of any request for explanation, exception, or substitution, response to this RFP, protest, or any other written communication between the City and Proposer, shall be available to the public. The City intends to release all public portions of the proposals following the evaluation process at such time as a recommendation is made to the City Council.

If Proposer believes any communication contains trade secrets or other proprietary information that the Proposer believes would cause substantial injury to the Proposer's competitive position if disclosed, the Proposer shall request that the City withhold from disclosure the proprietary information by marking each page containing such proprietary information as confidential. Proposer may not designate its entire proposal as confidential nor designate its Price Proposal as confidential.

Submission of a proposal shall indicate that, if Proposer requests that the City withhold from disclosure information identified as confidential, and the City complies with the Proposer's request, Proposer shall assume all responsibility for any challenges resulting from the non-disclosure, indemnify and hold harmless the City from and against all damages (including but not limited to attorney's fees that may be awarded to the party requesting the Proposer information), and pay any and all costs and expenses related to the withholding of Proposer information. Proposer shall not make a claim, sue, or maintain any legal action against the City or its directors, officers, employees, or agents concerning the disclosure, or withholding from disclosure, of any Proposer information. If Proposer does not request that the City withhold from disclosure information identified as confidential, the City shall have no obligation to withhold the information from disclosure and may release the information sought without any liability to the City.

10. EX PARTE COMMUNICATIONS

Proposers and Proposers' representatives should not communicate with the City Council members about this RFP. In addition, Proposers and Proposers' representatives should not communicate outside the procedures set forth in this RFP with an officer, employee or agent of the City, including any member of the evaluation panel, with the exception of the RFP Facilitator, regarding this RFP until after Contract Award. Proposers and their representatives are not prohibited, however, from making oral statements or presentations in public to one or more representatives of the City during a public meeting.

A "Proposer" or "Proposer's representative" includes all of the Proposer's employees, officers, directors, consultants and agents, any subcontractors or suppliers listed in the Proposer's proposal, and any individual or entity who has been requested by the Proposer to contact the City on the Proposer's behalf. Proposers shall include the Ex Parte Communications form (Appendix C) with their proposals certifying that they have not had or directed prohibited communications as described in this section.

11. CONFLICT OF INTEREST

The Proposer warrants and represents that it presently has no interest and agrees that it will not acquire any interest which would present a conflict of interest under California Government Code sections 1090 et seq., or sections 87100 et seq., during the performance of services under any Agreement awarded. The Proposer further covenants that it will not knowingly employ any person having such an interest in the performance of any Agreement awarded. Violation of this provision may result in any Agreement awarded being deemed void and unenforceable.

12. DISCLOSURE OF GOVERNMENTAL POSITION

In order to analyze possible conflicts that might prevent a Proposer from acting on behalf of the City, the City requires that all Proposers disclose in their proposals any positions that they hold

as directors, officers, or employees of any governmental entity. Additional disclosure may be required prior to contract award or during the term of the contract. Each Proposer shall disclose whether any owner or employee of the firm currently hold positions as elected or appointed officials, directors, officers, or employees of a governmental entity or held such positions in the past twelve months using the attached “Disclosure of Government Positions Form.” (See Appendix F.)

13 CONDITIONS TO AGREEMENT, IF ANY

The selected Proposer will execute an Agreement for Services with the City describing the Scope of Services to be performed, the schedule for completion of the services, compensation, and other pertinent provisions. The contract shall follow the sample form of Agreement provided as Appendix B to this RFP, which may be modified by City. All Proposers are directed to particularly review the indemnification and insurance requirements set forth in the sample Agreement.

Pricing shall remain firm for a minimum of two (2) years. Any and all requests for pricing adjustments for follow-on contract renewal periods shall be provided no later than sixty (60) days prior to the end of the contract period. Any such proposed price adjustments shall not exceed The Bureau of Labor Statistics Consumer Price Index (CPI) data for Los Angeles-Riverside-Orange County, CA, All Items, Not Seasonally Adjusted, “annualized change comparing the original proposal month and the same month in the subsequent year. This information may be found on the U.S. Department of Labor’s website at www.bls.gov.

The terms of the agreement, including insurance requirements have been mandated by the City and can be modified only if extraordinary circumstances exist. Submittal of a proposal shall be deemed acceptance of all the terms set forth in this RFP and the sample Agreement for Services unless the Proposer includes with its proposal, in writing, any conditions or exceptions requested by the Proposer to the proposed Agreement. In accordance with the Municipal Code, the City may consider the scope and number of conditions in evaluation proposals and determining the lowest responsible bidder.

14. DISQUALIFICATION QUESTIONNAIRE

Proposers shall complete and submit, under penalty of perjury, a standard form of questionnaire inquiring whether a Proposer, any officer of a proposer, or any employee of a Proposer who has a proprietary interest in the Proposer, has ever been disqualified, removed, or otherwise prevented from proposing on, or completing a federal, state, or local government project because of a violation of law or safety regulation and if so, to explain the circumstances. A proposal may be rejected on the basis of a Proposer, any officer or employee of such Proposer, having been disqualified, removed, or otherwise prevented from proposing on, or completing a federal, state, or local project because of a violation of law or a safety regulation. See Appendix E.

15. STANDARD TERMS AND CONDITIONS

Amendments

The City reserves the right to amend or supplement this RFP prior to the proposal due date. All amendments and additional information will be posted to the Costa Mesa Procurement Registry, [Costa Mesa - Official City Web Site - Business - Bids & RFP's](#); Proposers should check this web page daily for new information.

Cost for Preparing Proposal

The cost for developing the proposal is the sole responsibility of the Proposer. All proposals submitted become the property of the City.

Insurance Requirements

City requires that licensees, lessees, and vendors have an ***approved*** Certificate of Insurance (not a declaration or policy) or proof of legal self-insurance and required endorsements on file with the City for the issuance of a permit or contract. Within ten (10) consecutive calendar days of award of contract, successful Proposer must furnish the City with the Certificates of Insurance and endorsements proving coverage as specified within Appendix B.

APPENDIX A



REQUEST FOR PROPOSAL
INSURANCE BROKER SERVICES
VENDOR APPLICATION FORM

TYPE OF APPLICANT: ☐ NEW ☐ CURRENT VENDOR

Legal Contractual Name of Corporation: _____

Contact Person for Agreement: _____

Corporate Mailing Address: _____

City, State and Zip Code: _____

E-Mail Address: _____

Phone: _____ Fax: _____

Contact Person for Proposals: _____

Title: _____ E-Mail Address: _____

Business Telephone: _____ Business Fax: _____

Is your business: (check one)

☐ NON PROFIT CORPORATION

☐ FOR PROFIT CORPORATION

Is your business: (check one)

☐ CORPORATION

☐ LIMITED LIABILITY PARTNERSHIP

☐ INDIVIDUAL

☐ SOLE PROPRIETORSHIP

☐ PARTNERSHIP

☐ UNINCORPORATED ASSOCIATION

Names & Titles of Corporate Board Members

(Also list Names & Titles of persons with written authorization/resolution to sign contracts)

Names	Title	Phone
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Federal Tax Identification Number: _____

City of Costa Mesa Business License Number: _____

(If none, you must obtain a Costa Mesa Business License upon award of contract.)

City of Costa Mesa Business License Expiration Date: _____

APPENDIX B

PROFESSIONAL SERVICES AGREEMENT

CITY OF COSTA MESA

THIS AGREEMENT is made and entered into this ___ day of ____, 2012 ("Effective Date"), by and between the CITY OF COSTA MESA, a municipal corporation ("City"), and consultant, a California corporation ("Consultant").

WITNESSETH:

A. WHEREAS, City proposes to have Consultant provide professional insurance broker services as described herein below; and

B. WHEREAS, Consultant represents that it has that degree of specialized expertise necessary to practice and perform the services herein contemplated; and

C. WHEREAS, City and Consultant desire to contract for specific services in connection with the project described below (the "Project") and desire to set forth their rights, duties and liabilities in connection with the services to be performed; and

D. WHEREAS, no official or employee of City has a financial interest, within the provisions of California Government Code, Sections 1090-1092, in the subject matter of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, the parties hereby agree as follows:

1.0. SERVICES PROVIDED BY CONSULTANT

1.1. Scope of Services. Consultant shall provide the professional services described in Consultant's Proposal (the "Proposal"). A copy of said Proposal is attached hereto as Exhibit "A" and incorporated herein by this reference.

1.2. Professional Practices. All professional services to be provided by Consultant pursuant to this Agreement shall be provided by personnel experienced in their respective fields and in a manner consistent with the standards of care, diligence and skill ordinarily exercised by professional consultants in similar fields and circumstances in accordance with sound professional practices. It is understood that in the exercise of every aspect of its role, within the scope of work, consultant will be representing the City, and all of its actions, communications, or other work, during its employment, under this contract is under the direction of the City. Consultant also warrants that it is familiar with all laws that may affect its performance of this Agreement and shall advise City of any changes in any laws that may affect Consultant's performance of this Agreement.

1.3. Warranty. Consultant warrants that it shall perform the services required by this Agreement in compliance with all applicable Federal and California employment laws including, but not limited to, those laws related to minimum hours and wages; occupational health and safety; fair employment and employment practices; workers' compensation insurance and safety in employment; and all other Federal, State and local laws and ordinances applicable to the services required under this Agreement. Consultant shall indemnify and hold harmless City from

and against all claims, demands, payments, suits, actions, proceedings, and judgments of every nature and description including attorneys' fees and costs, presented, brought, or recovered against City for, or on account of any liability under any of the above-mentioned laws, which may be incurred by reason of Consultant's performance under this Agreement.

1.4. Non-discrimination. In performing this Agreement, Consultant shall not engage in, nor permit its agents to engage in, discrimination in employment of persons because of their race, religion, color, national origin, ancestry, age, physical handicap, medical condition, marital status, sexual gender or sexual orientation, except as permitted pursuant to Section 12940 of the Government Code. Violation of this provision may result in the imposition of penalties referred to in Labor Code, Section 1735.

1.5. Non-Exclusive Agreement. Consultant acknowledges that City may enter into agreements with other consultants for services similar to the services that are subject to this Agreement or may have its own employees perform services similar to those services contemplated by this Agreement.

1.6. Delegation and Assignment. This is a personal service contract, and the duties set forth herein shall not be delegated or assigned to any person or entity without the prior written consent of City. Consultant may engage a subcontractor(s) as permitted by law and may employ other personnel to perform services contemplated by this Agreement at Consultant's sole cost and expense.

2.0. COMPENSATION AND BILLING

2.1. Compensation. [TBD]

2.2. Additional Services. Consultant shall not receive compensation for any services provided outside the scope of services specified in the Proposal unless the City or the Project Manager for this Project, prior to Consultant performing the additional services, approves such additional services in writing. It is specifically understood that oral requests and/or approvals of such additional services or additional compensation shall be barred and are unenforceable.

2.3. Method of Billing. Consultant may submit invoices to City's affected supervisor for approval on a progress basis, but no more often than two times a month. Said invoice shall be based on the total of all Consultants' services which have been completed to City's sole satisfaction. City shall pay Consultant's invoice within forty-five (45) days from the date City receives said invoice. Each invoice shall describe in detail, the services performed and the associated time for completion. Any additional services approved and performed pursuant to this Agreement shall be designated as "Additional Services" and shall identify the number of the authorized change order, where applicable, on all invoices.

2.4. Records and Audits. Records of Consultant's services relating to this Agreement shall be maintained in accordance with generally recognized accounting principles and shall be made available to City or its Project Manager for inspection and/or audit at mutually convenient times for a period of three (3) years from the date of payment for services rendered.

3.0. TIME OF PERFORMANCE

3.1. Commencement and Completion of Work. The professional services to be performed pursuant to this Agreement shall commence within five (5) days from the Effective Date of this Agreement. Said services shall be performed in strict compliance with the Project Schedule approved by City as set forth in Exhibit “D,” attached hereto and incorporated herein by this reference. The Project Schedule may be amended by mutual agreement of the parties. Failure to commence work in a timely manner and/or diligently pursue work to completion may be grounds for termination of this Agreement.

3.2. Excusable Delays. Neither party shall be responsible for delays or lack of performance resulting from acts beyond the reasonable control of the party or parties. Such acts shall include, but not be limited to, acts of God, fire, strikes, material shortages, compliance with laws or regulations, riots, acts of war, or any other conditions beyond the reasonable control of a party.

4.0. TERM AND TERMINATION

4.1. Term. This Agreement shall commence on the Effective Date and continue for a period of three year, unless previously terminated as provided herein or as otherwise agreed to in writing by the parties. At the end of the term period, the City may determine, in its sole discretion, to exercise an option to renew the contract for up to two periods of one (1) year each. The City shall give notice to Consultant of its intention to exercise such option at least 30 days prior to expiration of the base, or option, term.

4.2. Notice of Termination. The City reserves and has the right and privilege of canceling, suspending or abandoning the execution of all or any part of the work contemplated by this Agreement, with or without cause, at any time, by providing written notice to Consultant. The termination of this Agreement shall be deemed effective upon receipt of the notice of termination. In the event of such termination, Consultant shall immediately stop rendering services under this Agreement unless directed otherwise by the City.

4.3. Compensation. In the event of termination, City shall pay Consultant for reasonable costs incurred and professional services satisfactorily performed up to and including the date of City’s written notice of termination.

4.4 Documents. In the event of termination of this Agreement, all documents prepared by Consultant in its performance of this Agreement including, but not limited to, insurance program files, quotes, requests for proposals, policies, certificates, etc., shall be delivered to the City within ten (10) days of delivery of termination notice to Consultant, at no cost to City. Any use of uncompleted documents without specific written authorization from Consultant shall be at City's sole risk and without liability or legal expense to Consultant.

5.0. INSURANCE

5.1. Minimum Scope and Limits of Insurance. Consultant shall obtain and maintain during the life of this Agreement all of the following insurance coverages:

- (a) Comprehensive general liability, including premises-operations, products/completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury with a policy limit of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence and aggregate.
- (b) Automobile liability for owned vehicles, hired, and non-owned vehicles, with a policy limit of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence and aggregate.
- (c) Workers' compensation insurance as required by the State of California. Consultant agrees to waive, and to obtain endorsements from its workers' compensation insurer waiving, subrogation rights under its workers' compensation insurance policy against the City and to require each of its subcontractors, if any, to do likewise under their workers' compensation insurance policies.
- (d) Professional errors and omissions ("E&O") liability insurance with policy limits of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence and aggregate. Consultant shall obtain and maintain, said E&O liability insurance during the life of this Agreement and for three years after completion of the work hereunder.

5.2. Endorsements. The comprehensive general liability insurance policy shall contain or be endorsed to contain the following provisions:

- (a) Additional insureds: "The City of Costa Mesa and its elected and appointed boards, officers, agents, and employees are additional insureds with respect to this subject project and contract with City."
- (b) Notice: "Said policy shall not terminate, nor shall it be cancelled, nor the coverage reduced, until thirty (30) days after written notice is given to City."
- (c) Other insurance: "Any other insurance maintained by the City of Costa Mesa shall be excess and not contributing with the insurance provided by this policy."

5.3 If any of such policies provide for a deductible or self-insured retention to provide such coverage, the amount of such deductible or self-insured retention shall be approved in advance by City. No policy of insurance issued as to which the City is an additional insured shall contain a provision which requires that no insured except the named insured can satisfy any such deductible or self-insured retention.

5.4. Certificates of Insurance: Consultant shall provide to City certificates of insurance showing the insurance coverages and required endorsements described above, in a form and content approved by City, prior to performing any services under this Agreement.

5.5. Non-limiting: Nothing in this Section shall be construed as limiting in any way, the indemnification provision contained in this Agreement, or the extent to which Consultant may be held responsible for payments of damages to persons or property.

6.0. GENERAL PROVISIONS

6.1. Entire Agreement: This Agreement constitutes the entire Agreement between the parties with respect to any matter referenced herein and supersedes any and all other prior writings and oral negotiations. This Agreement may be modified only in writing, and signed by the parties in interest at the time of such modification. The terms of this Agreement shall prevail over any inconsistent provision in any other contract document appurtenant hereto, including exhibits to this Agreement.

6.2. Representatives. The City Manager or his designee shall be the representative of City for purposes of this Agreement and may issue all consents, approvals, directives and agreements on behalf of the City, called for by this Agreement, except as otherwise expressly provided in this Agreement.

Consultant shall designate a representative for purposes of this Agreement who shall be authorized to issue all consents, approvals, directives and agreements on behalf of Consultant called for by this Agreement, except as otherwise expressly provided in this Agreement.

6.3. Project Managers. City shall designate a Project Manager to work directly with Consultant in the performance of this Agreement.

Consultant shall designate a Project Manager who shall represent it and be its agent in all consultations with City during the term of this Agreement. Consultant or its Project Manager shall attend and assist in all coordination meetings called by City.

6.4. Notices: Any notices, documents, correspondence or other communications concerning this Agreement or the work hereunder may be provided by personal delivery, facsimile or mail and shall be addressed as set forth below. Such communication shall be deemed served or delivered: a) at the time of delivery if such communication is sent by personal delivery; b) at the time of transmission if such communication is sent by facsimile; and c) 48 hours after deposit in the U.S. Mail as reflected by the official U.S. postmark if such communication is sent through regular United States mail.

IF TO CONSULTANT:

Consultant

12345 Jefferson Rd.

Costa Mesa, CA 92626

Tel: 555-555-5555

Fax: 555-555-5555

Attn:

IF TO CITY:

City of Costa Mesa

77 Fair Drive

Costa Mesa, CA 92626

Tel: 714-754-5156

Fax: 714-754-5330

Attn: Purchasing

6.5. Drug-free Workplace Policy. Consultant shall provide a drug-free workplace by complying with all provisions set forth in City's Council Policy 100-5, attached hereto as Exhibit "B" and incorporated herein by reference. Consultant's failure to conform to the requirements set forth in Council Policy 100-5 shall constitute a material breach of this Agreement and shall be cause for immediate termination of this Agreement by City.

6.6. Attorneys' Fees: In the event that litigation is brought by any party in connection with this Agreement, the prevailing party shall be entitled to recover from the opposing party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the exercise of any of its rights or remedies hereunder or the enforcement of any of the terms, conditions, or provisions hereof.

6.7. Governing Law: This Agreement shall be governed by and construed under the laws of the State of California without giving effect to that body of laws pertaining to conflict of laws. In the event of any legal action to enforce or interpret this Agreement, the parties hereto agree that the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California.

6.8. Assignment: Consultant shall not voluntarily or by operation of law assign, transfer, sublet or encumber all or any part of Consultant's interest in this Agreement without City's prior written consent. Any attempted assignment, transfer, subletting or encumbrance shall be void and shall constitute a breach of this Agreement and cause for termination of this Agreement. Regardless of City's consent, no subletting or assignment shall release Consultant of Consultant's obligation to perform all other obligations to be performed by Consultant hereunder for the term of this Agreement.

6.9. Indemnification and Hold Harmless:

To the fullest extent permitted by law, the Consultant assumes liability for and shall save and protect, hold harmless, indemnify, and defend the City and its elected and appointed officials, officers, and employees (all the foregoing, hereinafter collectively, "Indemnitees") from and against all claims, suits, demands, damages, losses, expenses, and liabilities of any kind whatsoever (all the foregoing, hereinafter collectively "Claims") including, without limitation,

attorneys' fees, arising out of, resulting from, relating to, or claimed to have arisen out of, resulted from or related to the engagement of Consultant or the performance of this Agreement by the Consultant (including its subcontractors and suppliers)

It is expressly intended by the parties that Consultant's indemnity and defense obligations shall apply, and Indemnitees shall be fully indemnified without offset, deduction or contribution, regardless of any negligence or other fault of Indemnitees, or any of them, and whether or not such Indemnatee negligence or other fault caused or contributed to the arising of the Claims.

"Claims" as used in this section shall include, without limitation, those for personal injuries, wrongful death, mental or emotional distress, loss of consortium, damage to or loss of use of real, personal or intangible property of any kind, loss of income, loss of earning capacity, and business, financial, commercial or pecuniary losses of any kind whatsoever, and attorneys fees, and costs and expenses of any kind whatsoever.

Consultant's indemnity and defense obligations shall cover the acts or omissions of any of Consultant's subcontractors, and suppliers, and the employees of any of the foregoing.

The Consultant's indemnity and defense obligation under this Section includes, without limitation, any claims, suits, demands, damages, losses, expenses, and liabilities arising from allegations of violations of any federal, State, or local law or regulation, and from allegations of violations of Consultant's or its subcontractor's personnel practices or from any allegation of an injury to an employee of the Consultant or subcontractor performing work or labor necessary to carry out the provisions of this Contract.

The indemnification obligations in this Section shall not be construed to negate, abridge or otherwise reduce any other obligation of indemnity the Consultant may have with respect to the City which may otherwise exist. If any judgment is rendered against the City or any of the other individuals enumerated above in any such action, the Consultant shall, at its expense, satisfy and discharge the same. This indemnification shall survive termination or expiration of this Agreement.

6.10. Independent Contractor: Consultant is and shall be acting at all times as an independent contractor and not as an employee of City. Consultant shall secure, at his expense, and be responsible for any and all payment of Income Tax, Social Security, State Disability Insurance Compensation, Unemployment Compensation, and other payroll deductions for Consultant and its officers, agents, and employees, and all business licenses, if any are required, in connection with the services to be performed hereunder.

6.11. PERS Eligibility Indemnification. In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors

providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

6.12. Ownership of Documents: All findings, reports, documents, information and data including, but not limited to, computer tapes or discs, files and tapes furnished or prepared by Consultant or any of its subcontractors in the course of performance of this Agreement, shall be and remain the sole property of City. Consultant agrees that any such documents or information shall not be made available to any individual or organization without the prior consent of City. Any use of such documents for other projects not contemplated by this Agreement, and any use of incomplete documents, shall be at the sole risk of City and without liability or legal exposure to Consultant. City shall indemnify and hold harmless Consultant from all claims, damages, losses, and expenses, including attorneys' fees, arising out of or resulting from City's use of such documents for other projects not contemplated by this Agreement or use of incomplete documents furnished by Consultant. Consultant shall deliver to City any findings, reports, documents, information, data, in any form, including but not limited to, computer tapes, discs, files audio tapes or any other Project related items as requested by City or its authorized representative, at no additional cost to the City.

6.13. Confidentiality: Any City materials to which the Consultant has access, information that reasonably might be construed as private or containing personal identifiable information, or materials prepared by the Consultant during the course of this Agreement (collectively referred to as "confidential information") shall be held in confidence by the Consultant, who shall exercise all reasonable precautions to prevent the disclosure of confidential information to anyone except the officers, employees and agents of the Consultant as necessary to accomplish the rendition of services set forth in this Agreement. Consultant shall not release any reports, information, private or promotional information or materials, whether deemed confidential or not, to any third party without the approval of the City.

6.14. Responsibility for Errors. Consultant shall be responsible for its work and results under this Agreement. Consultant, when requested, shall furnish clarification and/or explanation as may be required by the City's representative, regarding any services rendered under this Agreement at no additional cost to City. In the event that an error or omission attributable to Consultant occurs, then Consultant shall, at no cost to City, provide all necessary design drawings, estimates and other Consultant professional services necessary to rectify and correct the matter to the sole satisfaction of City and to participate in any meeting required with regard to the correction.

6.15. Prohibited Employment: Consultant will not employ any regular employee of City while this Agreement is in effect.

6.16. Order of Precedence: In the event of an inconsistency in this Agreement and any of the attached Exhibits, the terms set forth in this Agreement shall prevail. If, and to the extent this Agreement incorporates by reference any provision of the Proposal, such provision shall be deemed a part of this Agreement. Nevertheless, if there is any conflict among the terms and conditions of this Agreement and those of any such provision or provisions so incorporated by reference, this Agreement shall govern over the Proposal.

6.17. Costs: Each party shall bear its own costs and fees incurred in the preparation and negotiation of this Agreement and in the performance of its obligations hereunder except as expressly provided herein.

6.18. No Third Party Beneficiary Rights: This Agreement is entered into for the sole benefit of City and Consultant and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right in, under or to this Agreement.

6.19. Headings: Paragraphs and subparagraph headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

6.20. Construction: The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

6.21. Amendments: Only a writing executed by the parties hereto or their respective successors and assigns may amend this Agreement.

6.22. Waiver: The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. The waiver of any right or remedy in respect to any occurrence or event shall not be deemed a waiver of any right or remedy in respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

6.23. Severability: If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable in any circumstance, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or of the offending provision in any other circumstance. Notwithstanding the foregoing, if the value of this Agreement, based upon the substantial benefit of the bargain for any party is materially impaired, which determination as made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.

6.24. Counterparts: This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

6.25. Corporate Authority: The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by doing so, the parties hereto are formally bound to the provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their respective authorized officers, as of the date first above written.

CITY OF COSTA MESA,

A municipal corporation

Date: _____

CEO – City of Costa Mesa

CONSULTANT

Date: _____

Signature

Name and Title

Social Security or Taxpayer ID Number

APPROVED AS TO FORM:

Date: _____

City Attorney

APPROVED AS TO INSURANCE:

Risk Management

Date: _____

APPROVED AS TO CONTENT:

Project Manager

Date: _____

EXHIBIT A

CONSULTANT'S PROPOSAL

EXHIBIT B

CITY COUNCIL POLICY 100-5

SUBJECT	POLICY NUMBER	EFFECTIVE DATE	PAGE
DRUG-FREE WORKPLACE	100-5	8-8-89	1 of 3

BACKGROUND

Under the Federal Drug-Free Workplace Act of 1988, passed as part of omnibus drug legislation enacted November 18, 1988, contractors and grantees of Federal funds must certify that they will provide drug-free workplaces. At the present time, the City of Costa Mesa, as a sub-grantee of Federal funds under a variety of programs, is required to abide by this Act. The City Council has expressed its support of the national effort to eradicate drug abuse through the creation of a Substance Abuse Committee, institution of a City-wide D.A.R.E. program in all local schools and other activities in support of a drug-free community. This policy is intended to extend that effort to contractors and grantees of the City of Costa Mesa in the elimination of dangerous drugs in the workplace.

PURPOSE

It is the purpose of this Policy to:

1. Clearly state the City of Costa Mesa's commitment to a drug-free society.
2. Set forth guidelines to ensure that public, private, and nonprofit organizations receiving funds from the City of Costa Mesa share the commitment to a drug-free workplace.

POLICY

The City Manager, under direction by the City Council, shall take the necessary steps to see that the following provisions are included in all contracts and agreements entered into by the City of Costa Mesa involving the disbursement of funds.

1. Contractor or Sub-grantee hereby certifies that it will provide a drug-free workplace by:
 - a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in Contractor's and/or sub-grantee's workplace, specifically the job site or location included in this contract, and specifying the actions that will be taken against the employees for violation of such prohibition;
 - b. Establishing a Drug-Free Awareness Program to inform employees about:
 1. The dangers of drug abuse in the workplace;

SUBJECT	POLICY NUMBER	EFFECTIVE DATE	PAGE
DRUG-FREE WORKPLACE	100-5	8-8-89	2 of 3

2. Contractor's and/or sub-grantee's policy of maintaining a drug-free workplace;
 3. Any available drug counseling, rehabilitation and employee assistance programs; and
 4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- c. Making it a requirement that each employee to be engaged in the performance of the contract be given a copy of the statement required by subparagraph A;
- d. Notifying the employee in the statement required by subparagraph 1 A that, as a condition of employment under the contract, the employee will:
1. Abide by the terms of the statement; and
 2. Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction;
- e. Notifying the City of Costa Mesa within ten (10) days after receiving notice under subparagraph 1 D 2 from an employee or otherwise receiving the actual notice of such conviction;
- f. Taking one of the following actions within thirty (30) days of receiving notice under subparagraph 1 D 2 with respect to an employee who is so convicted:
1. Taking appropriate personnel action against such an employee, up to and including termination; or
 2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health agency, law enforcement, or other appropriate agency;
 3. Making a good faith effort to maintain a drug-free workplace through implementation of subparagraphs 1 A through 1 F, inclusive.

SUBJECT	POLICY NUMBER	EFFECTIVE DATE	PAGE
DRUG-FREE WORKPLACE	100-5	8-8-89	3 of 3

- g. Making a good faith effort to maintain a drug-free workplace through implementation of subparagraphs 1 A through 1 F, inclusive
2. Contractor and/or sub-grantee shall be deemed to be in violation of this Policy if the City of Costa Mesa determines that:
 - a. Contractor and/or sub-grantee has made a false certification under paragraph 1 above;
 - b. Contractor and/or sub-grantee has violated the certification by failing to carry out the requirements of subparagraphs 1 A through 1 G above;
 - c. Such number of employees of Contractor and/or sub-grantee have been convicted of violations of criminal drug statutes for violations occurring in the workplace as to indicate that the contractor and/or sub-grantee has failed to make a good faith effort to provide a drug-free workplace.
 3. Should any contractor and/or sub-grantee be deemed to be in violation of this Policy pursuant to the provisions of 2 A, B, and C, a suspension, termination or debarment proceeding subject to applicable Federal, State, and local laws shall be conducted. Upon issuance of any final decision under this section requiring debarment of a contractor and/or sub-grantee, the contractor and/or sub-grantee shall be ineligible for award of any contract, agreement or grant from the City of Costa Mesa for a period specified in the decision, not to exceed five (5) years. Upon issuance of any final decision recommending against debarment of the contractor and/or sub-grantee, the contractor and/or sub-grantee shall be eligible for compensation as provided by law.

EXHIBIT C

CERTIFICATES OF INSURANCE

APPENDIX C

EX PARTE COMMUNICATIONS CERTIFICATION

Please indicate by signing below one of the following two statements. **Only sign one statement.**

I certify that Proposer and Proposer's representatives have not had any communication with a City Councilmember concerning the Insurance Broker Services RFP at any time after August 17, 2012

OR

I certify that Proposer or Proposer's representatives have communicated after August 17, 2012 with a City Councilmember concerning the Insurance Broker Services RFP. A copy of all such communications is attached to this form for public distribution.

APPENDIX D

PRICING PROPOSAL FORM

Insurance Broker Services

Provide hourly rates, along with estimated annual pricing in accordance with the City's current requirements, as set forth in section 3 Scope of Work. Also provide your firm's proposed Staffing Plan on a separate sheet of paper. Proposer should use a separate form to state pricing for any added value.

Pricing shall remain firm for a minimum of two (2) years. Any and all requests for pricing adjustments for follow-on contract renewal periods shall be provided no later than sixty (60) days prior to the end of the contract period. Any such proposed price adjustments shall not exceed The Bureau of Labor Statistics Consumer Price Index (CPI) data for Los Angeles-Riverside-Orange County, CA, All Items, Not Seasonally Adjusted, "annualized change comparing the original proposal month and the same month in the subsequent year. (This information may be found on the U.S. Department of Labor's website at www.bls.gov.)

Employee	Hourly Rate	Hours worked	Total Cost	Overtime rate
	\$			\$
	\$			\$
	\$			\$
	\$			\$
	\$			\$
	\$			\$
	\$			\$

Total Estimated Annual Price	\$
------------------------------	----

ADD ANY ADDITIONAL COST PROPOSAL SHEETS HERE

APPENDIX E

DISQUALIFICATION QUESTIONNAIRE

The Contractor shall complete the following questionnaire:

Has the Contractor, any officer of the Contractor, or any employee of the Contractor who has proprietary interest in the Contractor, ever been disqualified, removed, or otherwise prevented from bidding on, or completing a federal, state, or local government project because of a violation of law or safety regulation?

Yes _____ No _____

If the answer is yes, explain the circumstances in the following space.

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and extend across the width of the page. There are no margins, text, or other markings on the paper.

APPENDIX F

DISCLOSURE OF GOVERNMENT POSITIONS

Each Proposer shall disclose below whether any owner or employee of the firm currently hold positions as elected or appointed officials, directors, officers, or employees of a governmental entity or held such positions in the past twelve months. List below or state "None."

Name	Position	Organization
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____



**REQUEST FOR PROPOSAL
FOR
INSURANCE BROKER SERVICES**



**RELEASED BY
HUMAN RESOURCES DIVISION
CITY OF COSTA MESA**

RELEASE DATE: September 19, 2012

The referenced document has been modified as per the attached Amendment No. 1

Please sign this Amendment where designated and return the executed copy with submission of your proposal. This amendment is hereby made part of the referenced proposal as through fully set forth therein. Any questions regarding this amendment should be addressed to Kimberly Wilson, email Kimberly.Wilson@Costamesaca.gov

2. SCHEDULE OF EVENTS

This request for proposal will be governed by the following schedule:

Release of RFP	August 17, 2012
Deadline for Written Questions	September 7, 2012
Responses to Questions Posted on Web	September 19, 2012
Responses to Questions Posted on Web	September 14, 2012
Proposals are Due	September 26, 2012
Interview (if held)	October 15 – 19, 2012
Approval of Contract	December 4, 2012

All dates are subject to change at the discretion of the City.

***All other provisions of the invitation of this proposal shall remain in their entirety.
Vendors hereby acknowledge receipt and understanding of the above Amendment.***

Signature Date

Company Name

Typed Name and Title

Address



**REQUEST FOR PROPOSAL
FOR
INSURANCE BROKER SERVICES**



**RELEASED BY
HUMAN RESOURCES DIVISION
CITY OF COSTA MESA**

RELEASE DATE: September 25, 2012

The referenced document has been modified as per the attached Amendment No. 2

Please sign this Amendment where designated and return the executed copy with submission of your proposal. This amendment is hereby made part of the referenced proposal as through fully set forth therein. Any questions regarding this amendment should be addressed to Kimberly Wilson, email Kimberly.Wilson@Costamesaca.gov

2. SCHEDULE OF EVENTS

This request for proposal will be governed by the following schedule:

Release of RFP	August 17, 2012
Deadline for Written Questions	September 7, 2012
Responses to Questions Posted on Web	September 19, 2012
Responses to Questions Posted on Web	September 14, 2012
Proposals are Due	September 26, 2012
Interview (if held)	November 13 – 16, 2012
Interview (if held)	October 15 – 19, 2012
Approval of Contract	December 4, 2012

All dates are subject to change at the discretion of the City.

***All other provisions of the invitation of this proposal shall remain in their entirety.
Vendors hereby acknowledge receipt and understanding of the above Amendment.***

Signature Date

Company Name

Typed Name and Title

Address

QUESTIONS & ANSWERS

Each RFP has a schedule of events. Listed on the schedule of events are the deadlines for written question submittals and the date responses to the written questions are to be posted to the City website. This allows all prospective proposers the same opportunity to submit written questions via email, regarding the RFP and to view the City's responses.

Insurance Broker Services

Questions & Answers

September 19, 2012

Uploaded to the City of Costa Mesa Website Friday, ~~September 14, 2012~~

1. We are concerned with Appendix "B" section 6.9 of the contract. Is the City willing to amend this section on a mutually agreeable basis?

Requested contract changes should be indicated within the submitted proposal and will be addressed during the award phase of the RFP process.

2. Please provide a summary of insurance for each line of coverage we will be responsible for.

Include:

- a. the line of coverage
- b. carrier
- c. limits
- d. retentions
- e. premium

Line of Coverage	Carrier	Limits	Retention/Ded	FY 12-13 Premium
Property, incl. Boiler and Machinery and Cyber Liability Total insurable values: \$106,921,539	Various. PEPIP Program	\$1,000,000,000 \$20,500,000 Dedicated Earthquake \$20,500,000 Dedicated Flood \$2,000,000 per occurrence \$20,000,000 annual policy and program limits	\$50,000 Deductible – All Risk \$25,000 Auto Physical Damage \$250,000 Zone A & V Flood Deductible \$100,000 all other flood zones 5% Earthquake Ded. Subject to \$100,000 minimum \$2,500 various deductible Boiler and Machinery	\$320,136
Excess Liability Insurance, incl. Bodily Injury, Personal Injury, Property Damage, Public Officials Errors & Omissions	CAMEL/ ANIMAL Program/ Security National Ins. Co.	\$10,000,000 Per Occurrence and Aggregate	\$2,000,000 SIR Each Occurrence and Employment Practices Liability	\$96,615
Additional Excess Liability Insurance	Endurance Risk Solutions Assurance Company	\$10,000,000 Per Occurrence and Aggregate	Excess of underlying \$10,000,000 shown above	\$43,744

Commercial Crime – Alliant Crime Insurance Program Including Employee Dishonesty, Forgery & Alteration	National Union Fire Insurance	\$5,000,000	\$2,500 Deductible	\$6,434
Pollution and Remediation Legal Liability	Indian Harbor Ins Co	\$10,000,000 Per Occurrence \$10,000,000 Aggregate \$50,000,000 All Entities Aggregate	\$100,000 Retention	\$22,206 3 year pre-paid Policy period until July 1, 2015
Excess Workers Compensation Insurance	New York Marine & General Insurance Company	\$25,000,000 Specific Limit \$1,000,000 Employer Liability Limit	\$2,000,000 SIR	\$104,276
Special Event Liability	Evanston Insurance	\$1,000,000 Per Occurrence \$2,000,000 Aggregate	No Deductible	Premium based per event

3. Please advise who the present broker is for the city and their total compensation for all services indicated in the RFP.

Alliant Insurance Services is responsible for the coverages listed above except for the Excess Workers Compensation Insurance which is administered by Wigmore Insurance Agency.

Both agencies are paid on a commission basis as part of the policy premiums listed above. This covers all services provided by both agencies.

4. The “Pricing Proposal Form” calls for us to outline man hours and hourly rates by employee. As an organization we do not track hours or rates by employee. Our usual approach is to quote a flat annual fee for all services. Will the City allow us to indicate a flat annual fee at the bottom of the page without breaking out hours and rates by employee?

Yes

VENDOR LIST

This is a requirement under the Costa Mesa Municipal Code, Title 2 – Administration, Chapter V. Finance, Article 2 Purchasing, and Section 2-166 Procedure for purchases exceeding fifty thousand dollars (a) (2). In addition, the City places solicitation on two e-procurement websites and at least one local periodical.

BROKERAGE SERVICES RFP

List of Potential Firms

Willis Insurance Services of California, Inc.
18101 Von Karman Avenue, Suite 1200
Irvine CA 92612

Campbell & Associates Insurance Brokerage
1840 Century Park East
Suite 1100
Los Angeles, California 90067-2112

J&K Risk and Insurance Services, Inc
18000 Studebaker Road Suite 700
Cerritos, CA 90703

Marsh Risk and Insurance Service
4695 MacArthur Court
Newport Beach, CA 92660

Alliant Insurance Services
1301 Dove Street, Suite 200
Newport Beach, CA 92660

USI Insurance Services
29A Technology Drive
Suite 100
Irvine, CA 92618

Hays Insurance Services
18201 Von Karman Ave, Suite 510
Irvine, CA 92612

Aon Consulting Services
1901 Main Street, 4th Floor
Irvine, CA 92614

Keenan& Associates
2355 Crenshaw Blvd. Suite 200
Torrance, CA 90501

Davis & Graeber Insurance Services
470 E Highland Ave
Redlands, CA 92373

Wigmore Insurance Agency
2970 Harbor Blvd., Suite 215
Costa Mesa, CA 92626
, Account Executive

Arthur J. Gallagher Risk Management Services
15 Enterprise Ste 200
Aliso Viejo, CA 92656

PROPOSALS

This section contains all proposals received by the City of Costa Mesa related to this RFP.

ALLIANT



Request for Proposal for Insurance Broker Services

Costa Mesa, California



Alliant Insurance Services, Inc.

1301 Dove Street, Suite 200
Newport Beach, CA 92660

Main: (949) 756-0271 ♦ Fax: (949) 756 -0271
www.alliantinsurance.com



Vendor Application Form

Cover Letter.....	1
Background and Project Summary Section.....	4
a. Program Administration	4
b. Marketing	4
c. Claims	5
d. Certificates of Insurance	5
e. Contract Review	5
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Methodology Section	6
Staffing	13
Minimum Qualifications	18
References	18
Financial Capacity	19
Fee Proposal	19
Disclosure	19
Sample Agreement	18

Appendix

A. Alliant Insurance Services CA Insurance License

B. City of Costa Mesa Required Forms

- Fee Proposal Form
- Ex Parte Communications Certification
- Disclosure of Government Positions
- Disqualification Questionnaire



REQUEST FOR PROPOSAL
INSURANCE BROKER SERVICES
VENDOR APPLICATION FORM

TYPE OF APPLICANT: ☐ NEW ☒ CURRENT VENDOR

Legal Contractual Name of Corporation: Alliant Insurance Services, Inc

Contact Person for Agreement: [REDACTED]

Corporate Mailing Address: 1301 Dove Street, Suite 200

City, State and Zip Code: Newport Beach, CA 92660-2436

E-Mail Address: [REDACTED]

Phone: [REDACTED] Fax: (949) 756-2713

Contact Person for Proposals: [REDACTED]

Title: Senior Vice President E-Mail Address: [REDACTED]

Business Telephone: [REDACTED] Business Fax: (949) 756-2713

Is your business: (check one)

☐ NON PROFIT CORPORATION

☒ FOR PROFIT CORPORATION

Is your business: (check one)

☒ CORPORATION

☐ LIMITED LIABILITY PARTNERSHIP

☐ INDIVIDUAL

☐ SOLE PROPRIETORSHIP

☐ PARTNERSHIP

☐ UNINCORPORATED ASSOCIATION

(Also list Names & Titles of persons with written authorization/resolution to sign contracts)

Phone

Executive Vice President

City of Costa Mesa Business License Expiration Date:

September 26, 2012

Costa Mesa City Clerk
Attn: Jennifer Sommers
77 Fair Drive
Costa Mesa, CA 92626

Re: Request for Proposal for INSURANCE BROKER SERVICES

Dear Ms. Sommers,

We at Alliant Insurance Services, Inc. express our appreciation for the opportunity to respond to the City of Costa Mesa's Request for Proposal for insurance brokerage services. We are excited to demonstrate our value to the City and we believe our response will highlight both the depth of our experience, as well as our ongoing desire to partner with the City in providing insurance brokerage services. Having read and thoughtfully considered the Request for Proposal, we can affirm our understanding of required services and further affirm that we are uniquely qualified to address all aspects of the Scope of Work in program marketing, analysis, and management, claims coordination and advocacy, both general and city specific insurance and risk management services, and overall program administration. Furthermore, we stipulate that our proposal price for services is valid for 180 days and may be extended if necessary.

Our proposal details our qualifications, experience, and expertise as the largest public agency broker in California, currently providing brokerage services to many large governmental entities, often through the use of proprietary insurance programs, as we have advantageously utilized on behalf of the City of Costa Mesa. By affording both cost and coverage advantages to our clientele, we are able to deliver comprehensive solutions to risk management and loss treatment issues and problems. Alliant has maintained an ongoing, demonstrable commitment to the public sector underscored by the personal dedication of our employees to our clients and to the company evidenced by our low turnover rate and long tenure of senior staff. Our national public entity practice is headquartered at 1301 Dove St., Newport Beach, CA 92660-2436, telephone number [REDACTED] and is the office from which we will provide services to the City of Costa Mesa.

There are several fundamental reasons why Alliant Insurance Services, Inc. has become California's most successful broker in the public agency risk management and insurance arena. We have been fortunate to attract and maintain a dedicated group of seasoned brokers and employees who embrace a team service philosophy affording all our clientele open and immediate access to experienced and knowledgeable professionals who can address insurance and risk management issues and concerns in real time format offering individualized service designed to accomplish mutual goals and objectives. Our strength is derived from a specialization in the public agency sector, and our innovation and creativity in program design is manifest in all we do and is especially visible in unique placements and group enhanced coverage terms at "below market" premiums. Our service approach commits our firm's most experienced professionals to individual client relationships and invites client interaction, as appropriate, with underwriters and service vendors. We maintain a risk management orientation that emphasizes loss prevention and risk funding as much as risk transfer.

We sincerely hope to further our record of success in continuing to maintain an enjoyable, professional relationship with the City of Costa Mesa. Following are what we believe to be five compelling reasons for retaining Alliant as your brokerage partner.

1. Relevant Experience with Worldwide Market Access

The proposed service team includes substantial experience with public entity exposures. We provide brokerage services to the majority of Cities, Counties and Joint Powers Authorities in California and thousands of other public entities throughout the nation. Collectively, Alliant provides services to over 10,000 Public Entity clients in 48 states. Our team has many years of extensive direct experience with those programs that have consistently benefited the City of Costa Mesa in both scope and coverage. We leverage the global insurance marketplace on your behalf, working with both domestic and international insurance carriers on a daily basis.

2. Professional Commitment and Stability

Alliant has established an organizational culture that supports high energy, talented and driven individuals. Our colleagues have access to substantial brokerage resources without the red tape associated with larger brokerage firms. The professionals included in the proposed service team all work within the same financial unit. As a result, the City of Costa Mesa will continue to have access to all of Alliant's relevant resources without internal barriers.

The proposed service team is the same as has successfully worked with the City for many years and is comprised of hard working professionals dedicated to providing the highest level of service and continual professional growth. We understand that your brokerage selection represents a substantial investment in our firm, and we are individually dedicated to serving and meeting your risk management needs.

3. An Innovative, and Highly Flexible, Marketing Approach

More effectively than our competitors, Alliant coordinates its insurance marketing efforts to deliver the greatest impact in the delivery of insurance product value for our clients. Through the use of programs, support and assistance to public entities, the judicious use of our market clout and program design creativity, we, more often than not, deliver "below market" cost solutions to our clients. Alliant has not, and will not support the concept of broker global marketing offices where your account is assigned to other central offices for marketing purposes. It has been and remains our belief that your account is best represented in the marketplace when the individuals most familiar with the account, who handle it daily, are the ones who also represent it directly to the market. We also strongly encourage customers to be actively involved in this process, and to use the marketing process as an opportunity to develop direct relationships with your underwriters.

4. Fair Compensation

We believe in transparency and full disclosure and will report any commissions earned (if compensation is determined on that basis) or rebate all commissions (if compensation is on a flat fee basis). We will also report who is working on brokerage activities, and what types of activities they are performing. In this way, we are able to document our effort to ensure that our compensation is fair from both parties' perspective.

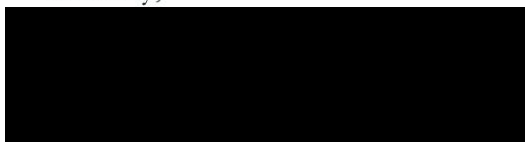
5. Integrity and Professionalism

We are prepared to be held to the highest standards of integrity and professionalism. We recognize the importance of our role in representing the City to the insurance underwriting community and understand that our reputation is our most valuable corporate and personal asset. We encourage you to investigate our references which we believe is our strongest means of advertisement. Throughout this response we will focus on our expertise and proprietary products which we believe have provided the City with a wide array of funding options while consistently improving coverage terms and conditions. We truly understand the public entity environment and believe that our programs and service team will continue to complement and supplement the risk management department of the City of Costa Mesa as it too continues to evolve.

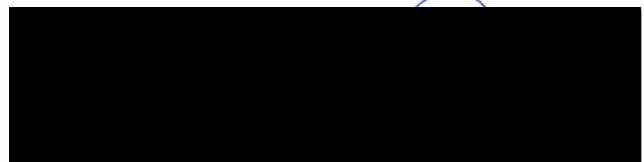
We are a leading public entity broker because we do not treat our clients as "just another number." Our corporate structure and philosophy translates directly into long-term, strong relationships with our public entity clients. We are proud to have been the broker for the City of Costa Mesa since 1990 and trust this response will show why maintaining this relationship will be of benefit to the City into the foreseeable future.

We hope we have succinctly highlighted our capabilities, competence, and experience in meeting the needs of the public sector. Indeed, we are proud of our long term relationships with a host of California public agencies whom we believe have been well served by our commitment to them. We hope that you and the City have also been well-served, and that we have tangibly demonstrated our ability to proactively address your risk management challenges and to efficiently respond to any service need. We appreciate the opportunity to declare our qualifications and to re-affirm our desire to continue as the City's insurance broker.

Sincerely,



Senior Vice President
Alliant Insurance Services, Inc.



First Vice President
Alliant Insurance Services, Inc.

BACKGROUND AND PROJECT SUMMARY SECTION

Since 1977 Alliant Insurance Services, Inc. has become the largest full service public entity insurance broker in California, and has now developed prominence on a nationwide basis as well. We foster a corporate culture that emphasizes brokerage expertise and dedicated, focused service through our staff of more than 200 professionals engaged solely in the service of our public entity clientele.

Given our long tenure as the City of Costa Mesa's broker, we have had the opportunity through many discussions, countless contract reviews with specific emphasis on indemnification, risk reduction or elimination, and insurance implications, on and offsite hosted meetings and workshops, benchmarking studies, and inspection surveys to learn and understand City operations and procedures. In addition, our research of specialty underwriting issues, such as major project contractor insurance requirements and City fiduciary obligations, affords us further understanding of loss exposures and the means to most effectively address those exposures through risk transfer or mitigation. Combined with the wealth of knowledge and experience gained through our 35 years of commitment to the public sector and our literally thousands of public agency clients and, more specifically, our twenty years of service on behalf of the City of Costa Mesa, we are further able to employ those techniques within the specific public agency operational framework to provide viable and economically sound risk management solutions on an evolving basis to respond to constantly changing environments.

We understand the diverse risk management and insurance needs of the individual agency and have crafted our insurance programs to address those exposures and challenges on a cost effective basis. Beyond the marketing and negotiation skills we employ with worldwide insurers to deliver broad coverage based and competitive cost insurance programs, we are actively involved in a number of service pursuits ranging from legislative advocacy to presentation of large claims handling studies to development of manuals and material addressing a variety of diverse risk management disciplines. We trust that we have tangibly demonstrated our comprehensive service resources to the City of Costa Mesa, and we detail below a few examples in fulfillment of your stated Scope of Work requirements.

a. Program Administration

We have provided training for City staff members for each of the City's insurance policies (including Special Events Liability coverage for which we secured blanket underwriting approval for the July 4th block parties), have participated in loss control surveys with City staff in order to further familiarize ourselves with potential loss exposures, have hosted underwriting meetings to discuss how best to address those exposures, conducted a recent earthquake probable maximum loss analysis, have regularly reviewed vendor certificates and policy endorsements, and pride ourselves on being accessible on an almost immediate basis as well as being able to attend meetings on short notice.

b. Marketing

We have engaged in extensive and comprehensive marketing efforts on behalf of the City on both an individual basis and through our proprietary insurance programs such as CSAC-EIA Excess Workers Compensation Insurance, have developed and provided premium budgets within the framework of prevailing insurance marketplace conditions, and have continued to negotiate and provide coverage enhancements such as 1st & 3rd party cyber liability under the PEPiP property program, and reimbursement of legal costs for successful defense of employment practices claims under the CAMEL liability program.

c. Claims

We maintain a staunch advocacy for the City in assuring that our policies provide prompt and equitable response and are committed to fostering dialogue and cooperation amongst all parties in the loss adjustment process as evidenced by our claims team's efforts in bringing the Morton claim to a satisfactory resolution for the City.

d. Certificates of Insurance

We have routinely issued certificates on an immediate basis and maintain a maximum 24 to 48 hour self-imposed guideline to comply with such requests.

e. Contract Review

The City has participated in roundtable discussions held by Alliant to address questions and problems arising from various contracts and how to read, understand, and apply guidelines outlined in our contracts manual which has been provided to the City and is periodically updated; furthermore, we have provided specific assistance and recommendations for contract language in a number of City RFP's , for example, administrative services, fire department operations, street sweeping, animal control, and special events safety services to identify but a few.

f. Legal Compliance

We have and will continue to comply with all state and federal laws and regulations pertaining to California licensed insurance brokers.

We possess fundamental working knowledge of the City's operations and processes, have responded to various service needs on an immediate basis, and will commit to a continuation of our efforts to deliver consistent and helpful service across the broad spectrum of your needs.

We have also afforded assistance in the design and development of web based, topical training courses and webinars such as blood borne pathogens, workplace violence and safety, and OES/FEMA claims filing procedures. Ultimately, this intelligence is widely dispersed throughout Alliant, and we would parenthetically confirm that as an Alliant client the City has access to this information. On a national legislative basis, we have had recent extensive dialogue with FEMA on California earthquake insurance requirements and were one of only a few sources from whom they sought input. We are in the process of providing advice on the need to broaden the National Endowment for the Arts Federal Indemnity Program to provide coverage for domestic and international traveling fine art exhibitions as more public museums host major exhibitions.

METHODOLOGY SECTION

The core of our brokerage and renewal marketing philosophy is the belief that proper planning ensures optimal performance which has led to the development of our Defined Client Service and Marketing Process. Our employment of this process has proven to produce exceptional insurance placement outcomes, as it is designed to provide our clients with all risk financing options within their required timeframes prior to their renewal dates, and consistency in quality service and checkpoints for monitoring our jointly agreed service standards.

Defined Client Service and Marketing Process			
180 Days Prior to Renewal	120 Days Prior to Renewal	100 Days Prior to Renewal	80 Days Prior to Renewal
(1) Renewal Strategy Meeting	(2) Underwriting Submission & Presentation	(3) Initial Market Reaction	(4) Negotiation and Updates
45-30 Days Prior to Renewal	Prior to Renewal	Per Client Instructions	
(5) Renewal Proposal & Analysis	(6) Binding Documents	(7) Policy Delivery Account Servicing	

1. Renewal Strategy Meeting

- At least 180 days before your major renewal date(s) we will coordinate a **Renewal Strategy Meeting** with you to:
- Review our Risk and Coverage Analysis and the adequacy of your current insurance portfolio
- Update the City on the current insurance and reinsurance marketplace
- Discuss recent renewal results for similar public entity and catastrophe exposed clients
- Provide an analysis of viable underwriter alternatives, with their capacity and deductible preferences
- Encourage your input on the desirability of any particular market, i.e., your past history with the insurer, the insurer's financial rating, etc.
- Estimate renewal pricing ranges
- Suggest a renewal timeline and renewal options (including use of deductibles and self-insured retentions)

We will provide you with a written report after this meeting outlining our mutually agreed game plan.

How this will be completed

████ will schedule a time for the Renewal Strategy Meeting with the City's Risk Manager and any other interested parties. █████ and █████ will provide the necessary data for the meeting.

2. Underwriting Submission and Presentation

The underwriting submissions we prepare are unrivaled in our industry, and we embrace our responsibility to portray, with integrity, your unique Risk Profile. For example, our Public Entity Property Insurance Program (PEPIP) and CSAC EIA Property submissions are electronic and are tied to additional data gathered from our other program services such as property appraisals and loss control services. Depending on the line of coverage, loss modeling and catastrophe modeling may be performed to better determine and anticipate potential underwriting appetites. As a result, underwriters know that our submission will portray your risks and operations correctly, succinctly and in a clear and easily understandable format.

As with PEPIP and with CSAC EIA, we streamline this process on the Casualty side by knowing the type and format of the information public entity underwriters want to see as we make our underwriting submissions “underwriter-friendly,” thereby increasing the likelihood of favorable responses. Our typical goal is to have the underwriting submission available to the market at least 120 days prior to the renewal date which can be easily modified based on the City’s specific goals.

How this will be completed

Underwriting information will be requested early for review and analysis and insurance underwriting specifications will be prepared by the account management team for submission to markets. If submitting to an Alliant proprietary program such as PEPIP or ANML, the corresponding broker will provide specifications to Alliant Underwriting Services for their review and quote.

3. Initial Market Reaction

We will monitor market reaction and feedback to identify whether a certain strategy needs to be modified as pricing, limits and coverage terms can change quickly in a constantly evolving marketplace.

Based on initial market reaction, we may determine an adjustment to our marketing strategy is needed and feedback will be provided to the City as it is received for evaluation and analysis.

How this will be completed

The account management team will advise the City of the initial market reaction in a manner and timeframe agreed to at the Renewal Strategy Meeting.

4. Negotiation and Updates

Over the years we have developed a reputation for being tenacious advocates for our clients when negotiating renewals with underwriters. Our approach of consolidating business into joint purchase programs and public entity pools provide us the advantage of negotiating with top level insurance company executives, those who are able to make decisions, as we, and our clients, benefit from the tremendous leverage due to the combined premium volume.

As we work through negotiations on a given renewal, we will provide the City with periodic renewal updates based upon your timing requirements that will provide the basis for our mutual evaluations.

5. Renewal Proposal and Analysis

We are keenly aware that while our clients want to have a bottom line comparison of all renewal alternatives, they also want to know the intricate details of each quotation. Therefore, our renewal proposals will include a detailed Coverage Analysis section and marketing report. We will also help the City analyze all options and make recommendations on which proposal we believe gives the City the broadest coverage within pre determined price constraints.

How this will be completed

The account management team will prepare and transmit detailed proposal and marketing documents to you at least 4 weeks before policy expiration in accordance with our renewal timeline objective.

6. Binding Documents

Once the City has reviewed their renewal options and made appropriate decisions, we will immediately begin processing the following documents, all designed to be completed and sent to the City prior to your renewal date:

- Binders
- Certificates of Insurance
- Claims reporting instructions

How this will be completed

Julia will oversee the preparation of binders, certificates of insurance and all other renewal documentation with assistance from the account management team.

7. Policy Delivery Account Servicing

Part of the service process is to provide the City with policies in a timely manner including a summary of coverage, results from our review of the policy, updated schedule of coverage, a recap of the marketing process and additional reports and information as required by the City.

Servicing throughout the year includes budget estimates; an annual stewardship report, periodic training on insurance and risk management issues; contract review and assistance with insurance requirements; administrative and clerical services such as invoicing, certificates of insurance, policy changes and endorsements; and addressing insurance and risk management related questions and concerns as they arise.

Providing excellent service to the City is our primary responsibility. Policies will be thoroughly reviewed and delivered within 14 days of receipt. Requests for policy amendments will be processed within 5 business days of receipt. Certificates of insurance will be issued within 3 business days of request. All phone calls and emails will be responded to by the next business day.

How this will be completed

Rennetta Poncy and Julia Gordon will coordinate with staff and the account management team to assure excellent customer service in meeting the needs of the City of Costa Mesa.

Although Alliant's Defined Client Service and Marketing Process is our standard approach has served our clients well, we understand that each organization is unique and each renewal unique; therefore, we are flexible with how each situation dictates we provide our services and can tailor our services appropriately to meet your specific needs and requirements.

A detailed project schedule has been provided at the end of this section. In addition, Alliant regularly provides the following additional services on an as needed basis:

- Claims assistance
- Loss Control
- Appraisals
- Training and webinar

Alliant Proprietary Programs

As highlighted previously, our “hands on” experience in the public sector and our fundamental understanding of their operations and unique risk management challenges has led to our development of creative and innovative means of addressing those challenges, the most significant of which is undoubtedly our creation and implementation of large joint purchase programs. By capitalizing on the leverage of substantial premium volume and spread of risk, we have successfully afforded all of our clients access to extremely broad based coverage policies at competitive costs. These programs were specifically created and designed with clients like the City of Costa Mesa in mind, and we will identify below several of these programs which we are confident have provided and will continue to provide innovative and creative approaches to maximize cost efficiencies for the City of Costa Mesa, as well as all our clients.

Property Insurance

Public Entity Property Insurance Program (PEPIP)

PEPIP is the oldest and largest of our joint purchase programs, formed in 1993 (the year that the City of Costa Mesa joined the program), and now boasts 6,000 members and generates a combined premium in excess of \$195,000,000 annually. High limit and large premium programs typically require extensive market expertise and solid market relationships between broker and insurers, and we have considerable experience in crafting common policy language from the multiple insurers required to participate in such a program and the skills to negotiate competitive premiums and broad coverage terms – the hallmark of the PEPIP program and the underlying reason for its ongoing success.

The City of Costa Mesa participates in the PEPIP program for the City's property exposures (including boiler and machinery, earthquake, flood vehicle physical damage and builder's risk).

The structure of the PEPIP program has evolved with the use of a manuscript policy form to include many enhancements that address exposures unique to the public entity sector. This policy offers the City of Costa Mesa very broad coverage to address its property exposures.

Coverage Highlights

- Broad, All-Risk Manuscript Form accepted by all participating carriers to eliminate potential gaps in coverage
- Coverage not confined to Property Schedule
- Replacement cost valuation
- Optional dedicated Earthquake and Flood Limits available with deductibles as low as 5% for earthquake and \$100,000 for flood
- Higher Sub-limits on coverages such as Extra Expense, Transit and Expediting Expense plus elimination of many sublimits currently on standard forms
- Comprehensive and Collision coverage for Automobiles with option for Replacement Cost
- Seamless Boiler and Machinery Coverage (including State Jurisdictional inspections)
- Automatic Acquisition coverage up to \$25,000,000 at no additional premium and up to \$100,000,000 for 90 days
- Automatic Course of Construction Coverage (new construction and remodel/renovation) up to \$25,000,000 at no additional premium and up to \$50,000,000 with payment of premium
- Municipal Bond and Tax Revenue Interruption coverage
- Included services such as: no-cost appraisals for properties valued over \$5M in TIV, loss control services, OASYS-Net access, and monthly webinars.
- Cyber Liability Coverage (1st and 3rd party) - \$2,000,000 Limit

Excess Liability Insurance**Alliant National Municipal Liability Program (ANML)**

The City of Costa Mesa's Excess Liability is currently provided by the California Municipal Excess Liability Program (CAMEL) which is a member of the ANML Program. We believe this program offers the City of Costa Mesa the broadest coverage available today. The City's policy provides coverage for Bodily Injury, Property Damage, Public Official Errors & Omission Unfair Employment Practices and Employee Benefits Liability, all on an occurrence basis. The basic ANML Program provides a \$10,000,000 limit excess of the City's \$2,000,000 Self Insurance Retention. Optional Excess Liability limits are available in the ANML Program through Endurance Risk Solutions Assurance Company and in the Catastrophic Liability Insurance Program (CLIP) through Lexington Insurance Company up to \$100,000,000 total available limits. The City currently purchases Optional Excess limits of \$10,000,000, for a total of \$20,000,000.

Coverage Highlights

- Occurrence form includes coverage for Bodily Injury and Property Damage (including Automobile Liability), Public Officials Errors & Omissions, Unfair Employment Practices and Employee Benefits Liability
- Only Aggregates apply to Completed Operations, aggregate applies on a per member basis
- Reimbursement of 50% of defense costs (\$250,000 max) for successful defense of Unfair Employment Practices claims
- Sudden and Accidental Pollution with 7 day discovery

- Express coverage for third party attorney fees
- Blanket Additional Insured Endorsement
- Covers all city operations including Police, Water, Fire, Housing and Transit

Excess Workers' Compensation Insurance

CSAC EIA Excess Workers' Compensation Program

We have been fortunate to maintain our exclusive marketing relationship with the CSAC-EIA and their Excess Workers' Compensation program. The City currently purchases statutory coverage limits in excess of a \$2,000,000 Self-Insured Retention in a stand alone placement. This year we have again provided a quotation to join the EIA program at a substantial cost savings over the stand alone placement. Below are the program features and highlights of the CSAC - EIA Excess Workers' Compensation Program.

Program Advantages

- Statutory Limit
- \$5 million Pooled Limit
- 48 Counties and over 270 Cities
- Retentions beginning at \$125,000 per occurrence up to \$5 million.

As a prominent workers' compensation broker, we feel we are the best qualified to represent the City and help them analyze their workers' compensation insurance needs, whether it be on a stand alone basis, as we have provided for many years, or within the CSAC EIA program.

Pollution Liability Insurance

We have placed the City in the CSAC-EIA Pollution Legal Liability Insurance program which is another example of our ability to access proprietary programs. This EIA program provides third party bodily injury, property damage and off-site cleanup coverage and first party on-site cleanup coverage, as a result of pollution conditions at, on or migrating from scheduled sites (including streets and roads, storm drains & outfalls, and sanitary sewer trunk lines) except landfills and former military bases. Newly Acquired property can be added automatically subject to a recent Phase 1 assessment. Some of the recent enhancements to the program were third party bodily injury and property damage, plus cleanup coverage, as a result of pollution conditions commencing during the transportation by a third party carrier of the insured's product or waste; addition of sublimited coverage for Mold and Legionella; and Disaster Response Expense. Coverage is also included for non-owned disposal sites.

The program has a \$10,000,000 per entity aggregate limit subject to a \$50,000,000 program aggregate limit. There is also a \$5,000,000 contracting services aggregate sublimit and a \$2,000,000 aggregate sub-limit for locations inadvertently left off schedule

Crime/Bonds

Alliant Insurance Services, Inc. has been effective in providing crime programs for many of our public entities clients. The City currently participates in the Alliant Crime Insurance Program, a joint purchase program that provides blanket coverage to ALL employees under one blanket bond. Highlights include:

- \$5,000,000 in limits including Faithful Performance
- Deductibles as low as \$2,500
- Coverage form includes Employee Dishonesty, Depositors Forgery, Money and Securities (inside and out), Robbery or Safe Burglary, Computer Fraud, Funds Transfer Fraud, and Money Orders and Counterfeit Currency.

Special Events Liability Insurance Program

Our Special Events Liability program provides coverage consisting of Tenant User, Instructors/Recreation and Nominee Events. The Tenant User portion covers the user of city owned property for short term events. Instructors/Recreation portion covers independent instructors (non-employee) providing instructional services for the City. This program can also provide liability coverage for City-sponsored (Nominee) special events. This program is marketed every year and can now accept credit card payments and be accessed online through the Alliant website.

MILESTONE SERVICES TIMETABLE – CITY OF COSTA MESA													
Activity	Responsibility	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Strategy meetings/Delivery of an annual stewardship report	City/Alliant	X											
Finalize objectives	City/Alliant	X											
Develop exposure data	Alliant		X	X									
Perform exposure analysis	Alliant		X	X		X	X						
Review policies	Alliant								X	X	X	X	
Perform retention analysis	Alliant		X	X									
Design & finalize program structures	Alliant		X	X		X	X						
Select markets	Alliant	X			X	X							
Prepare market submissions	Alliant	X			X	X							
Present submissions to markets	Alliant				X	X							
Accompany insurers on inspections, if needed	Alliant	X	X	X	X	X	X	X	X	X	X	X	X
Address insurer questions and requests	Alliant		X			X	X						
Evaluate insurer proposals	Alliant		X			X	X						
Negotiate with "finalist" markets	Alliant		X			X	X						
Prepare proposal comparisons	Alliant		X			X	X						
Present final proposals	City/Alliant		X			X	X						
Make program selections	Alliant		X			X	X						
Advise selected markets	Alliant			X		X	X						
Prepare & deliver binders & invoice	Alliant			X		X	X						
Check policies, request necessary corrections	Alliant							X	X	X			
Deliver policies	Alliant							X	X	X			
Provide ongoing service*	Alliant	X	X	X	X	X	X	X	X	X	X	X	X

*All required services including but not limited to: periodic training, loss control, budget estimates, assisting with contract language, contract review, issuance of certificates and assisting with claims.

STAFFING

Following is a description of specific responsibilities for each team member.

██████████ Vice President - Team Leader

██████████ will act as Team Leader. ██████████ responsibilities will be to oversee the City's insurance program and make certain that these programs are renewed annually with the broadest coverage terms at the most competitive pricing in the current marketplace. She will work with ██████████ to oversee program timelines and development and have primary responsibility for client communication, including information on market developments. She will also oversee required claims review and loss control activities. ██████████ has worked with the City of Costa Mesa since 1995.

██████████ Executive Vice President - Co-Team Leader

██████████ will consult with the service team on the oversight of the City's insurance program. He will review recommendations made to the City and provide suggestions, if any, for improvements. He will be available to consult on various risk management topics on an as-needed basis. ██████████ has worked with the City of Costa Mesa since 1990.

██████████ Vice Chairman of Public Entity - Co-Team Leader and Marketing

As Co-Team Leader, ██████████ responsibilities will include oversight of the city's insurance programs, program design, maintenance of top level company relationship and oversight of claims. He will also oversee program timeline development, project deliverables and client communication.

██████████ Assistant Vice President - Account Executive

██████████ will address and handle day to day City service needs, and her responsibilities will include insurance policy reviews, providing policy and program review documents, assisting with claims, and communication with the City and insurance company underwriters. She will supervise the account service team and the implementation and monitoring of the City's selected insurance and risk management strategies. In addition, she will be responsible for coordination and support of all team members. ██████████ has worked with the City of Costa Mesa since 1998.

██████████ Account Manager - Service Team

██████████ will assist in the delivery of both property and liability services related to the City's insurance program. This includes certificate issuance, updating schedule of values and annual trending, in addition to monitoring and accepting changes and requests submitted by the City.

██████████ First Vice President - Claims Consultant

As head of the Public Entity Brokerage Claims department in Alliant's San Francisco office, ██████████ will be the City's primary contact for reporting claims and working with carriers on all City claims. ██████████ role will be to complement and supplement your efforts in obtaining quick and equitable claims resolutions while acting as a claims resource. His responsibilities include ensuring through the assistance of his dedicated claims staff, the initial reporting of claims to both primary and excess carriers, tracking the status of large open claims, and coordinating carrier claims meetings. Where necessary, ██████████ will be supported by senior professionals within our office who have substantial experience in helping our public entity clients negotiate settlements on large, complex property and liability claims. ██████████ is a charter member of the Registered Professional Adjuster Program.

██████████ Senior Vice President - Loss Control Consultant

██████████ is responsible for ensuring excellence in all aspects of service delivery to clients of Alliant Loss Control Services. In his role as Senior Vice President, ██████████ provides leadership and direction to the company's team of loss control and safety professionals, and is available to assist in developing a tailored loss control program with the direction of the City. ██████████ and Alliant's loss control team will supplement those services not provided by the City, including but not limited to property appraisals, foreseeable and maximum probable loss studies, jurisdictional boiler inspections, and other suggested services.

An organization chart follows the resumes.

██████████ - First Vice President,
Alliant Insurance Services, Inc.

Accomplishments and Areas of Expertise:

- Senior client management responsibilities for many larger public entity accounts and Alliant Excess Liability Program.
- Oversight responsibilities for programs to assist public entities in transfer of risk (i.e. Special Event Liability Program and Vendors General Liability Program).
- Heavily involved in the marketing process on all lines of coverage including liability, commercial crime, workers' compensation, property and boiler & machinery, marine and aviation insurance.
- Prepare and present professional proposals.
- Analysis and comparison of insurance coverage forms offered by different carriers.
- Schedule loss control and service visits attend as needed.
- Administration and claims handling assistance.
- Training of public entity staff. Presentations available are insurance certificates, fidelity and crime, special events and insurance program overview.
- Twenty-seven years experience with Alliant Insurance Services, Inc. formerly Robert F. Driver Associates, Newport Beach, California.
- Nine years agency experience in commercial and public entity business with independent agencies in the Los Angeles and Orange County areas, California.
- Numerous risk management and insurance industry-related classes and seminars.
- Numerous risk management and industry-related classes and seminars.

██████████ - Senior Vice President, Alliant Insurance Services, Inc.

Accomplishments and Areas of Expertise:

- Design and development of public agency manuscript policy forms and implementation of major self-funding earthquake and liability insurance programs.
- Extensive experience and expertise in adjusting public agency multi-million dollar claims.
- Design and development of California's largest cities' joint powers authority earthquake insurance program.
- Design and development of large schools property insurance programs.
- Current brokerage and risk management service responsibilities for Los Angeles Unified School District, California Joint Powers Insurance Authority (CJPIA), California Insurance Pool Authority (CIPA), County of Orange, and several large independent cities.
- Nineteen years as an insurance broker for Alliant Insurance Services, Inc. formerly Robert F. Driver Associates, Newport Beach, California.
- Twelve years as account executive with Sedgewick James, (now Marsh) Rollins Burdick Hall (now AON), and Marsh and McLennan.
- Six years as insurance company casualty underwriter.
- Bachelor of Science, Business Administration, Utah State University, 1972.
- 100+ hours of continuing education courses endorsed by State of California, Department of Insurance.

██████████ - Vice Chairman, Alliant Insurance Services, Inc.

Accomplishments and Areas of Expertise:

- Direct involvement with all Public Entity Practice staff members and the accounts that they serve.
- Takes on numerous special projects as assigned in the corporation.
- Has acted as key liaison for all public entity operations in the western states, assisting other offices in developing creative service products to assist their clients.
- Has been manager of the San Francisco Public Entity Group (PEG) since 1984 with statewide management beginning in 1995.
- In 1998, ██████████ became Managing Executive of Driver Risk Services in San Francisco. His responsibilities included account management of numerous risk sharing pools and overall responsibility for public entity client service.
- In 2001, ██████████ became the Managing Director of the Public Entity Division for Driver Alliant Insurance Services, Inc., and in 2003, ██████████ was named Vice Chairman of Driver Alliant Insurance Services, Inc., heading the Public Entity Practice. He now has responsibilities nationwide with both public and private group programs.
- Prior to his association with Driver resulting from the acquisition from Sedgwick, ██████████ was the Director of the Sedgwick Group Services Division. ██████████ was previously employed in the Public Entity Department of Marsh & McLennan. His previous insurance experience involved both Property/Casualty Underwriting and Loss Control Engineering with Liberty Mutual Insurance Company.
- ██████████ is a graduate of St. Lawrence University, Canton, New York with a Bachelor of Arts in Economics.

██████████ - Assistant Vice President, Alliant Insurance Services

Accomplishments and Areas of Expertise:

- Development and marketing of specialized joint purchase programs, such as Special Districts, Excess Workers' Compensation and Special Events.
- Identification of exposures and creative use of markets to meet the needs of individual public entity, joint powers insurance authorities and joint purchasing groups.
- Analysis and comparison of insurance coverage forms offered by different carriers.
- Servicing all aspects of joint powers insurance authorities and individual public entity insurance accounts.
- Assist public entity clients with insurance requirements for contracts.
- Assisted in the development of educational programs for clients and staff.
- 25 years insurance brokerage experience, national, local and reinsurance.
- 4 years insurance company underwriting and rating.
- 2 years ISO policy examiner.
- California State University at Fullerton.
- Numerous insurance industry related classes including CPCU courses.

██████████ - Account Manager,
Alliant Insurance Services, Inc.

Accomplishments and Areas of Expertise:

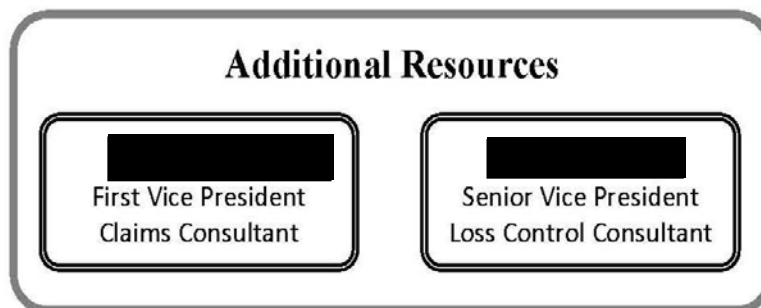
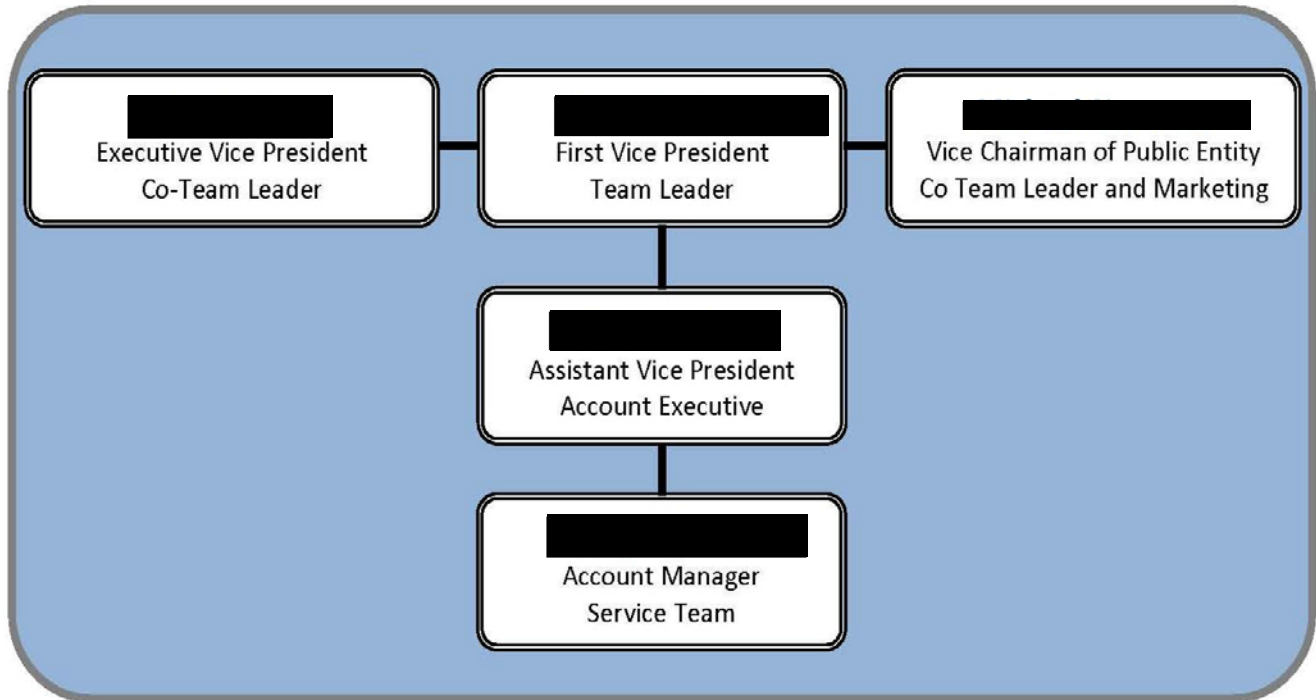
- Twenty-two years experience in the insurance industry – as both a client and a service representative
- Knowledge of both personal lines and commercial lines
- Six years management of large Public Entity accounts
- Six years with Alliant Insurance – managing 39 Public Entity Property Insurance Program (PEPIP) accounts as well as standalone policies, including renewals, marketing, claims monitoring and customer service.
- Four years as Risk Manager for large temporary help company – responsible for corporate insurance program (General Liability, Property, Workers Compensation, D & O), exposures of temporary assignments and Corporate claims management.
- Twelve years experience for large direct writer – responsible for all insurance business, including but not limited to writing new business, handling renewals, monitoring claims, coverage reviews and customer service.
- Bachelor of Science, Business Administration – University of Arizona
- Associate of Risk Management (ARM)
- Associate of Risk Management – Public Entity Section (ARM-PE)
- Certified Insurance Service Representative (CISR)

██████████ - First Vice President
and Claims Manager, Alliant Insurance
Services, Inc.

Accomplishments and Areas of Expertise:

- Manage staff of seven, comprising the claims department of the public entity segment, providing national support.
- Alliant's lead person on large losses, losses that are complex in nature or that contain coverage issues.
- Significant experience in both property and casualty claims and work as Alliant's client advocate in all aspects of the insurance claim process.
- Developed the current Public Entity Claims Department when joining the firm in 2001.
- Duties include client advocacy, department management and corporate errors and omissions.
- Fifteen year association with Marsh Risk Services, including the predecessor companies of Fred S. James and Sedgwick of California, Inc.
- Began career in 1974 with Bayly, Martin & Fay through 1985, then Morris & Associates until 1987.
- Experience servicing: public entity, real estate development and management (including high rise office risks, industrial office/manufacturing risks, hospitality industry regional shopping centers and strip mall shopping centers), construction including OCIP risks, high tech, bio tech and higher education clients.
- Charter member of the Registered Professional Adjuster Program.
- Registered Professional Adjuster and a former faculty member of the International Council of Shopping Centers.

SERVICE TEAM ORGANIZATIONAL CHART



MINIMUM QUALIFICATIONS

We have previously highlighted Alliant's more than 35 years experience as the largest California public entity insurance broker and the specific competence and expertise of our experienced staff in meeting risk management brokerage needs within this highly specialized sector, as well as detailing the duties and responsibilities of those key personnel serving the City of Cost Mesa. Alliant currently affords service to approximately 80% of California cities, including Sacramento, Pasadena, Santa Monica and Garden Grove, 54 of the 58 California Counties, and literally hundreds of special districts and similar agencies. As the 11th largest broker in the country, Alliant has more than 10,000 public entity clients in 48 states.

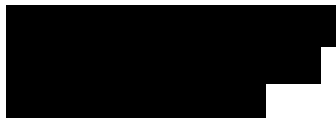
Corporate Profile 2012		Business Focus
Established:	1925	▪ Risk Management Consulting
Premiums:	\$4.5 Billion	▪ Insurance Admin. Services
Revenues:	\$436 Million	▪ Brokerage
Employees:	over 1,500	▪ Loss Control
Offices:	56 Offices in 20 States	▪ Employee Benefits Consulting
Industry Rank:	11 th largest in U.S.	▪ Underwriting
Market Identity:	Specialty Focus Public Agencies	▪ Human Resources Consulting

While we identify three local references below, we can provide an expanded client schedule on request.

REFERENCES

City of Anaheim

Broker: All lines of coverage
Client since 1990



City of Newport Beach

Broker: All lines of coverage
Client since 2010



City of Huntington Beach

Broker: Excess Liability, Excess Work Comp, Crime, Pollution, Watercraft, Boiler and Machinery, Fine Arts, Aviation
Client since 2002



We hereby specifically affirm that we are licensed in the State of California, as evidenced, by the copy of our license in Appendix A and furthermore re-confirm our more than 10 years of commercial insurance experience, and our more than 5 years of governmental entity experience, as highlighted throughout our proposal. We have no prior history of corrective action with the California Department of Insurance.

FINANCIAL CAPACITY

We have provided a copy of our most recent audited financial statement in an electronic format due to space constraints which must be treated as proprietary information.

FEE PROPOSAL

Pricing Proposal is included in Appendix B – City of Costa Mesa required forms.

DISCLOSURE

Alliant Insurance Services staff has maintained a business relationship with various employees of the City of Costa Mesa in our capacity as insurance broker since 1990.

SAMPLE AGREEMENT

We have reviewed the sample agreement and found it acceptable as written.

APPENDIX

A. Alliant Insurance Services CA Insurance License

B. City of Costa Mesa Required Forms

- Fee Proposal Form
- Ex Parte Communications Certification
- Disclosure of Government Positions
- Disqualification Questionnaire

Please refer to the following pages.

California Department of Insurance

ALLIANT INSURANCE SERVICES, INC.

License # 0C36861

Pursuant to the requirements of the State of California Insurance Code,
ALLIANT INSURANCE SERVICES, INC. is authorized to act in the following capacity:

License

Resident Insurance Producer

Qualifications

Accident and Health Agent

Fire and Casualty Broker-Agent

Life-Only Agent

Special Lines Surplus Lines Broker

Surplus Lines Broker

Variable Contracts Agent

Effective Date

09/02/1998

09/02/1998

09/02/1998

09/02/1998

09/02/1998

09/02/1998

09/02/1998

Expiration Date

09/30/2012

Business Address: 701 B Street, 6th Floor, San Diego, California 921018156


Steve Poizner, Insurance Commissioner



PRICING PROPOSAL FORM

Insurance Broker Services

Provide hourly rates, along with estimated annual pricing in accordance with the City's current requirements, as set forth in section 3 Scope of Work. Also provide your firm's proposed Staffing Plan on a separate sheet of paper. Proposer should use a separate form to state pricing for any added value.

Pricing shall remain firm for a minimum of two (2) years. Any and all requests for pricing adjustments for follow-on contract renewal periods shall be provided no later than sixty (60) days prior to the end of the contract period. Any such proposed price adjustments shall not exceed The Bureau of Labor Statistics Consumer Price Index (CPI) data for Los Angeles - Riverside - Orange County, CA, All Items, Not Seasonally Adjusted, "annualized change comparing the original proposal month and the same month in the subsequent year. (This information may be found on the U.S. Department of Labor's website at www.bls.gov.)

Employee	Hourly Rate	Hours Worked	Total Cost	Overtime rate
All Employees	\$120 – Blanket	420/year	\$50,000	Not Applicable
Please see additional information below.				
Total Estimated Annual Price			\$50,000	

ADD ANY ADDITIONAL COST PROPOSAL SHEETS HERE

Alliant Insurance does not track hours spent on individual accounts. We are committed to spending as much time as it takes to perform the agreed upon scope of work and meet the city's needs. Based on the work we currently do for the city of Costa Mesa and other cities of similar size we have calculated an estimated number of hours per year and a blanket hourly rate for all Alliant personnel that will be working in various capacities on the City's account.

Special Events and Vendors/Contractors Programs are not included within the fee structure as these premiums are paid by the vendor or event holder.

The proposed fee does not include Alliant Underwriting Services (AUS) who are paid directly from the carriers for providing underwriting services to the PEP and ANML Programs, should the City choose to participate in these programs. It also does not include any fees for wholesalers or intermediaries, whose use may be deemed necessary in the placement of the City's insurance program.

Loss Control and Appraisal Services outside those provided within our proprietary programs are available at additional discounted charges based on the required service. Loss Control via Alliant Business Services is available at a rate starting at \$150.00 per hour plus expenses. Appraisal services are available at rates beginning at \$225 per building.

In responding to concerns regarding the validation of contingent commissions and/or additional compensation arrangements, Alliant receives no compensation from contingent agreements for our public entity clients.

We wish to emphasize our flexibility in working with the City in this area and are open to any alternatives the City may prefer.

EX PARTE COMMUNICATIONS CERTIFICATION

Please indicate by signing below one of the following two statements. **Only sign one statement.**

I certify that Proposer and Proposer's representatives have not had any communication with a City Councilmember concerning the Insurance Broker Services RFP at any time after August 17, 2012



OR

I certify that Proposer or Proposer's representatives have communicated after August 17, 2012 with a City Councilmember concerning the Insurance Broker Services RFP. A copy of all such communications is attached to this form for public distribution.

DISCLOSURE OF GOVERNMENT POSITIONS

Each Proposer shall disclose below whether any owner or employee of the firm currently hold positions as elected or appointed officials, directors, officers, or employees of a governmental entity or held such positions in the past twelve months. List below or state "None."

Name	Position	Organization
None		

DISQUALIFICATION QUESTIONNAIRE

The Contractor shall complete the following questionnaire:

Has the Contractor, any officer of the Contractor, or any employee of the Contractor who has proprietary interest in the Contractor, ever been disqualified, removed, or otherwise prevented from bidding on, or completing a federal, state, or local government project because of a violation of law or safety regulation?

Yes _____ No X

If the answer is yes, explain the circumstances in the following space.

[illegible]

ARTHUR J. GALLAGHER

2012



City of Costa Mesa

Request for Proposal | Professional Insurance Brokerage Services



Arthur J. Gallagher Risk Management Services, Inc.
18201 Von Karman Ave, Suite 200 | Irvine, CA 92612
T 949.349.9800 | F 949.349.9900
www.ajg.com

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VENDOR APPLICATION FORM AND COVER LETTER

September 14, 2012

Ms. Jennifer Sommers
 Costa Mesa City Clerk
 77 Fair Drive
 Costa Mesa, CA 92626

RE: Request for Proposal - Insurance Broker Services

Dear Ms. Sommers:

We at Arthur J. Gallagher & Co. are pleased to present our proposal for insurance broker services for the City of Costa Mesa. After reviewing your program goals as outlined in the RFP documents, we are confident in our ability to meet, and exceed your objectives. Our emphasis on niche expertise in which our resources are focused and our knowledge is maximized, has allowed us to develop a specialization in cities

Please note that our RFP response includes tables and charts in addition to the 20 pages that we are allowed to provide. The tables and charts are identified as such in the Table of Contents and throughout the document.

The following is a brief list of city and local public entity clients we currently represent:

- City and County of San Francisco
- City of Daly City
- City of St. George
- City of Santa Fe
- City of Santa Clarita
- City of Vernon
- California Joint Powers Insurance Authority (CJPIA)
75 Cities
- Idaho Counties Risk Management Pool (ICRMP)
200+ Cities
- Independent Cities Risk Management Authority (ICRMA)
22 Cities

We feel strongly that our professional service will be of benefit to the City of Costa Mesa, and would like to present, by way of example, the following highlights:

While some brokers might focus on your current premiums as a way to “implement” savings, as broker to many, many cities we understand that your budget and financial statements include all the costs associated with major coverage lines such as Workers’ Compensation (WC), General Liability (GL) and Property (PR). We provide all the services: marketing of your program, claims advocacy, loss control and legal reviews.

Therefore, as evidence that we understand the objectives of the City we present these amounts as taken from the Budgets on your website:

Coverage/Year	05/06	06/07	07/08	08/09	09/10	10/11
WC	\$3,892,528	\$3,398,126	\$3,828,643	\$3,820,077	\$3,036,735	\$3,764,132
GL	\$1,554,960	\$1,325,987	\$2,195,043	\$2,046,465	\$3,791,508	\$1,891,198
PR	\$241,799	\$276,001	\$270,000	\$317,350	\$306,476	\$274,257
Total	\$5,689,287	\$5,000,114	\$6,293,686	\$6,183,892	\$7,134,719	\$5,929,587

As you can see, these loss figures are highly erratic which indicate that the current brokers are not doing the job. Our approach is to provide a stable program that utilizes an aggregated loss pick and combines claims management with loss control to reduce overall claims costs.

Our projections based on our experience looks like this for the 2012/13 to 2013/14:

Coverage/Year	2011-12	2012-13 Projected	2013-14 Projected
WC	\$3,583,373	\$3,500,000	\$3,250,000
GL	\$2,044,389	\$2,000,000	\$1,800,000
PR	\$315,346	\$300,000	\$270,000

We anticipate that our method will save the City a million dollars in two to three years over existing costs and millions when compared to the current program provided by the current broker.

Finally, we close with this piece of news: on March 16, 2012 Arthur J. Gallagher & Co. announced that it has been recognized by the Ethisphere Institute, a leading business ethics think tank, as one of the World's Most Ethical Companies for 2012. Our team looks forward to providing this level of service and transparency with the City of Costa Mesa.

Very Truly Yours

Leadership Team Director of the Gallagher Public Entity & Scholastic Division
18201 Van Kaman Avenue, Irvine, CA 92652

Appendix A



REQUEST FOR PROPOSAL
INSURANCE BROKER SERVICES
VENDOR APPLICATION FORM

TYPE OF APPLICANT: ☒ NEW ☐ CURRENT VENDOR

Legal Contractual Name of Corporation: Arthur J. Gallagher Risk Management Services

Contact Person for Agreement: John G. Chino

Corporate Mailing Address: 18201 Von Karman, Suite 200

City, State and Zip Code: Irvine, CA 92612

E-mail Address: [REDACTED]

Phone: [REDACTED] Fax: 949-349-9927

Contact Person for Proposals: John Chino

Title: Area Senior Vice President E-Mail Address: [REDACTED]

Business Telephone: [REDACTED] Business Fax: 949-349-9927

Is this your business: (check one)

☐ NON PROFIT CORPORATION ☒ FOR PROFIT CORPORATION

Is this your business: (check one)

☒ CORPORATION ☐ LIMITED LIABILITY PARTNERSHIP

☐ INDIVIDUAL ☐ SOLE PROPRIETORSHIP

☐ PARTNERSHIP ☐ UNINCORPORATED ASSOCIATION

BACKGROUND AND PROJECT SUMMARY SECTION

Describe your understanding of the City, the work to be done, and the objectives to be accomplished. Refer to Scope of Work of this RFP.

Understanding the City...

Our team understands the City better by far than any of our peers. Two members of your proposed team are “experts” in the City of the Arts. John Chino, the designated Principal is a resident of the City of Costa Mesa and our workers’ compensation advocate, Dan Guth is a member of the City’s police reserve. In addition, both John and Dan have had meetings at City Hall to address the current state of risk management concerns and to offer workable solutions. In addition our firm serves as Broker to more than 100 cities in Los Angeles and Orange Counties including Dana Point, Laguna Beach and San Juan Capistrano and while we view the City as unique there are lessons learned from other Orange County municipalities that apply equally well to Costa Mesa.

The work to be done...

The City of Costa Mesa is a beacon of professionalism amidst lesser run municipalities and local governments but the City has not been served with equal levels of professionalism by its broker. The work to be done shall not be limited to the 13 items enumerated in the PROGRAM ADMINISTRATION section nor even those in the SPECIAL REQUIREMENTS section (A - H). In addition to performing those services at a far higher level than your current provider, we shall also commit to the goals as outlined in the City Manager’s report on Workers’ Compensation. For example we are prepared to assist the City reduce the cost of Workers’ Compensation claims by supporting the TPA with quarterly claims reviews

We do not take lightly the care with which the City has outlined the 32+ services and we alone offer a true risk management professional for each service as outlined in the following sections of the RFP response.

The objectives to be accomplished...

Our objective is to help the City meet its goals. In particular, we can and will help the City Manager’s Office “maximize resources in the delivery of services.” In conjunction with our “Report on Workers’ Compensation” that we provided to the City in March, 2012, we will continue to build on those recommendations as well as provide recommendations and solutions for all your insured programs, self-insured insurance programs and your overall risk management program. This leads us to the goals and objectives of the Risk Management Section of your Human Resources Division.

“The Risk Management Section is responsible for the development, administration, and maintenance of programs to protect City assets, property and operational resources; workers’ compensation; and administration of employee benefit plans.”

We will focus specifically on the following:

- Civil Liability, including claims administration, loss funding and loss prevention/control
- Workers Compensation, including claims administration oversight, loss funding and workplace safety

Strategic Loss Analysis

The strategic loss analysis will assist us both in determining if the current self-insured retentions are adequate and if there may be a potential savings for accepting more risk or taking less risk. We will examine your current schedule of insurance and review all existing insurance policies in relation to your exposures based on:

- Scope of coverage
- Breadth of insurance agreements
- Limitations imposed by exclusions
- Unintended gaps in coverage
- Contractual risk transfer
- Indemnification agreements from/to others
- Insurance requirements from/to others

Additionally, conclusions from the analysis will reveal if the structure of the coverage and the actual policy language is appropriate. We feel that this is an important tool and provides invaluable assistance with selecting the most cost effective retention. Mary Chui will work with us here. She has more than 25 years experience in placing casualty coverage. We rely on her to provide Loss Projections and a Retention Analysis. This will include the premiums we receive from the marketplace.

Loss Control (including inspection services)

Underwriters do not just analyze claims history. They also attempt to forecast future claims. The most effective Loss Control tool to influence cost savings – one which has proven successful for other of our public agency and scholastic clients – is a well-designed loss control program. We utilize a comprehensive risk assessment procedure that is designed as a presentation to underwriters to facilitate their full understanding of the risk.

To provide the City of Costa Mesa with a current baseline of the exposures at risk, Gallagher proposes a review to evaluate and enhance the effectiveness of the City's efforts to contain costs associated from the major loss drivers of employee injuries (i.e. repetitive motion injuries) and third party liabilities. Our review will focus on the coordination of the current loss and safety programs with loss frequency trends, recurring and non-improving loss frequency and accident investigation results.

Our review process will attempt to answer the following questions:

- Are current risk control programs correctly targeting the loss drivers and exposures?
- Are trigger points established in liability lines to commence investigation and recurrence prevention of significant losses?
- Have baselines been established based on frequency/severity?
- Are goals set using the baselines?
- Are training and remediation efforts directed to achieve these goals?

Claims Management Services and Support for Your Entire Risk Management Program

While certain processes described above would similarly apply to your Liability Insurance Program, Gallagher recognizes that claims management and consulting are essential components for all aspects of your risk management program. We will work as the City's advocate on the Property, Casualty and Workers Compensation claims. The goal is to control the City's costs through prompt, fair settlements and to ensure you receive the maximum potential recovery from your coverage.

Our first step will be to meet with the City's risk management staff to:

- Determine your priority items and where we can add value
- Discuss our claims consulting role
- Formalize claims management expectations and responsibilities
- Identify specific claim issues or projects that need our immediate attention.



Our claims professionals have distinct areas of expertise and specialization by line of coverage and by industry specialization. Our services include:

- **Claims Management and Consulting** – We will manage all claims to ensure the claims handling process is proactive and expeditious and will address all major issues as they occur.
- **Negotiate Special Claims Handling Instructions** – We will work with the City, your insurance carriers, and claims vendors to establish customized claims procedures that meet your needs and expectations.
- **Coverage/Claims Analysis** – We provide expertise in analyzing coverage when coverage issues are in dispute.
- **Claims Settlement Threshold** – Should you elect a large deductible or self-insured retention; a specified threshold settlement level should be established. We will assist in the negotiation of this threshold and will make sure the carrier upholds its commitment.
- **Claims Review** – We will review individual claims on a regular basis to ensure reserve adequacy and evaluate insurance carrier adherence to “Best Practices.”
- **Claims Advocate:** We will assist the City in evaluating claim information to ensure that appropriate data is forwarded to insurers enabling them to provide a timely and thorough initial coverage evaluation. Steve Beck will act as claims liaison to the City and assist the carrier, and/or legal counsel on large and/or complicated claims. Steve’s claims background and experience will benefit the City by ensuring that their interests are continually well represented to those parties involved in claims resolution.
- **Claims Reviews:** Dan Guth will provide reviews of Workers Compensation claims files.
- **Claims Audits:** Steve Beck will provide audits/reviews and best practices for the property & liability program.



METHODOLOGY SECTION

Provide a detailed description of the approach and methodology to be used to accomplish the Scope of Work of this RFP. The Methodology should include:

We have learned a great deal from our servicing of Public Agencies, and more specifically the Cities sector, and believe we are most effective when we have had the time to understand your organization’s specific needs and challenges.

1. An implementation plan that describes in detail (i) the methods, including controls by which your firm manages projects of the type sought by this RFP; (ii) methodology for soliciting and documenting views of internal and external stakeholders; (iii) and any other project management or implementation strategies or techniques that the respondent intends to employ in carrying out the work.

We have read your Request for Proposal for Broker of Record in its entirety. We can comply with all Vendor General Responsibilities and Additional requirements. We would begin by gathering and reviewing complete copies of all current, in-force insurance policies and loss runs for all open and closed claims for the past ten (10) years. This is what we consider our comprehensive evaluation. Next we would meet with you to discuss our findings – an important component of this meeting is that we will ask that the appropriate staff supporting the City share your goals and objectives for the upcoming policy year. Then we shall mutually agree upon a detailed action plan for marketing, loss control services, current training courses you

offer, as well as those we can provide, and other areas we mutually identify to be included. We will immediately update the existing timeline, based on the date(s) you want to receive your renewal proposals and begin the process.

2. Detailed description of efforts your firm will undertake to achieve client satisfaction and to satisfy the requirements of the “Scope of Work” section.

In order to keep our clients satisfied, our philosophy is simply to do it right the first time. Although we have a significant number of public agency clients, and we are genuinely interested in working with you as your Broker, we want to assure you that we selectively respond to public agency RFP opportunities. By carefully selecting the entities that match our skills we can ensure all of our clients the time and devotion to their business to efficiently handle their issues and maintain the high satisfaction standards of our clients. The critical component to project completions is and our single-minded devotion to accuracy and efficiency requires a broad expertise in six separate disciplines:

- Insurance & Reinsurance Marketing & Placement
- Administration of the Account
- Legal Review
- Claims Advocacy
- Loss Control
- Innovation (Technology)

The local Public Entity and Scholastic Division (PESD) team is comprised of 13 people in 3 locations (Orange County, San Francisco and Phoenix) and has been “assembled” over a period of 10 years. The professionals that make up our team were chosen specifically to meet the needs of our public agency clients. We believe we are best matched with clients that have a desire for a broad array of services at no additional cost.

As is indicated above our knowledge starts with the marketing of insurance, reinsurance and alternative market placements and importantly, extends to critical services which reduce risk: legal assistance, claims advocacy, loss control and technology (innovation).

The other most significant philosophical characteristic which colors our service commitment is transparency. In fact, a cornerstone of the Gallagher culture is to place the client’s interest’s first, and transparency in remuneration and communication is one way that we achieve this objective. All of your communication with Gallagher will reinforce that you, as our client, know exactly what we are doing on your behalf and how it impacts our income. Clients that understand our remuneration typically experience high degrees of satisfaction.

Finally, Quality Assurance is achieved via a formal structured process that is unique to the Western Region of our firm. The largest accounts in each branch (based on revenue) are identified for several additional degrees of attention. First, a stewardship plan is crafted by the team leaders and management (area president). Second, the Client Service Plan is completed and reviewed by management for key tasks and achievement dates to ensure the project is on time. Third, the Area President will annually contact the City’s representative at least twice and at least one time in person to confirm satisfaction.

3. Detailed project schedule, identifying all tasks and deliverables to be performed, durations for each task, and overall time of completion, including a complete transition plan. Include your plan to deal with fluctuation in service needs and any associated price adjustments.

Please see our Sample Broker Service Plan as Chart #3 in Appendix G of our response.

Transitioning an account is a multi-faceted process that involves marketing, file transfer, service plan development, loss control services and claims management. In order to be successful, this process must

emphasize the most important component of any transition—*getting to know the client and gain a complete understanding of its organizational structure, beliefs, operations and risk tolerance.*

During the transition period, all deadlines and important dates are identified immediately so that action plans can be formulated and implemented by the service team.

Please see our Sample Transition Plan as Chart #4 in Appendix H

4. Detailed description of specific tasks you will require from City staff. Explain what the respective roles of City staff and your staff would be to complete the tasks specified in the Scope of Work.

Our municipal clients have several approaches to working with us and their market partners. Some prefer that the broker perform virtually all services and require minimal investment on the part of the City; others are deeply engaged in the process and maximize the use of all of our services. The results for those that avail themselves of our services are consistently better than those that are not engaged. For example we recently took over the brokerage services of a City that had most of their services managed by the broker. The services provided were rudimentary in nature and consisted of the collection of data and presentation of proposals. We suggested a different model with us managing the other vendor partners for the City with their input on a monthly basis the result was a savings of \$400,000 for the City and much better service from their insurance carrier and TPA. With the input from us they were able to manage claims reviews and implement a better loss control plan.

The choice is yours but we strongly advocate that the City assign staff to work together with us in every aspect of your program including the marketing and placement of the program, loss control, claims and legal review.

5. Proposers are encouraged to provide additional innovative and/or creative approaches for providing the service that will maximize efficient, cost-effective operations or increased performance capabilities. In addition, the City will consider proposals that offer alternative service delivery means and methods for the services desired.

As previously outlined our program offering is unique and the results will reduce costs for several years and importantly provide for stable predictable loss amounts for your budget in order to do this we will need to address all parts of your process such as contracts, claims and current operations performed by TPA's.

Contract Review/Insurance Compliance

██████████ *JD, Senior Account Executive* - ██████████ acts as our client resource for insurance compliance. She consults with our clients on memorandum of coverage documents, coverage analysis, contract review, and claims advocacy. She has over 13 years of legal experience, including representation of insureds and insurance carriers, complex litigation, and risk mitigation strategies for reducing overall organizational risk.

Claims Review

██████████ *CPCU, ARM-P, CRM, CIC, CHFC, Area Senior Vice President* - ██████████ will provide claims reviews and audits of the Property & Liability programs. ██████████ was a branch manager at Sedgwick for 12 years and provides claims reviews and audits for many of our public agency clients. ██████████ has 25 years experience handling insurance, self insurance, risk financing, and claims handling for public entities in the western United States. He is a CPCU and is the account executive to Maricopa County and Pima County in Arizona. In addition to his claims expertise, Steve has been a broker for more than 20 years.

Workers' Compensation Claims Manager

Area Vice President – [REDACTED] is the Workers' Compensation claims manager in our Irvine, CA office. He utilizes his extensive knowledge in Workers' Compensation, safety, and loss control to assist clients with various risk management issues, which include ensuring that claims are accurately reserved, and are being adjusted timely and properly, as well as reducing the frequency and severity of claims through positive safety and loss control measures. [REDACTED] also assists in classification disputes, experience modification audits, and accident investigations.

Loss Control & Safety

ARM-P, Area Vice President - Prior to joining Gallagher, Bruce spent 26 years with the Los Angeles County Fire Department retiring with the rank of Captain. He was also the Safety Manager for an Industrial Construction Company and most recently served as a Senior Loss Consultant for the world's largest multi-national insurance organization. [REDACTED] is a professional member of the American Society of Safety Engineers serving on the Construction Risk Specialty Panel and is a member of the Associated General Contractors of America, serving on the California Safety and Health Committee. He is also a certified OSHA instructor.

STAFFING

Provide a list of individual(s) who will be working on this contract and indicate the functions that each will perform and anticipated hours of service for each individual. Include a resume for each designated individual.

EMPLOYEE	FUNCTIONS	HOURS OF SERVICE
[REDACTED]	Principal, Marketing/Placement of Insurance	480
[REDACTED]	Marketing/Administration	240
[REDACTED]	Liability Marketing & Placement	100
[REDACTED]	Loss Control	24
[REDACTED]	Workers' Compensation Claims	96
[REDACTED]	Claims Review	16
[REDACTED]	Insurance Compliance/Contract Review	100
[REDACTED]	Environmental	16
[REDACTED]	National Public Agency Resource	4-8
[REDACTED]	Recovery & Resilience Consulting	-

Upon award and during the contract period, if the proposer chooses to assign different personnel to the contract, the Proposer must submit their names and qualifications including information listed above to the City for approval before they begin work.

We will submit any changes in work assignment to the City for approval prior to the beginning of work.

██████████, ARM-PE
PRINCIPAL/AREA SENIOR VICE PRESIDENT

██████████ is responsible for the development of the County's risk management programs. His role includes program design, marketing, consulting, self-insurance administration and account oversight.

KEY RESPONSIBILITIES

- Areas of expertise include: public entity property & casualty insurance brokerage, policy design/manuscript, market trends/strategy, self-insurance approaches, owner controlled insurance programs (OCIP), educational/training specialist
- Works with clients to establish goals, strategies, marketing and renewal activities
- Participates in renewal meetings, and other meetings as may be necessary
- Coordinates the completion of actuarial studies
- Assists with contract language, coverage agreements and other documents

EXPERIENCE

- Over 28 years insurance industry experience working with public entity and scholastic accounts
- Developed 16 self-insurance pools for public entities
- Crafted 8 coverage documents
- Completed 2-year internship at Lloyd's of London specializing in placement of self-insured public entities programs

EDUCATION

- Bachelor of Science in Finance and Business Economics – University of Southern California
- Graduate of Arthur J. Gallagher College Intern Program

DESIGNATIONS, CREDENTIALS & AFFILIATIONS

- Associate in Risk Management for Public Entities designation (ARM-PE)
- Enterprise Risk Management designation
- Current Course Leader – IACPCU Course RMPE (Risk Management for Public Entities)
- Faculty of The National Alliance – teaches the CSRM program
- Speaker at National PRIMA Conventions and STRIMA, PARMA, CAJPA, and AGRIP conferences
- Risk & Insurance Magazine “Power Broker” Public Sector – 2007, 2008, 2009, 2010, 2011

SIMILAR CLIENTS SERVED

- City/County of San Francisco
- CJPIA
- City of Santa Clarita
- City of Santa Fe
- City of St George

ACCOUNT MANAGER

█ is responsible for managing single entities as well as various County and School JPA's and meeting their daily needs. She serves as an Account Manager.

KEY RESPONSIBILITIES

- Responds to any and all of the City's service needs on a daily basis
- Great relationship with all carriers to ensure the best possible coverages for all lines
- Negotiates coverage enhancements
- Handles all mid-term changes
- Ensures proposals and policies are delivered in a timely manner

EXPERIENCE

- Over 15 years insurance industry experience
- Employed by Arthur J. Gallagher & Co. for 7 years
- Coverage knowledge and analysis of exposures
- Insurance Company/Underwriting relationships
- Knowledge of Insurance Markets

EDUCATION

- Bachelor of Arts, San Diego State University

DESIGNATIONS, CREDENTIALS AND AFFILIATIONS

- Licensed General Lines Insurance Agent
- Chartered Property Casualty Underwriter designation (CPCU)
- Associate in Underwriting designation (AU)

SIMILAR CLIENTS SERVED

- City/County of San Francisco
- CJPIA
- Idaho Counties Risk Management Pool
- City of St. George
- ASCIP

[REDACTED]
WORKERS' COMPENSATION CLAIMS MANAGER

EXPERIENCE

- Over 19 years experience in the insurance industry
- 5 years experience as a workers' compensation adjuster
- 14 years experience as a workers' compensation consultant
- 14 years experience as a Reserve Police Officer for the City of Costa Mesa

EDUCATION

- Bachelor of Science degree – California State Polytechnic University, Pomona

DESIGNATIONS, CREDENTIALS AND AFFILIATIONS

- Licensed General Lines Insurance Agent
- Associate in Risk Management designation (ARM)

[REDACTED]
LOSS CONTROL & SAFETY

KEY RESPONSIBILITIES

- Coordinate with the City's Safety and Facilities Management in the development and implementation of the loss control and safety monitoring procedures.
- Provide assistance in certification of the medical clinics used to treat injured personnel
- Assist with advisory duties on behalf of the City's designated safety coordinator

EXPERIENCE

- 26 Years Experience with LA County Fire Department (Captain)
- 21 years experience as a loss control/safety consultant
- Has been with Arthur J. Gallagher & Co. for over 13 years

EDUCATION

- Bachelor of Science in Industrial Technology and Fire Administration, California State University of Los Angeles

DESIGNATIONS, CREDENTIALS AND AFFILIATIONS

- Certified Safety Professional Designation
- Associate in Risk Management Designation
- Licensed General Lines Insurance Agent

SENIOR ACCOUNT EXECUTIVE

KEY RESPONSIBILITIES

- Acts as our client resource for assistance with Memorandum of Coverage updates and coverage analyses.
- Assists with coverage agreements, contract/indemnity clause review, and claims advocacy.

EXPERIENCE

- Over 13 years of legal experience, including representation of insureds and insurance carriers
- Expertise with risk management, healthcare, litigation, and contract negotiations
- Focused on risk analysis and mitigation strategies for reducing overall organization risk

EDUCATION

- Juris Doctor – Loyal Law School Los Angeles
- Bachelor of Arts, Political Science – Chapman University

DESIGNATIONS, CREDENTIALS & AFFILIATIONS

- Licensed Attorney, The State Bar of California – Active Status, admitted 1997

ARM, CRM, CIC, CHFC AREA SENIOR VICE PRESIDENT - CLAIMS

KEY RESPONSIBILITIES

- Serves as Area Senior Vice President for Arthur J. Gallagher Risk Management Services, Inc. (Phoenix, AZ)
- Leader of the Phoenix Public Entity and Scholastic team
- Provides resource and technical information to Arizona public entity clients
- Claims Advocate

EXPERIENCE

- Twenty-five (25) years experience handling insurance, self-insurance, risk financing and claims for public entity clients in Arizona.
- Public entity client experience includes:
 - City of Avondale
 - City of Chandler
 - City of Phoenix
 - City of Prescott
 - City of Scottsdale
 - City of Tempe
 - Maricopa County
 - Pima County
 - Yuma County
 - State of Nevada
 - Mesa Unified School District #4
 - Clark County School District
 - Valley Metro Rail, Inc.; METRO
 - Regional Public Transportation Authority

EDUCATION

- Bachelor of Science, Purdue University

MINIMUM QUALIFICATIONS

Names of assigned personnel dedicated to the account and their specific responsibilities with respect to this scope of work. Please include an organizational chart that reflects the titles of key staff and management contacts of each individual assigned to provide services under this contract.

Please see the names of our assigned personnel dedicated to the account and their responsibilities to the scope of work as Chart #3 in Appendix I of our Response. The organizational chart is also included.

A summary of your firm's demonstrated capability, including length of time that your firm has provided the services being requested in this Request for Proposal.

Arthur J. Gallagher & Co. was founded by Arthur Gallagher in 1927 as a family run agency based in Chicago, Illinois and, over the years, evolved into a risk management and insurance brokerage firm.

Gallagher's organizational structure is comprised of number specialty groups, which we refer to as Niches. Our Public Entity Niche is the largest in the United States. The average insurance experience of your proposed team is 25 years. Your team has successfully made hundreds of placements for the traditional lines of insurance such as those outlined in the RFP. In addition, we have created rolling OCIPS (Owner-Controlled Insurance Programs), designed complex Earthquake programs, negotiated All Lines Basket Aggregate programs, implemented many new self-insured programs, created captives, and implemented Enterprise Risk

Management programs. When we are appointed as your Broker, we would like to discuss in full detail all of the insurance that you are currently purchasing, your appetite for risk, and budget constraints, in order to mutually create short- and long-term plans. We will provide you with a number of Self-Insured Retentions, limit options and coverage enhancements and assist you in evaluating which programs will be most beneficial to you.

During our tenure as Broker for other cities, we have effectively marketed insurance programs, negotiated the most comprehensive terms and conditions available in the insurance marketplace, performed claim audits and negotiated closure on claims, and provided on-going risk management consulting services. All geared towards reducing and stabilizing the cost of risk. We will not enter the marketplace until we understand your risk management philosophy, your exposures and your appetite for risk.

A few recent examples: after being appointed as the Broker of Record for two counties and one large city, we negotiated superior liability insurance programs for each of them. We broadened coverage terms, increased coverage limits and delivered all three premium savings in excess of 20%.

On a large Earthquake program that we were awarded, we requested quotes from markets here on the West coast and East coast and determined that the pricing for California Earthquake and the capacity available on the East coast was much more favorable to the client. On another large Earthquake program, with \$800 Million in values all at one location, we restructured the primary \$25 Million layer and reduced the premium by 18%, while also negotiating lower deductibles.

AJG At A Glance

- Founded in 1927
- NYSE Listed 1987
- \$2.0 Billion Annual Revenue
- Leader in Risk Management Services
- Strategic Partners in over 100 countries
- 13,800+ Global Employees
- Over 250 Offices Worldwide
- Annual Growth Rate Since 2002
Approx. 10%

We have demonstrated our capacity and qualifications to perform the requested services. Please see the following examples of some of the work we have performed for our public entity and scholastic clients.

EXAMPLES OF BROKERAGE EXPERIENCE:

- Designed and placed a unique liability program for MUNI, the transportation division of the City & County of San Francisco.
- Implemented and currently manage a captive for ASCIP for their rolling wrap-up program.
- Provided Owner Protective Professional Insurance for the \$1.7 billion Central Subway Project in the City & County of San Francisco.
- Provided a Difference In Conditions (DIC) policy for the City of Santa Clarita which gave them better coverage and pricing based on modeling of the City's exposure to seismic activity.

EXAMPLES OF RISK MANAGEMENT SERVICES:

- We are working with one of our large municipal clients to support their business continuity efforts in the event of a catastrophic event (terrorism/seismic). The potential solutions being explored include a captive, a joint powers authority (JPA), obtaining CAT bonds and contingency capital planning. The project is being studied by the Harvard Kennedy school of Public Administration for application to municipalities and local governments on a national basis.
- We are providing customized Enterprise Risk Management (ERM) programs to meet the individual needs of "enterprise" funds of a large municipal client. The enterprises are issuing debt for the first time in 20 years or more and the bond underwriters require ERM (ISO 31000) as part of their underwriting criteria to establish the rating.
- Municipal Transportation Authority (City & County of San Francisco): In addition to regular broker services, Gallagher assisted with litigation management issues, the development of proof of loss reports, accounting reports and other insurer-required information. The final result was that "MUNI" was able to procure excess insurance for the first time in their known history.

GALLAGHER EXCESS WORKERS' COMPENSATION - As a leader in the excess workers' compensation insurance arena, Gallagher can utilize its relationship with each excess workers' compensation carrier by leveraging its significant premium volume to negotiate the most comprehensive and competitive terms for the City of Costa Mesa.

- Gallagher will prepare a comprehensive underwriting submission tailored to each carrier's requirements to secure the best available terms for the City.
- Gallagher will provide a stable Excess Worker's Compensation program during insurance market fluctuations.
- Gallagher will introduce underwriters to City personnel to build long term relationships.

Provide at least three references that received similar services from your firm.

City & County of San Francisco

Contact: [REDACTED] Director of Risk Management

Address: 25 Van Ness Avenue, Suite 750, San Francisco, CA 94102

Dates of Service: October 1, 2008 to present

City Service Team members currently working with the City & County of San Francisco are [REDACTED]

In 2008, Arthur J. Gallagher & Co. was provided an opportunity to work with [REDACTED], the newly hired director of the risk management division, to craft a “true” enterprise risk management program (ERM). The City had several enterprises which were about to sell debt/issue bonds for the first time in many years. It was determined that the bond ratings could be strengthened with an ERM platform. The enterprises included The Port, Public Utilities Commission (PUC), and the MTA or MUNI. Other departments had also indicated a desire to implement ERM in a second or third phase.

Gallagher deployed 2 critical internal resources to commence the program and 2 critical external resources. Internally Gallagher was fortunate to have Dorothy Gjerdrum to lead the project as she is chairperson of the ISO 31000 council and was instrumental in the creation of the ISO standards. Also, Kelly Hines was assigned as a dedicated resource to train the City personnel on the use of the 2 external resources.

Utilizing the lessons learned from their work with the City Risk Management Division as to acceptable risk tolerance, the Gallagher team set up interviews with enterprise staff and department heads. From the interviews, Gallagher was able to identify Risk, Risk Drivers and potential solutions to be assigned within the departments.

The next step was to implement the software to run the project. Gallagher has vetted numerous potential software providers for ERM clients and discovered that the best option was the one being used by our British counterparts. The UK has mandated ERM for public agencies and the software use by virtually every county in the UK is from a company known as JCAD. Gallagher introduced JCAD to the City and they agreed it was the solution they needed.

The second sourced software solution is provided by a company called Exigis. Again Gallagher did the research and analysis to vet Exigis. The Exigis contract is designed to meet the City’s need to track contracts and COI’s. Exigis uses a proprietary method that involves the agent/broker directly in the process. This insures a far greater level of protection for the City. There are 2 enterprises that have implemented Exigis to date and 3 more are going through the procedure.

CCSF Insurance Placed through Gallagher

- Excess Liability
- Public Officials Bonds
- Crime
- Directors & Officers
- Public Official’s Liability



Alliance of Schools for Cooperative Insurance Programs (ASCIP)

Contact: [REDACTED]

Address: 16550 Bloomfield Avenue, Cerritos, CA 90703

Phone: [REDACTED]

Dates of Service: 1985 to present

City Service Team members currently working with ASCIP are [REDACTED]

The Alliance of Schools for Cooperative Insurance Programs (ASCIP), a 30-year client, is a public agency joint powers authority (JPA) which provides liability and property coverage to 140+ school districts and community colleges in the State of California. They also offer a workers' compensation program and a Health Benefits pool for similar scholastic entities.

Formed in 1980 as a joint purchase pool, ASCIP became a risk sharing pool in 1985. ASCIP's total TIV is over \$26,000,000,000 and their ADA is over 1,400,000. John Chino has worked as ASCIP's broker for the past 16 years. Starting in 1999, John and key ASCIP staff have worked together to form one of the largest rolling OCIP programs in the country with total construction values totaling over \$2.5 Billion. More recently, the ASCIP OCIP Program was able to consider a more efficient structure than a deductible program.

Public Entity Captive Insurance Program Development

With the combined resources of Gallagher Captive Services, our office in Hawaii, the Gallagher Wrap-Up Unit, our office in Orange County, we were able to develop a captive insurance program with higher limits and better rates for the members. The Captive is known as CIPA and has been profitable since its third year in business and enjoys a significant surplus as of year-end 2010. Most recently, Gallagher negotiated a reinsurance program for the primary workers' compensation loss fund. The reinsurance provides a limit that is 150% of the anticipated fund which allows ASCIP to safely release surplus to members. In the current economic environment for schools the return of surplus is a key priority for the JPA's Board.

ASCIP Insurance Placed through Gallagher:

- Property/Reinsurance
- Liability/Reinsurance
- Excess Workers Compensation
- Workers' Compensation Reinsurance
- Crime
- Boiler & Machinery
- Underground Storage Tank Program
- Booster Club/Special Events (ASCIP-B)
- Owner Controlled Insurance Program (OCIP)
- Captive Program (CIPA)

California Joint Powers Insurance Authority (CJPIA)

Contact: [REDACTED] Risk Manager

Address: 8081 Moody Street, La Palma, CA 90623

Phone: [REDACTED]
[REDACTED]

Dates of Service: 2008 to present

City Service Team members currently working with ASCIP are [REDACTED]
[REDACTED]

California JPIA is a large, mature municipal joint powers authority (JPA) originally formed to provide liability insurance to municipalities in California. The CJPIA now provides 5 programs to their members including Property, Crime, Pollution, Special Events and Workers' Compensation in addition to the "core" liability program. California JPIA determined in 2004 that they needed a strategic plan to move forward, the strategic plan required the services of an independent and objective partner. The JPA issued an RFP and ultimately selected the partnership of Gallagher and Towers-Perrin to be that broker. The list below illustrates how Gallagher/Towers Perrin have worked with the JPA to provide progress in respect of the JPA's key initiatives.

Key Initiative: Position the Authority for Enhanced Productivity by Maximizing the Benefits of Technology Systems

Gallagher and Towers began their work with the JPA by assessing the quality of the current application process to collect member data. The Gallagher/Towers team provided improvements to the system base upon their knowledge of the reinsurance and excess insurance underwriting process as well as management information systems (MIS).

Key Initiative: We pursue distinction with a passion. We proactively assess our performance and strive to continuously improve programs, services, and work product

California JPIA did not have an effective plan for the purchase of reinsurance and therefore was subject to market cycles. The result was that the JPA was forced to maintain very high retentions and inadequate limits often creating unstable cash flow demands on the pool's surplus position. By providing an analysis of losses based on levels of coverage, the JPA could properly assess the value of self insurance or retained limits. Gallagher/Towers using their intimate knowledge of the reinsurance market were able to craft a reinsurance program that not only matched membership needs but better protected the equity of the pool. For the first time in the JPA's history they had a strategic plan for renewal based on their strengths and were protected from the whims of the marketplace

Key Initiative: Position the Authority to Better Understand Member Needs, and Respond with Appropriate Services to Promote Member Satisfaction

Although the Gallagher/Towers partnership has only been working with the California JPIA since 2007 they have also implemented a strategy to improve the delivery of loss control services to members. Gallagher's unique knowledge of loss control services available on all medium (CD-Rom, DVD and internet) has allowed the JPIA to quickly assess the value to membership. Following Gallagher's research, they provided on site interviews with the JPA and established WEBEX sessions with members. The project is ongoing.

Be licensed as insurance brokers in the State of California. A copy of license is to be provided with response.

Please see our AJG License as well as John Chino's CA Broker License in the appendices of our response.

Have at least five (5) years of experience in providing brokerage services to municipalities;

Acknowledged. Please see Minimum Qualifications section.

Have the experience with municipalities similar in size, types of exposures to the City and in the types of policies and coverage referenced herein;

Acknowledged. Please see Minimum Qualifications section.

Have the ability to place all lines of coverage currently purchased by the City, that may be appropriate for the City, or that may be recommended by the broker;

Acknowledged. Please see Minimum Qualifications section.

In addition, all firms shall have:

1. At least ten (10) years experience with commercial insurance policies.
Acknowledged. Please see Minimum Qualifications section.
2. At least five (5) years experience working with governmental agencies.
Acknowledged. Please see Minimum Qualifications section.
3. No prior history of corrective action with the California Department of Insurance.
We confirm that we have no prior history of corrective action with the California Department of Insurance.

FINANCIAL CAPACITY - Please see our latest annual financial report attached in the appendices of our response.

FEE PROPOSAL

PRICING PROPOSAL FORM - Appendix D**Insurance Broker Services**

Provide hourly rates, along with estimated annual pricing in accordance with the City's current requirements, as set forth in section 3 Scope of Work. Also provide your firm's proposed Staffing Plan on a separate sheet of paper. Proposer should use a separate form to state pricing for any added value.

Pricing shall remain firm for a minimum of two (2) years. Any and all requests for pricing adjustments for follow-on contract renewal periods shall be provided no later than sixty (60) days prior to the end of the contract period. Any such proposed price adjustments shall not exceed The Bureau of Labor Statistics Consumer Price Index (CPI) data for Los Angeles-Riverside-Orange County, CA. All items Not Seasonally Adjusted, "annualized change comparing the original proposal month and the same month in the subsequent year. (This information may be found on the U.S. Department of Labor's website at www.bls.gov.)

Employee	Hourly Rate	Hours Worked	Total Cost	Overtime Rate
N/A	\$ N/A	N/A	N/A	\$ N/A
	\$			\$
	\$			\$
	\$			\$
	\$			\$
	\$			\$
	\$			\$

Total Estimated Annual Price	\$ 50,000 (see below)
------------------------------	-----------------------

ADD ANY ADDITIONAL COST PROPOSAL SHEETS HERE

We are proposing a flat fee for services for all staff of \$50,000 Annually. We confirm this flat fee to be free for a person of two years (2).

DISCLOSURE

Please disclose any and all past or current business and personal relationships with any current Costa Mesa elected official, appointed official, City employee, or family member of any current Costa Mesa elected official, appointed official, or City employee.

Our Worker's Compensation Claims manager, Dan Guth, is a reserve police officer for the City.

SAMPLE AGREEMENT



CHECKLIST OF FORMS TO ACCOMPANY PROPOSAL

As a convenience to Proposers, following is a list of the forms, included as appendices to this RFP, which should be included with proposals.

Items Completed

- | | |
|--|----------|
| 1. Vendor Application Form | Included |
| 2. Ex Parte Communications Certificate | Included |
| 3. Price Proposal Form | Included |
| 4. Disclosure of Government Positions | Included |
| 5. Disqualifications Questionnaire | Included |

APPENDICES

Appendix C – Ex Parte Communications Certification

EX PARTE COMMUNICATIONS CERTIFICATION

Please indicate by signing below one of the following two statements. **Only sign one statement.**

I certify that Proposer and Proposer's representatives have not had any communication with a City Councilmember concerning the Insurance Broker Services RFP at any time after August 17, 2012.



OR

I certify that Proposer or Proposer's representatives have communicated after August 17, 2012 with a City Councilmember concerning the Insurance Broker Services RFP. A copy of all such communications is attached to this form for public distribution.

Appendix F – Disclosure of Government Positions

DISCLOSURE OF GOVERNMENT POSITIONS

Each Proposer shall disclose below whether any owner or employee of the firm currently hold positions as elected or appointed officials, directors, officers, or employees of a governmental entity or held such positions in the past twelve months. List below or state “None”.

Name	Position	Organization
Dan Guth	Reserve Police Officer	City of Costa Mesa

Appendix G – Chart #1 - Sample Broker Service Plan

2013-2014 BROKER SERVICE PLAN – BASED UPON A 7/1 RENEWAL

I. BROKER SERVICES	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July
A. ASSIGNED PERSONNEL												
1. The BROKER shall designate a Principal to be assigned to this account to act as the primary contact for the CITY. The CITY must approve the Principal and any other personnel assigned to perform services for the CITY (hereafter collectively referred to as “assigned personnel”). If for any reason the CITY finds, in its sole discretion, that the service replacement personnel is unsatisfactory, the BROKER will agree to assign replacement personnel that must also be approved by the CITY. Personnel assigned to the account must have a minimum of five (5) years full-time experience as a broker and a minimum of three (3) years experience with public agency insured and self-insured insurance program management is preferred.												
B. AUDIT												
1. The BROKER will cooperate with the CITY and make available any and all files and records available for audits. The CITY will have reasonable access to the necessary portions of the BROKER facilities, records and files for review or audit purposes.												
C. PROGRAM ADMINISTRATION												
1. Act as an independent insurance advisor to the City and proactively provide ongoing unbiased professional advice and recommendations that benefit the City.												
2. Proactively provide ongoing review and analysis of the City's insurance programs and identification of risk transfer and risk financing options.												
3. Be familiar with the major exposures of the City.												
4. Be familiar with the coverage provided by all relevant insurance policies and documents issued to the City.												
5. Assure that insurance policies are placed in a timely manner, without lapses in coverage periods, with reputable and financially responsible insurers.												
6. Provide service for the insurance policies placed for the City including processing all changes and endorsements and verifying the accuracy of invoices within a reasonable time.												
7. Provide early warning of rate and coverage changes or renewal problems through a process to be mutually agreed upon with the City.												
8. Upon request of the City, but at least once a year, provide a comprehensive report that reviews all of the City's insurance programs.												
9. Through a mutually agreed upon process, monitor the City's operations and loss exposures and make any appropriate recommendations for coverage changes or new coverage.												
10. Be available to answer questions or obtain answers from underwriters for policy coverage questions.												

2013-2014 BROKER SERVICE PLAN – BASED UPON A 7/1 RENEWAL


2013-2014 BROKER SERVICE PLAN – BASED UPON A 7/1 RENEWAL


BROKER SERVICES (CONTINUED)	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July
11. Meet with City staff and designated representatives as reasonably requested.												
12. Provide consultation service and written reports as normally expected of a professional broker to a large client.												
13. Provide loss control services and assistance with claims as requested by the City. Assist in analyzing loss exposures from existing and new operations, and determine the appropriate risk management alternatives, including types, availability, costs and extent of coverage that should be considered.												
SPECIAL REQUIREMENTS												
A. PERIOD OF AGREEMENT												
The selected broker will be appointed as the City's Broker(s) of Record for property/casualty and other insurance as required for a period of three (3) years with two (2) additional one-year options, at the City's sole discretion. Appointment as Broker of Record creates no right to reappointment or continued service. If negotiations for renewal of this contract are delayed for reasons beyond control of broker, the contract shall automatically be extended under the same terms and conditions until terminated by written notice by either party or be execution of a new contract.												
B. POLICY REVIEW												
Review policies and other documents in detail within 14 days of receipt of the documents. Check the wording and accuracy of each policy, binder, certificate, endorsement or other document received from insurers. Ensure that the intended coverage is provided, all coverage, terms, conditions and other wording is complete and accurate, and in compliance with financial arrangements and administrative procedures acceptable to the City. Obtain revisions needed to achieve compliance with coverage request.												
C. POLICY AMENDMENTS												
Process requests for additions or deletions to policies within five (5) business days of receipt. Provide follow up with insurer that the insurer has handled the request. Advise in writing of any changes to insurance policy(ies) within 14 days.												
D. MARKETING												
1. Monitor expiration dates of policies and provide the City with written notification at least 90 days prior to expiration, including a description of information needed to process the renewal.												
2. Develop and implement a marketing strategy, including identifying potential markets, for program renewals at least 90 days before policy expiration.												
3. Develop underwriting information and assist in gathering and organizing exposure and loss data for renewals of policies placed.												
4. Work with carriers to design policies and programs most advantageous to the City for coverage of exposures, policy form, exclusions, deductibles, self-insured retentions, coordination with other policies, costs and other pertinent factors.												

2013-2014 BROKER SERVICE PLAN – BASED UPON A 7/1 RENEWAL

2013-2014 BROKER SERVICE PLAN – BASED UPON A 7/1 RENEWAL

SPECIAL REQUIREMENTS (CONTINUED)	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July
5. Market renewal coverage for the City by obtaining timely and competitive quotations from available and responsible insurers & reinsurers.												
6. Provide quotations to the City at least thirty (30) days prior to insurance policy expiration unless otherwise approved by the City.												
7. If requested by the City, provide the City with copies of declination letters and all premium quotations received with a summary of coverage explaining deficiencies or benefits of the quote compared to the recommended insurance program.												
8. Provide quotations for specialized types of insurance, as requested by the City.												
E. CLAIMS												
1. Assist the City staff, as necessary with filing claims.												
2. Work with outside claims adjusters as necessary.												
3. Represent the interests of the City in policy interpretation and other negotiations with insurance carriers.												
4. Assist the City with review of claim reserves and represent the City to the insurer with regard to requested explanation or reduction of reserve amounts. Follow-up with insurer as necessary until resolution of any reserve reduction requests are accomplished or until claim is closed.												
5. Provide annual summaries by policy year for each of the last five years indicating total number of losses by type for each line of coverage and showing earned premium, incurred losses and loss ratio.												
F. CERTIFICATES OF INSURANCE												
Issue certificates of insurance within three (3) business days following the date of request.												
G. CONTRACT REVIEW												
Review contracts and lease agreements as requested and notify the City whether the insurance programs of the City are in compliance with insurance requirements of contracts and/or agreements.												
H. LEGAL COMPLIANCE												
Comply with all State and Federal laws and regulations pertaining to insurance brokers licensed in the State of California.												

 = Continuous throughout year

 = Quarterly

 = As Needed

 = Specific

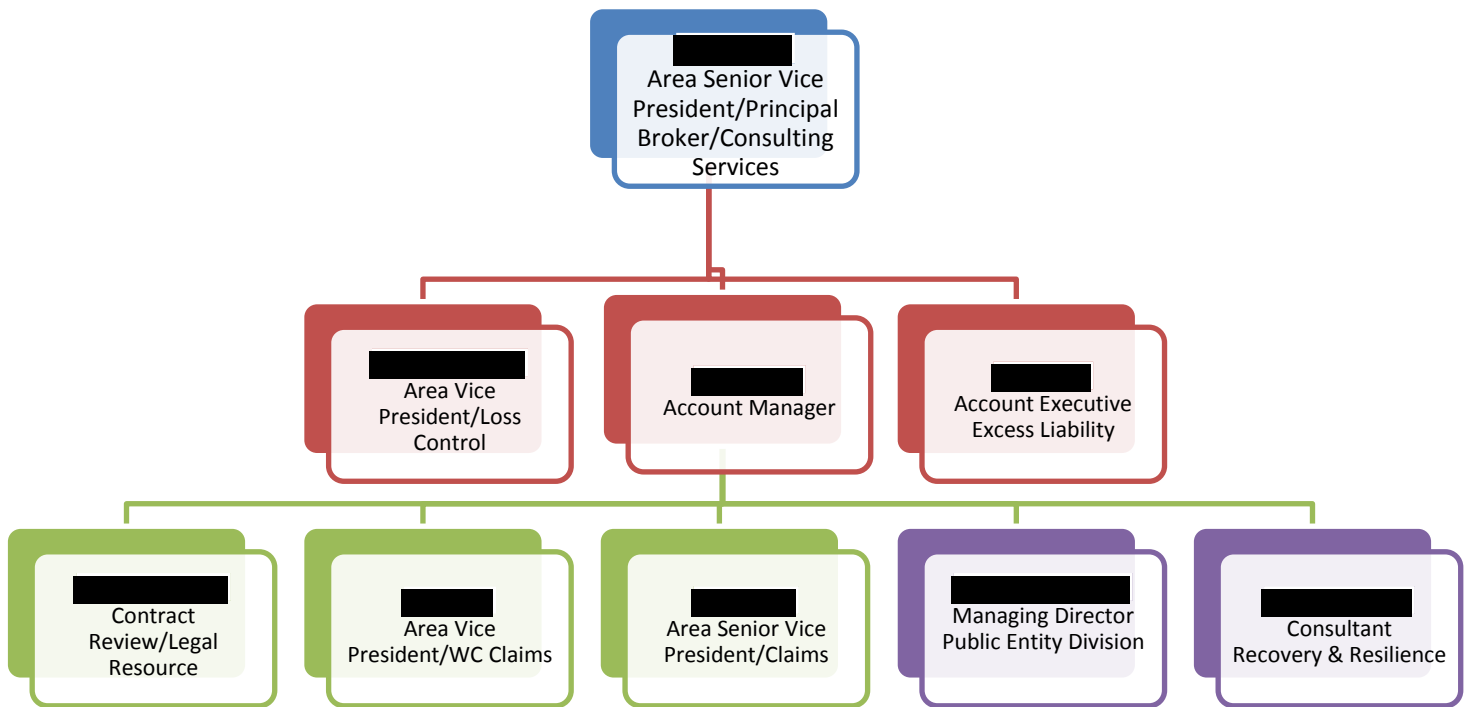
Appendix H – Chart #2 – Sample Transition Plan

Transition & Marketing Tasks		Responsible Party	120-60 Days	60-30 Days	30-0 Days
1	File Broker of Record Letters with respective markets.	City			
2	Request Cert Holder and other materials from prior broker. Establish Client Service Expectations, Safety/Loss Control Goals and Claims Reporting Procedures. Request list of appropriate insurance contacts	City & AJG			
3	Issue request for renewal information	AJG			
4	Update Renewal Information	City			
5	Request updated loss runs and status reports on all open claims from current & prior carriers	AJG			
6	Send a letter of introduction to each Insurance Contact. Make contact with all International Partners and establish service needs.	AJG			
7	Renewal Strategy Meeting	City & AJG			
8	Prepare & Send Submission to Market	AJG			
9	Transition any applicable international operations into respective AJG network partners. Create Electronic policy digest for locally admitted policies.	AJG			
10	Review current Loss Control & Disaster Program Perform Engineering Needs Analysis Assist in coordination of carrier renewal inspections	City & AJG			
11	Provide loss runs and summary	AJG			
12	Client - Carrier Meetings, As Necessary	City & AJG			
13	Negotiation with Markets	AJG			
14	Bind Order	City			
15	Forward Bind Order to Market(s). Transmit Binders once received and checked for accuracy. Provide Summary of Insurance. Process Renewal Certificates. Invoice LS&CO/Premium Financing Arrangements. Process & File Surplus Lines Filings, As Necessary	AJG			
16	Quarterly Program & Service Review Quarterly Loss Control Meeting & Goal Status Review	AJG			
17	Prepare Loss Control status reports	AJG			

Appendix I – Chart #3 – Broker Services – Team Chart

KEY ACCOUNT TEAM	
Team Leader / Principal	██████████ is the Team Leader and is responsible for all services included in the RFP. ██████████ has been with Gallagher for 31 years and has spent nearly his entire career in the public sector. ██████████'s areas of expertise include public entity property & casualty, policy design/manuscript, market trends/strategy, self insurance approaches; owner controlled insurance programs (OCIP), and education/training. He currently works with over 100 Cities in 5 states including the City & County of San Francisco.
Account Manager/Marketing	██████████ will work closely with the entire team to keep a focus on placements, policy administration, claims advocacy, legal reviews and technology issues. She maintains outstanding relationships with insurers and has successfully managed complex multilayered placements on behalf of our clients.
Casualty Placement	██████████ will lead the marketing efforts on the Liability placements. ██████████ has been an underwriter for one of the largest programs in the State as well as a wholesale broker at Victor Schinner a division of Marsh. She has 30 years experience underwriting and placing excess liability for complex public agency clients including Orange County.
Environmental	As a member of Gallagher's Environmental Risk & Insurance Group (GERI), ██████████ brings to the team his experience as an Environmental Consultant and Environmental Underwriter. ██████████ has over 10 years experience in environmental consulting and environmental insurance experience and is working as part of the team at the City and County of San Francisco.
Area Senior Vice President, Claims Review	██████████ will provide claims reviews and audits of the Property & Liability programs. ██████████ was a branch manager at Sedgwick for 12 years and provides claims reviews and audits for many of our public agency clients. Steve has 25 years experience handling insurance, self insurance, risk financing, and claims handling for public entities in the western United States. He is a CPCU and is the account executive to Maricopa County and Pima County in Arizona. In addition to his claims expertise, Steve has been a broker for more than 20 years.
ARM-P, CSP, Area Vice President, Loss Control & Safety	Prior to joining Gallagher, ██████████ spent 26 years with the Los Angeles County Fire Department retiring with the rank of Captain. He was also the Safety Manager for an Industrial Construction Company and most recently served as a Senior Loss Consultant for the world's largest multi-national insurance organization. Bruce is a professional member of the American Society of Safety Engineers serving on the Construction Risk Specialty Panel and is a member of the Associated General Contractors of America, serving on the California Safety and Health Committee. He is also a certified OSHA instructor.
ARM, Area Vice President, Workers' Compensation Claims Manager	██████████ is the Workers' Compensation claims manager for Arthur J. Gallagher & Co.'s office in Aliso Viejo, CA. He utilizes his extensive knowledge in Workers' Compensation, safety, and loss control to assist clients with various risk management issues, which include ensuring that claims are accurately reserved, and are being adjusted timely and properly, as well as reducing the frequency and severity of claims through positive safety and loss control measures. ██████████ also assists in classification disputes, experience modification audits and accident investigations.
JD, Senior Account Executive, Insurance Compliance/Contract Review	██████████ acts as our client resource for insurance compliance. She consults with our clients on memorandum of coverage documents, coverage analysis, contract review, and claims advocacy. She has over 13 years of legal experience, including representation of insureds and insurance carriers, complex litigation, and risk mitigation strategies for reducing overall organizational risk.

Organizational Chart of Your Gallagher Team



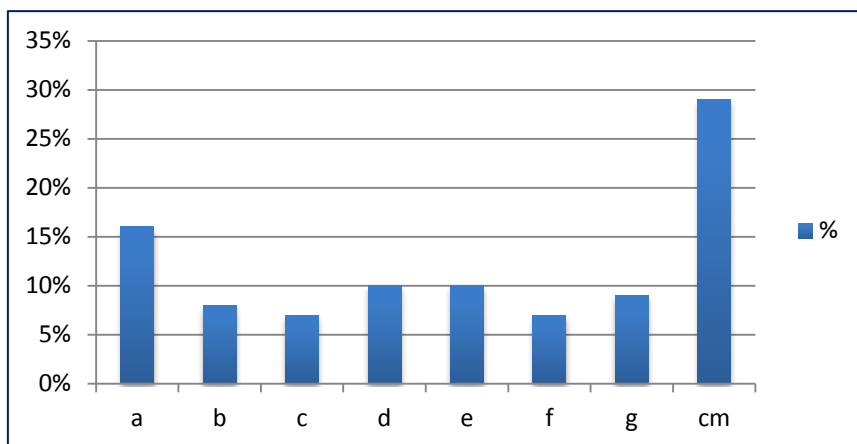
Appendix J – Chart #4 – Comparison of City's Loss Data to Benchmark Group

Comparison of City's Loss Data to Benchmark Group

City of Costa Mesa

Compared to 7 Cities | Population: 100 – 150K

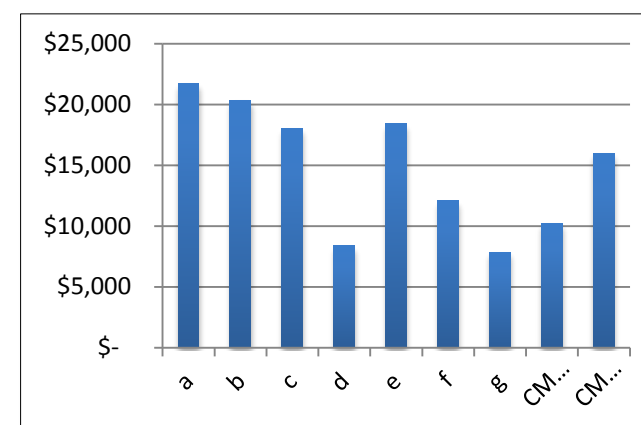
	OPEN	CLOSED	TOTAL	PERCENTAGE
a	102	556	658	16%
b	14	173	187	8%
c	26	329	355	7%
d	62	574	636	10%
e	27	241	268	10%
f	20	266	286	7%
g	57	565	622	9%
CM	438	477	1437	29%



Overall Average Cost of Claims

7 Cities | 5 Year Average

	5 Year Average
a	\$21,710
b	\$20,328
c	\$18,016
d	\$8,369
e	\$18,387
f	\$12,064
g	\$7,862
CM	\$10,234 (5 Year Average) \$15,983 (10 Year Average)



Appendix K – CA Licenses

California Department of Insurance

Pursuant to the requirements of the State of California Insurance Code,
JOHN GEORGE CHINO is authorized to act in the following capacity:

<u>License</u>	<u>Effective Date</u>	<u>Expiration Date</u>
Resident Insurance Producer	02/01/1988	07/31/2013
Qualifications		
Accident and Health Agent	02/01/1988	
Casualty Broker-Agent	03/21/1988	
Life-Only Agent	02/01/1988	
Property Broker-Agent	03/21/1988	
Surplus Lines Broker	03/24/2005	

Business Address: 15 Enterprise Ste 200, Aliso Viejo, California 92656


Dave Jones, Insurance Commissioner



Please note: To validate the accuracy of this license you may review the individual or business entity's license record on the California Department of Insurance's website at www.insurance.ca.gov "Check License Status."

Appendix L – Annual Report

INTERVIEW MATERIALS

This section contains the handouts and/or slides used by the proposer(s) during the interview.

ALLIANT



City of Costa Mesa
Insurance Broker Services RFP
Oral Interview
November 13, 2012

Presentation Agenda



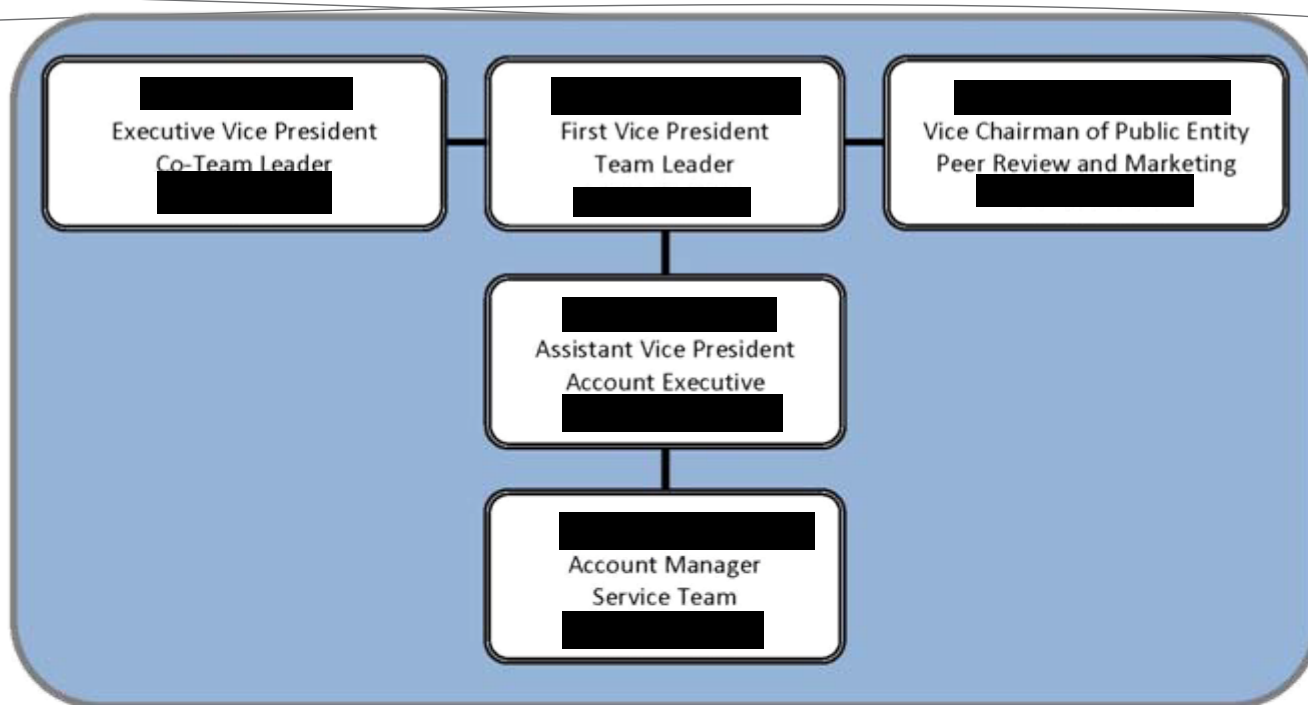
- **About Alliant**
- **Grasp of Project**
- **Approach and Work Plan**
- **Qualifications and Experience**
- **Why Alliant**

Alliant Insurance Services



Established:	1925
Premiums:	\$4.5 Billion
Revenues:	\$436 Million
Offices:	46 office in 19 states
Employees:	Over 1500
Relative Size:	11th in US
Market Focus:	Public Entity, Healthcare, Energy, Construction, Real Estate
Business Focus:	Risk Management Consulting, Insurance Administration Services, Brokerage, Loss Control, Employee Benefits Consulting, Underwriting, Human Resources Consulting.

Service Team



Additional Resources

[Redacted]
First Vice President
Claims Consultant
[Redacted]

[Redacted]
Senior Vice President
Loss Control Consultant
[Redacted]

Grasp of the Project



- **Your Insurance Brokerage needs**
 - The City's needs continue to change

- **Our relationship to the City of Costa Mesa**
 - Broker for the City of Costa Mesa since 1990
 - 140 years experience with California Cities
 - Service team always available to address and adapt to the changing needs of the City

- **Scope of Work incorporates service requirements needed by the City.**
 - Can be expanded to include additional analysis of insurance coverage issues, such as retention evaluation or claims benchmarking.
 - What's outside of the 'scope'

Approach & Work Plan



- **No transition required.** Alliant will provide services including managing existing policies, marketing, claims advocacy and contract review.
- The importance of a **close working relationship**.
 - Timelines and Renewals
 - But More Importantly, we Act as your Partner
- Service Team all have Blackberries and cell phones for **24/7 contact**, and can be reached for assistance in the event of an emergency. The Team approach means that **someone is always available** to attend meetings or assist with questions.
- Provide significant Client support including training, monthly webinars, property appraisals, loss control, maintenance of **IRIC Manual** and **AlliantConnect**.

Qualifications & Experience



- Alliant Specializes in the Public Sector and their unique risk management needs 1977.
 - Over 20 Years!
 - Over 200 employees in Public Entities in California.
 - Over 6,000 Public Entities across the Nation
- Compensation is flat fee; all contracts stay within proposal cost. (Only additional costs are for optional additional services).
- Claims Difficulties.
- No services are subcontracted.
- The audited financial statement was included with RFP response.

Why Alliant?



- 1) **Experts in our field:** Specialize in Public Entities and their unique risk management needs
 - About as Local as you can get!
- 2) **Proven track record:** We deliver when needed and beyond!
 - Commitment to Quality
- 3) **Advantaged Programs:** Pricing is always Competitive & Broad Coverage
 - Culture of Innovation and Creativity
- 4) **The Importance of Experience:** Knowledge of YOUR risks and the California Cities
 - Access to the Worldwide Marketplace and the Leverage it creates


ARTHUR J. GALLAGHER

City of Costa Mesa

INSURANCE BROKER SERVICES
Interview Questions



Presented by

, ARM-PE
Arthur J. Gallagher Risk Management Services, Inc.
18201 Von Karman Ave, Suite 200 | Irvine, CA 92612
T 949.349.9800 | F 949.349.9900
www.ajg.com

1. GRASP OF THE PROJECT

- a. Describe your understanding of the City's Insurance Broker Services.
- b. Describe your understanding of the City of Costa Mesa and your relationship with them.
- c. To be successful, should the scope of the project be limited to the scope of services requirements? If not, what else should be included and why?

The City of Costa Mesa is a beacon of professionalism amidst lesser run municipalities and local governments but the City has not been served with equal levels of professionalism by its broker. The work to be done shall not be limited to the 13 items enumerated in the PROGRAM ADMINISTRATION section nor even those in the SPECIAL REQUIREMENTS section (A - H). For example we are prepared to assist the City reduce the cost of Workers' Compensation claims by supporting the TPA with quarterly claims reviews.

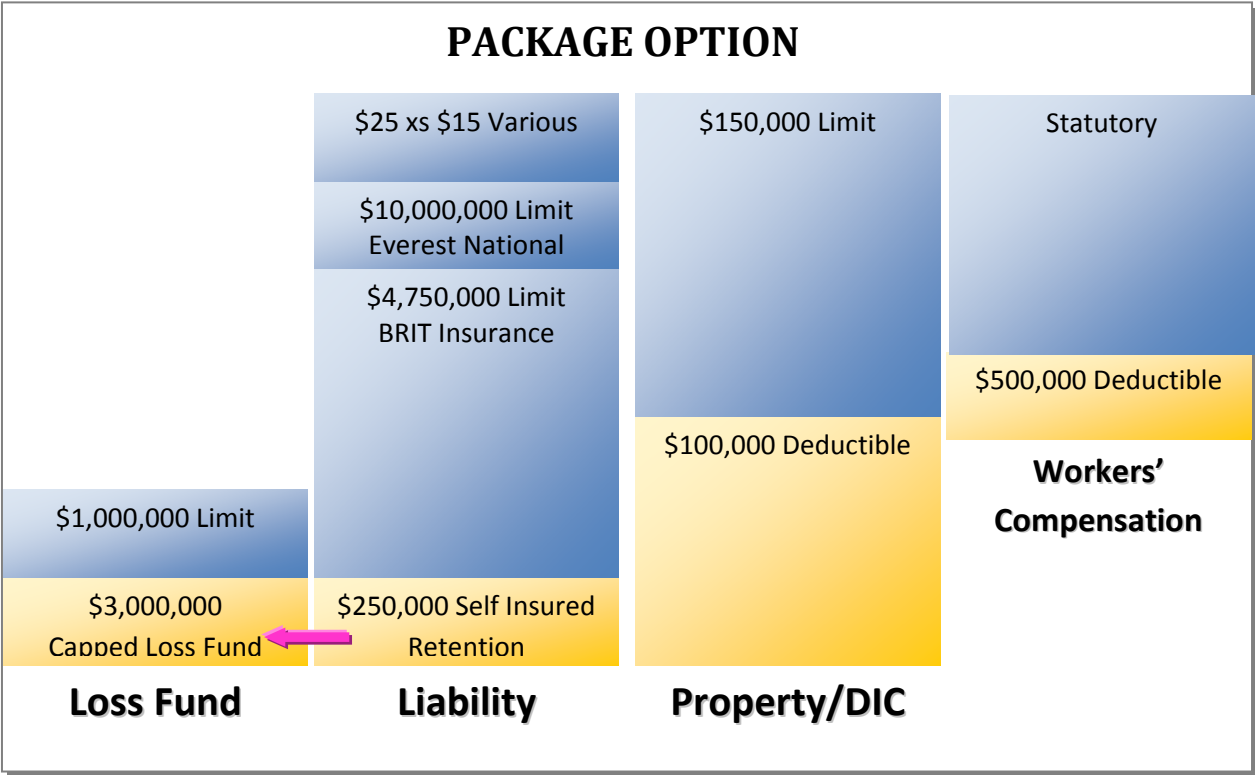
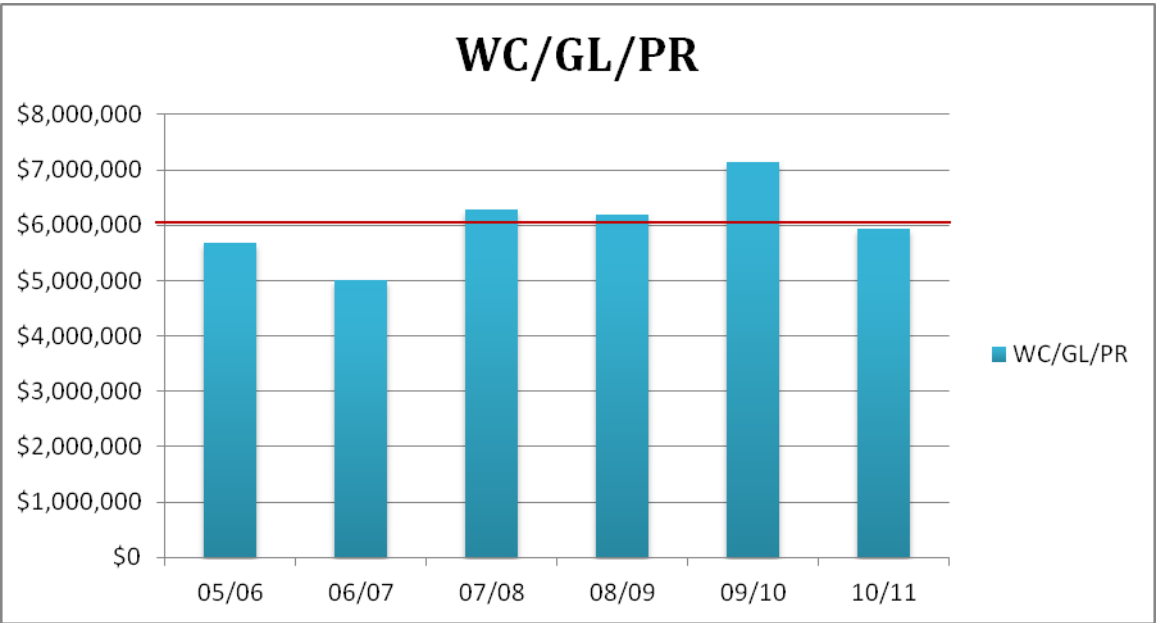
We do not take lightly the care with which the City has outlined the 32+ services and we alone offer a true risk management professional for each service as outlined in the following sections of the RFP response.

Our objective is to help the City meet its goals. In particular, we can and will help the City Manager's Office "maximize resources in the delivery of services."

"The Risk Management Section is responsible for the development, administration, and maintenance of programs to protect City assets, property and operational resources; workers' compensation; and administration of employee benefit plans."

We will focus specifically on the following:

- Civil Liability, including claims administration, loss funding and loss prevention/control
- Workers Compensation, including claims administration oversight, loss funding and workplace safety



2. APPROACH AND WORK PLAN

- a. Describe your approach and work plan for creating a transition with the City's including specific deliverables.
- b. What are the issues you have experienced in past implementations?
- c. Describe the City's responsibilities, requirements, supporting efforts needed in meeting your effort and delivery of services.
- d. What is the normal support you provide to clients with similar contracts (i.e., technical support for implementation/integration and trouble shooting of services)? Is this reflected in your schedule of cost?
- e. Describe your support outside of our primary requirements?
- f. How will you comply with the City during emergency situations?
- g. Are you willing to be flexible with your schedule? If so, how will that affect your cost?

Transition & Marketing Tasks		Responsible Party	120-60 Days	60-30 Days	30-0 Days
1	File Broker of Record Letters with respective markets.	City			
2	Request Cert Holder and other materials from prior broker. Establish Client Service Expectations, Safety/Loss Control Goals and Claims Reporting Procedures. Request list of appropriate insurance contacts	City & AJG			
3	Issue request for renewal information	AJG			
4	Update Renewal Information	City			
5	Request updated loss runs and status reports on all open claims from current & prior carriers	AJG			
6	Send a letter of introduction to each Insurance Contact. Make contact with all International Partners and establish service needs.	AJG			
7	Renewal Strategy Meeting	City & AJG			
8	Prepare & Send Submission to Market	AJG			
9	Transition any applicable international operations into respective AJG network partners. Create Electronic policy digest for locally admitted policies.	AJG			
10	Review current Loss Control & Disaster Program Perform Engineering Needs Analysis Assist in coordination of carrier renewal inspections	City & AJG			
11	Provide loss runs and summary	AJG			
12	Client - Carrier Meetings, As Necessary	City & AJG			
13	Negotiation with Markets	AJG			
14	Bind Order	City			
15	Forward Bind Order to Market(s). Transmit Binders once received and checked for accuracy. Provide Summary of Insurance. Process Renewal Certificates. Invoice LS&CO/Premium Financing Arrangements. Process & File Surplus Lines Filings, As Necessary	AJG			
16	Quarterly Program & Service Review Quarterly Loss Control Meeting & Goal Status Review	AJG			
17	Prepare Loss Control status reports	AJG			

For example we recently took over the brokerage services of a City that had most of their services managed by the broker. The services provided were rudimentary in nature and consisted of the collection of data and presentation of proposals. We suggested a different model with us managing the other vendor partners for the City with their input on a monthly basis the result was a savings of \$400,000 for the City and much better service from their insurance carrier and TPA. With the input from us they were able to manage claims reviews and implement a better loss control plan.

The critical component to project completions is and our single-minded devotion to accuracy and efficiency requires a broad expertise in six separate disciplines:

<ul style="list-style-type: none"> ▪ Insurance & Reinsurance Marketing & Placement ▪ Administration of the Account ▪ Legal Review 	<ul style="list-style-type: none"> ▪ Claims Advocacy ▪ Loss Control ▪ Innovation (Technology)
--	--

The local Public Entity and Scholastic Division (PESD) team is comprised of 13 people in 3 locations (Orange County, San Francisco and Phoenix) and has been “assembled” over a period of 10 years. The professionals that make up our team were chosen specifically to meet the needs of our public agency clients. We believe we are best matched with clients that have a desire for a broad array of services at no additional cost.

EMPLOYEE	FUNCTIONS	HOURS OF SERVICE
██████████	Principal, Marketing/Placement of Insurance	480
██████████	Marketing/Administration	240
██████████	Liability Marketing & Placement	100
██████████	Loss Control	24
██████████	Workers' Compensation Claims	96
██████████	Claims Review	16
██████████	Insurance Compliance/Contract Review	100
██████████	Environmental	16
██████████	National Public Agency Resource	4-8
██████████	Recovery & Resilience Consulting	-

3. QUALIFICATIONS AND EXPERIENCE

- a. Describe your firm's competence, support staff, turnover and willingness to adjust to specific needs.
- b. Of contracts that you have been awarded in the past, what percent have stayed within the proposal cost? Briefly describe the reason(s) for cost deviation on other similar projects/services.
- c. Describe one or two engagements where your firm may have had difficulty and explain why. How was it resolved?
- d. Is any portion of this service sub-contracted out?
- e. In order to facilitate the financial responsibility, City of Costa Mesa will request and evaluate Dun & Bradstreet (D&B) business analysis report for the prospective firm. If the financial information available through D&B is not sufficient to complete a satisfactory review, will your firm offer to bring its latest completed comparative financial statement?

AJG At A Glance

- ▶ **Founded in 1927**
- ▶ **NYSE Listed 1987**
- ▶ **\$2.0 Billion Annual Revenue**
- ▶ **Leader in Risk Management Services**
- ▶ **Strategic Partners in over 100 countries**
- ▶ **13,800+ Global Employees**
- ▶ **Over 250 Offices Worldwide**
- ▶ **Annual Growth Rate Since 2002
Approx. 10%**

2013-2014 BROKER SERVICE PLAN – BASED UPON A 7/1 RENEWAL

1. BROKER SERVICES	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July
A. ASSIGNED PERSONNEL												
1. The BROKER shall designate a Principal to be assigned to this account to act as the primary contact for the CITY. The CITY must approve the Principal and any other personnel assigned to perform services for the CITY (hereafter collectively referred to as “assigned personnel”). If for any reason the CITY finds, in its sole discretion, that the service replacement personnel is unsatisfactory, the BROKER will agree to assign replacement personnel that must also be approved by the CITY. Personnel assigned to the account must have a minimum of five (5) years full-time experience as a broker and a minimum of three (3) years experience with public agency insured and self-insured insurance program management is preferred.												
B. AUDIT												
1. The BROKER will cooperate with the CITY and make available any and all files and records available for audits. The CITY will have reasonable access to the necessary portions of the BROKER facilities, records and files for review or audit purposes.												
C. PROGRAM ADMINISTRATION												
1. Act as an independent insurance advisor to the City and proactively provide ongoing unbiased professional advice and recommendations that benefit the City.												
2. Proactively provide ongoing review and analysis of the City’s insurance programs and identification of risk transfer and risk financing options.												
3. Be familiar with the major exposures of the City.												
4. Be familiar with the coverage provided by all relevant insurance policies and documents issued to the City.												
5. Assure that insurance policies are placed in a timely manner, without lapses in coverage periods, with reputable and financially responsible insurers.												
6. Provide service for the insurance policies placed for the City including processing all changes and endorsements and verifying the accuracy of invoices within a reasonable time.												
7. Provide early warning of rate and coverage changes or renewal problems through a process to be mutually agreed upon with the City.												
8. Upon request of the City, but at least once a year, provide a comprehensive report that reviews all of the City’s insurance programs.												
9. Through a mutually agreed upon process, monitor the City’s operations and loss exposures and make any appropriate recommendations for coverage changes or new coverage.												


2013-2014 BROKER SERVICE PLAN – BASED UPON A 7/1 RENEWAL


1. BROKER SERVICES	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July
10. Be available to answer questions or obtain answers from underwriters for policy coverage questions.												


BROKER SERVICES (CONTINUED)	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July
11. Meet with City staff and designated representatives as reasonably requested.												
12. Provide consultation service and written reports as normally expected of a professional broker to a large client.												
13. Provide loss control services and assistance with claims as requested by the City. Assist in analyzing loss exposures from existing and new operations, and determine the appropriate risk management alternatives, including types, availability, costs and extent of coverage that should be considered.												
SPECIAL REQUIREMENTS												
A. PERIOD OF AGREEMENT												
The selected broker will be appointed as the City's Broker(s) of Record for property/casualty and other insurance as required for a period of three (3) years with two (2) additional one-year options, at the City's sole discretion. Appointment as Broker of Record creates no right to reappointment or continued service. If negotiations for renewal of this contract are delayed for reasons beyond control of broker, the contract shall automatically be extended under the same terms and conditions until terminated by written notice by either party or by execution of a new contract.												
B. POLICY REVIEW												
Review policies and other documents in detail within 14 days of receipt of the documents. Check the wording and accuracy of each policy, binder, certificate, endorsement or other document received from insurers. Ensure that the intended coverage is provided, all coverage, terms, conditions and other wording is complete and accurate, and in compliance with financial arrangements and administrative procedures acceptable to the City. Obtain revisions needed to achieve compliance with coverage request.												
C. POLICY AMENDMENTS												
Process requests for additions or deletions to policies within five (5) business days of receipt. Provide follow up with insurer that the insurer has handled the request. Advise in writing of any changes to insurance policy(ies) within 14 days.												
D. MARKETING												
1. Monitor expiration dates of policies and provide the City with written notification at least 90 days prior to expiration, including a description of information needed to process the renewal.												
2. Develop and implement a marketing strategy, including identifying potential markets, for program renewals at least 90 days before policy expiration.												
3. Develop underwriting information and assist in gathering and organizing												

exposure and loss data for renewals of policies placed.												
4. Work with carriers to design policies and programs most advantageous to the City for coverage of exposures, policy form, exclusions, deductibles, self-insured retentions, coordination with other policies, costs and other pertinent factors.												
SPECIAL REQUIREMENTS (CONTINUED)	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July
5. Market renewal coverage for the City by obtaining timely and competitive quotations from available and responsible insurers & reinsurers.												
6. Provide quotations to the City at least thirty (30) days prior to insurance policy expiration unless otherwise approved by the City.												
7. If requested by the City, provide the City with copies of declination letters and all premium quotations received with a summary of coverage explaining deficiencies or benefits of the quote compared to the recommended insurance program.												
8. Provide quotations for specialized types of insurance, as requested by the City.												
E. CLAIMS												
1. Assist the City staff, as necessary with filing claims.												
2. Work with outside claims adjustors as necessary.												
3. Represent the interests of the City in policy interpretation and other negotiations with insurance carriers.												
4. Assist the City with review of claim reserves and represent the City to the insurer with regard to requested explanation or reduction of reserve amounts. Follow-up with insurer as necessary until resolution of any reserve reduction requests are accomplished or until claim is closed.												
5. Provide annual summaries by policy year for each of the last five years indicating total number of losses by type for each line of coverage and showing earned premium, incurred losses and loss ratio.												
F. CERTIFICATES OF INSURANCE												
Issue certificates of insurance within three (3) business days following the date of request.												
G. CONTRACT REVIEW												
Review contracts and lease agreements as requested and notify the City whether the insurance programs of the City are in compliance with insurance requirements of contracts and/or agreements.												
H. LEGAL COMPLIANCE												
Comply with all State and Federal laws and regulations pertaining to insurance												

brokers licensed in the State of California.											
--	--	--	--	--	--	--	--	--	--	--	--

 = Continuous throughout year

 = Quarterly

 = As Needed

 = Specific

4. AWARDS

Arthur J. Gallagher & Co.



City of Costa Mesa





GOVERNMENT FINANCE OFFICERS ASSOCIATION

***Distinguished
Budget Presentation
Award***

PRESENTED TO

**City of Costa Mesa
California**

For the Fiscal Year Beginning

July 1, 2011



President

Executive Director



Gallagher | PUBLIC ENTITY & SCHOLASTIC DIVISION

Arthur J. Gallagher & Co.
18201 Von Karman, Suite 200
Irvine, CA 92612
(949) 349-9800 | www.AJG.com

EVALUATION DOCUMENTS

This section shows evaluation instructions, meeting agenda(s), evaluation forms, reference check letter, negation check list, evaluation committee member statement and suggested interview questions.



Evaluation Committee Agenda

Team: Insurance Broker Services

Process/Project: Contracting City Services

Date: October 9, 2012

Time: Distribution

Place:

Meeting Facilitator: Kim Wilson 714-754-5062

Evaluators and Other Attendees:

		Resource: Kimberly Hall Barlow

Time	Agenda Topics:	Person Providing Information:
	Review Action Items	Kim Wilson
	Topic 1: RFP Schedule of Events	Kim Wilson
	Topic 2: RFP Documents	Kim Wilson
	Topic 3: Evaluation Instructions	Kim Wilson
	Topic 4: Member Statements	Kim Wilson & Committee
	Topic 5: Evaluation Forms & Scores	Kim Wilson & Committee
	Topic 6: Reference checks & Questions	Kim Wilson & Committee
	Topic 7: Negotiation checklist	Kim Wilson
	Topic 8: Overall Pre-Award Selection Process	Kim Wilson
	Identify Items for Evaluation Committee	Committee



**CITY OF COSTA MESA
DEPARTMENT OF FINANCE
INTEROFFICE MEMORANDUM**

**BOBBY YOUNG,
DIRECTOR OF FINANCE**

TO: EVALUATION COMMITTEE

FROM: KIM WILSON, PURCHASING

DATE: OCTOBER 9, 2012

SUBJECT: INSURANCE BROKER SERVICES

You have been chosen for the evaluations of the following proposals:

1. Alliant
2. Arthur J. Gallagher Risk Management Services, Inc.

Attached is an evaluation template you will be using for each proposal that will be distributed to you. For each criterion, enter the number in the score box based on the following scale;

0 - (Zero) Criterion was not address at all.

- 1 – Unacceptable
- 2 – Below Average
- 3 – Average
- 4 – Above Average
- 5 – Exceptional

You should evaluate the proposal independently and each proposal is to be evaluated against RFP requirements. If you need further clarification, do not contact the proposer but e-mail your questions to me instead.

After your review, please forward your evaluation sheets to me no later that than Friday, October 19th at noon, so I can summarize your scores and comments. The evaluation team meeting is scheduled to be held at Costa Mesa City Hall on Thursday, October 25th from 9:30-10:30, so we can discuss the scores given to each proposal, develop a team score, determine the proposers who will move onto the Interview phase of this process and make changes to the Interview questions if deemed necessary.

If you have any questions regarding this process, please call me at [REDACTED] or email me at kimberly.wilson@costamesaca.gov . Thank you for your participation and cooperation in this project.

Distribution:

[REDACTED]

INSURANCE BROKER SERVICES

EVALUATION COMMITTEE MEMBER STATEMENT

Request for Proposal:

INSURANCE BROKER SERVICES

You have been asked to participate in the evaluation of proposals that have been received as the result of the competitive solicitation referenced above. A proposal was received from each of the companies listed on the attached Inter-Departmental Communication dated October 8, 2012.

It is essential that the integrity of the evaluation process be maintained to insure that each Proposer is given fair and equal consideration. Your knowledge of and/or past or current association with particular firms and/or individuals must not influence your evaluation. The proposals and any subsequent respective clarifications and/or negotiations must stand alone, and you are required to be particularly objective and guard against any tendency to favor a particular firm or individual. (This does not mean that you are to ignore past or current experiences with a particular firm in which goods or services they supplied to the City were sub par.)

You are required to report to Purchasing, any actual or potential conflict of interest and the nature of the conflict. (You personally, or if your spouse or child has or had any association or interest with the business entity or any principal employee of the business entity.)

An additional consideration is the need to maintain confidentiality during the evaluation regarding the contents of the Proposers' responses, as well as the proceedings of the evaluation committee. Any inquiries regarding the evaluation of this particular solicitation must be directed to Kim Wilson.

You are asked to read and sign the following statement:

I have read, understand, and agree to the above, and I will adhere to the policies presented. I know of no conflict of interest on my part, nor have I accepted any gratuities or favors from Proposers, which would compromise my objectivity. I have no personal interest in seeing that a specific Proposer is awarded a contract. I shall keep all evaluation proceedings in strict confidence prior to contract award. I will do my best to base my recommendation for contract award solely upon the evaluation criteria in the solicitation and each Proposer's response.

Committee Member Signature _____ Date _____

Printed Member Name _____

Please sign and return this form to Kim Wilson immediately upon receipt.

Best Regards,

Kim Wilson
RFP Facilitator

City of Costa Mesa



Fax: (714) 754-5040

Email: kimberly.wilson@costamesaca.gov

NAME OF SERVICE HERE

PROPOSER:

Scores are given from 0 - 5 points indicating:

- 0 - the criterion was not addressed at all
- 1 - unacceptable
- 3 - acceptable
- 5 - exceptional

WEIGHTED VALUE	CRITERIA	RATER	SCORE 0-5
25 x Score <i>(The weighted value will be calculated by the RFP Facilitator)</i>	Qualifications of Entity and Key Personnel: Includes ability to provide the requested scope of services, the Proposer's Financial capacity, recent experience conducting work of similar scope, complexity, and magnitude for other public agencies of similar size, references.		
	Comments:		
10 x Score <i>(The weighted value will be calculated by the RFP Facilitator)</i>	Approach to Providing the Requested Scope of Services: Includes an understanding of the RFP and of the project's scope of services, knowledge's of applicable laws and regulations related to the scope of services.		
	Comments:		
50 x Score <i>(The weighted value will be calculated by the RFP Facilitator)</i>	Price Proposal: Price Proposal will be evaluated on the bases of the Total Estimated Annual Price submitted in Appendix D.		
	Comments:		
15 x Score <i>(The weighted value will be calculated by the RFP Facilitator)</i>	Innovative and/or creative approaches to providing the services that provide additional efficiencies or increased performance capabilities.		
	Comments:		
	ADDITIONAL COMMENTS:		



Interview Agenda

Team: INSURANCE BROKER SERVICES

Process/Project: Contracting City Services

Date: November 13, 2012

Time: 8:30 am

Place: CITY HALL, Conference Rm 1A

Meeting Facilitator: Kim Wilson		
Evaluators and Other Attendees:		
<i>Internal resources</i>	<i>Outside resource(s)</i>	
[REDACTED]	[REDACTED]	
[REDACTED]		
[REDACTED]		Resource: Kimberly Hall Barlow

Time	Agenda Topics:	Person Providing Information:
	Review Action Items	Kim Wilson
	Topic 1: Proposal Scores & Comments	Committee
	Topic 2: Reference Check Summaries	Kim Wilson
	Topic 3: DNB Summaries	Kim Wilson
	Topic 4: Interview Questions	Kim Wilson & Committee
	Topic 5: Interview Evaluation Forms	Kim Wilson & Committee
	Topic 6: Negotiation checklist	Kim Wilson
	Topic 7: Attentive Listening Skills	Kim Wilson
	Topic 8: Overall Pre-Award Selection Process	Kim Wilson
	Identify Items for Evaluation Committee	Committee

Proposal Interviews for the
Insurance Broker Services RFP
For the City of Costa Mesa

November 13, 2012
City of Costa Mesa
1st Floor Conference Room 1A
Civic Center
77 Fair Drive
Costa Mesa, CA 92626

Alliant Insurance Services

8:30AM – 9:00AM

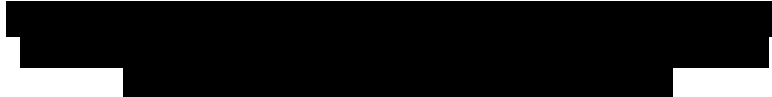


Arthur J. Gallagher Risk Management Services

9:15AM – 9:45AM



Panel Members



RFP Facilitator
Kim Wilson


Kimberly.wilson@costamesaca.gov



CITY OF COSTA MESA INSURANCE BROKER SERVICES INTERVIEW QUESTIONS

1. Grasp of the Project

- a. Describe your understanding of the City's Insurance Broker Services.
- b. Describe your understanding of the Costa Mesa and your relationship with them.
- c. To be successful, should the scope of the project be limited to the scope of services requirements? If not, what else should be included and why?

2. Approach and Work Plan

- a. Describe your approach and work plan for creating a transition with the city's including specific deliverables.
- b. What are the issues that you have experience in past implementations?
- c. Describe the City's responsibilities, requirements, supporting efforts needed in meeting your effort and delivery of services.
- d. What is the normal support you provide to clients with similar contracts (i.e., technical support for implementation/integration and trouble shooting of services)? Is this reflected in your schedule of cost?
- e. Describe your support outside of our primarily requirements.
- f. How will you comply with the city during emergency situations?
- g. Are you willing to be flexible with your schedule? If so, how will that affect your cost?

3. Qualifications and Experience

- a. Describe your firm's competence, support staff, turnover and willingness to adjust to specific needs.
- b. Of contracts that you have been awarded in the past, what percent have stayed within the proposal cost? Briefly describe the reason(s) for cost deviation on other similar projects/services.
- c. Describe one or two engagements where your firm may have had difficulty and explain why. How was it resolved?
- d. Is any portion of this service sub-contracted out?
- e. In order to facilitate the financial responsibility, City of Costa Mesa will request and evaluate Dun & Bradstreet (D&B) business analysis report form the prospective firm. If the financial information available through D&B is not sufficient to complete a satisfactory review will your firm offer to bring its latest completed comparative financial statement?

INTERVIEW EVALUATION FORM

INSURANCE BROKER SERVICES

Alliant Insurance Services

CATEGORY	WEIGHTED VALUE	SCALE 0 - 5
Grasp of the project Requirements including identification of critical elements and key issues.	15 Points	_____
Approach Work plan for the project, including innovative approaches	25 Points	_____
Qualification and Experience Of the Project manager, other key individuals	25 Points	_____
Communication Skills Of Personnel and response to key questions	20 Points	_____
Quality of the overall Presentation	15 Points	_____

COMMENTS:

Rated By: _____

INTERVIEW EVALUATION FORM
INSURANCE BROKER SERVICES
Arthur J. Gallagher Risk Management

CATEGORY	WEIGHTED VALUE	SCALE 0 - 5
Grasp of the project Requirements including identification of critical elements and key issues.	15 Points	_____
Approach Work plan for the project, including innovative approaches	25 Points	_____
Qualification and Experience Of the Project manager, other key individuals	25 Points	_____
Communication Skills Of Personnel and response to key questions	20 Points	_____
Quality of the overall Presentation	15 Points	_____

COMMENTS:

Rated By: _____

Negotiation Team Checklist for Contract Discussions for

Contract Terms and Conditions	What Should Be Included In the Final Contract?	Ideas for Negotiating
Scope of Services	<ol style="list-style-type: none"> 1. A comprehensive description of the scope of the contract and services that will be provided during implementation. 2. The process for adjusting the scope of services. 	<ol style="list-style-type: none"> 1. Construct language in the contract that details the scope of services for the services. Make reference to the original RFP and SOW. 2. Develop a clear change control process that details the procedures for amending or modifying the scope.
Pricing Metrics	<ol style="list-style-type: none"> 1. The pricing/licensing metric used to determine the cost of the services. 2. The user pricing formula 3. Price protection for each unplanned service hour. 4. The fixed hourly rate and total cost of the implementation services. 	<ol style="list-style-type: none"> 1. Negotiate terms that make the most long-term economical sense for the city 2. Watch for hourly rate increases for services that are outside of the current scope of the contract. Negotiate a cap on the hourly rate for such services. 3. Request hourly rates and total cost for each of the services being provided by the vendor, including the training, change management, process re-engineering, data conversion, and interface development.
Payment Schedule	<ol style="list-style-type: none"> 1. Terms and conditions for release of payment to the vendor for the software. 2. Terms and conditions for release of payment to the vendor for each of the implementation services. 3. The method that the vendor will use to track and report receivables. 4. The predetermined time frame for payment to the vendor. 5. The procedures for resolving disputes over invoiced amounts. 	<ol style="list-style-type: none"> 1. Avoid paying on standard invoicing terms. Develop a results-based agreement in which you only paid when a product or service is accepted. 2. No large deposits for implementation services. Clearly link the project timeline to the payment schedule and tie all payments to acceptance of a specific deliverable or major milestone. 3. Define the time frame for paying the vendor once a deliverable is accepted. 30 days. 4. Develop performance incentives and penalties that are manageable and meaningful. 5. Negotiate a holdback of payment for each milestone. 6. Release the final milestone payment, including holdbacks, after the full system, as described in the SOW, has been delivered, installed, tested and accepted.
Procedures and Qualifications for Acceptance of the System	<ol style="list-style-type: none"> 1. The definition of acceptance of each project milestone. 2. The procedures for accepting each deliverable. 3. Clearly defined responsibilities for acceptance. 4. The process for resolving issues that prevent acceptance. 	<ol style="list-style-type: none"> 1. Specify acceptance test criteria for all major deliverables including the installation of the off-the-shelf software, customized training documentation, interface development, data conversion, and the final system. 2. Use the SOW as a basis for developing the acceptance criteria. 3. Final acceptance should relate to the successful operation of the entire system-including how it performs on the hardware. 4. Define time frames for conducting acceptance tests that are reasonable. Allow ample time for your implementation team to fully test the system. 5. Clearly define the process for correcting deficiencies and rerunning tests. 6. Define deadlines, review procedures, and responsibilities for acceptance of each deliverable.

Negotiation Team Checklist for Contract Discussions for

Contract Terms and Conditions	What Should Be Included In the Final Contract?	Ideas for Negotiating
Term and Termination	<ol style="list-style-type: none"> 1. The term of the contract and provisions for extending the time frame 2. The circumstances under which vendor or we can terminate the agreement. 3. The lead-time to terminate. 4. The procedures for developing a transition plan. 5. The responsibilities of each party should termination occur. 	<ol style="list-style-type: none"> 1. Develop clearly defined procedures for creating new work-orders or extending the contract beyond the originally agreed upon term. 2. Maintain the flexibility to terminate, with or without cause, at any time during the project. 3. Clearly define what constitutes cause such as violation of the warranty agreement or any other material breach of the contract. 4. Construct terms that allow us to receive a portion of our investment back should the project end prematurely. 5. Request delivery of all documentation developed up to the point of termination. 6. Clearly define the length of the transition period. 7. Ensure that all terms and conditions in the contract remain in effect during the transition period.
Dispute Resolution	<ol style="list-style-type: none"> 1. The process for resolving disputes between the vendor and the City of Costa Mesa. 2. The time frames and terms for raising issues. 	<ol style="list-style-type: none"> 1. Identify a process for resolving and elevating disputes that is reasonable, manageable, and efficient. Define the types of issues that should be resolved at the project management, senior management, and legal level. 2. Provide the vendor with a structured forum for communicating and resolving issues.
Liability and Remedies	<ol style="list-style-type: none"> 1. Limitations on liability including restrictions on punitive and consequential damages. 2. Comprehensive remedies for material and non-material breeches of the contract terms and conditions. 	<ol style="list-style-type: none"> 1. Negotiate a limit on the vendor's liability that is reasonable and practical. Bond performance 2. Litigation and financial remedies should not be the only form of recourse. Develop remedies that are enforceable and motivate the vendor to comply with the original contract terms.

REFERENCE CHECKS

This section provides a summary of the reference checks sent out and received for each of the proposers who submitted proposals for this RFP.

TPA for Workers' Compensation

CONTRACTOR	Arthur J. Gallagher			Alliant		
Respondent	ASCIP Alliance of Schools for Cooperative Insurance Programs	City & County of San Francisco	CJPIA CA Joint Powers Insurance Authority	City of Anaheim	City of Huntington Beach	No Response Received
What type of work did they do for you?	Multi-line brokerage placement, consulting, OCIP administration	Brokerage and ERM consulting.	Retail broker/co-broker w/Towers Watson	Broker	Broker Services	City of Newport Beach
Annual Cost	\$400,000	\$3.5M/Year	\$62,500			
How would you rate this consultant on total Cost?	5	5	5	5.0	5.0	
On Timeliness?	5	5	5	4.0	5.0	
On Problem Responsiveness?	5	5	5	5.0	5.0	
On Quality of Service?	5	5	5	4.5	5.0	
On Attitude of Personnel?	5	5	5	5.0	5.0	
If you had to go out and bid today for a similar project, would you choose this firm again?	Yes! Gallagher is best in class	Definitely, we continue to use AJG for both brokerage and ERM consulting.	Yes, I work with John Chino and he is as knowledgeable and connected a broker as I have ever met.	Yes, with a doubt	Yes	
What are the strengths about this firm?	The Gallagher team is made of outstanding, technical professionals that are true business partners in our enterprise. I have never seen that their goal/agenda is anything other than making us successful.	They go above and beyond to make sure we receive exactly the product or service we need and do so in an efficient and cost effective manner. Their creativity and flexibility suit our most unique situations.	I can't comment about the firm as a whole, but John Chino and his team possess an incredible amount of knowledge about not just insurance but risk management in general, which is immensely helpful when issues of any kind arise. They are also responsive to needs I bring up.	-As to Alliant's claim of being a specialty public entity insurance broker and related-services provider, they are head-and-shoulders above any other brokerage firm. -Alliant has a broad base of very knowledgeable personnel, with many individuals who each have decades of public-entity-oriented experience. -Compared to other firms offering the same services which I use at Alliant, I have always found Alliant to be extremely competitive, price-wise. -I like their emphasis on their "team approach;" if one's account representative is unavailable, there are knowledgeable back-up individuals who can assist.	Quick response time. Very knowledgeable staff. Always willing to go the extra mile	
What are the weaknesses of this firm?	None	None	One area that could be considered a weakness for some clients is that they don't have "programs" where many organizations participate. While these can create good pricing and coverage terms, they can also limit flexibility when insureds need something outside the scope of the "program".	The only structural frustration I have with Alliant is that they have "separated" the control and reporting of (i) Alliant's brokers and (ii) Alliant's support staff into two separate branches or units	~left blank~	
Did they exceed their proposal cost?	No	No		Both on Anaheim's account and ACCEL's account, Alliant has never charged more, or tried to charge more than the agreed-upon contract fee.	n/a	
If so, by how much?	N/A	N/A		n/a	~left blank~	
If applicable, do you feel the exceeded costs were justified?	N/A	N/A		n/a	~left blank~	
Additional Comments					~left blank~	

PROPOSAL EVALUATION SCORES

This section provides a matrix of the evaluation committee member's individually weighted scores for each proposer in each of the evaluation criterion categories. The individual scores are tallied, providing a team score for each proposer. The proposers are then ranked from highest to lowest overall team score.

INSURANCE BROKERS

Proposal Scores

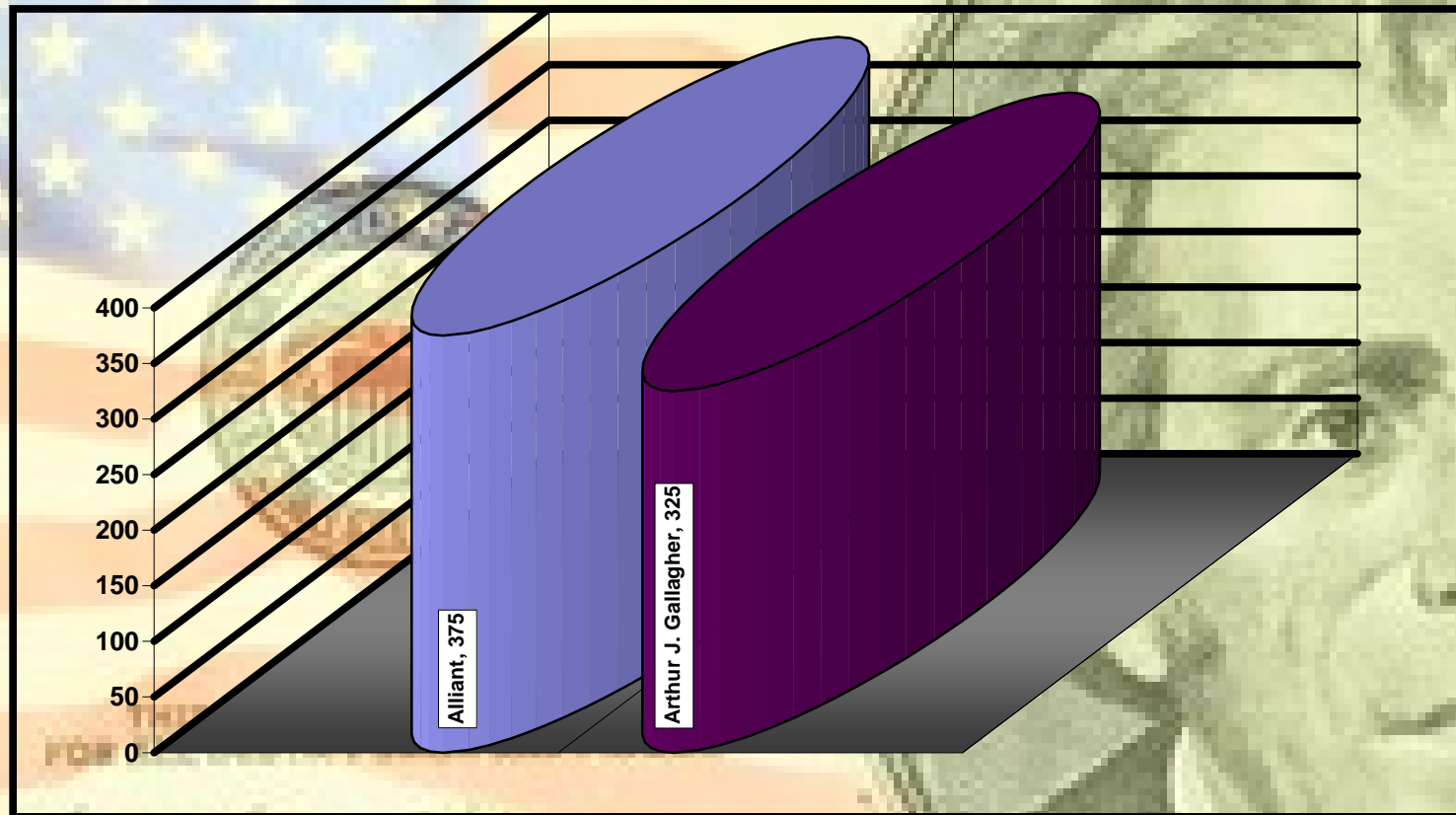
		1	2	3	Totals	
25	Qualifications of Entity and Key Personnel					
Alliant		5	5	5	15	375
Arthur J. Gallagher		5	4	4	13	325
35	Approach to Providing the Requested Services					
Alliant		4	5	5	14	490
Arthur J. Gallagher		3	4	4	11	385
30	Price Proposal					
Alliant		4	4	4	12	360
Arthur J. Gallagher		5	3	5	13	390
10	Innovative and/or Creative Approaches					
Alliant		0	3	4	7	70
Arthur J. Gallagher		0	3	4	7	70
Proposer	Proposal Scores	Rank	Proposal Cost	NOTES		
Alliant	1295.00	1	\$ 50,000.00			
Arthur J. Gallagher	1170.00	2	\$ 50,000.00			

INSURANCE BROKERS
Proposal Comments

RATERS	Alliant	Arthur J. Gallagher
1	QUALIFICATIONS: -Extensive local gov't experience APPROACH: -Well defined methodology	APPROACH: '-Negative tone to the proposal. Highly critical of the current program. -This could have been approached without the criticism and negativity. ADDITIONAL COMMENTS: -Concerned about the fact that a City of Costa Mesa Police Reserve Officer is a member of the team. -Need a legal opinion on the potential conflict of Interest.
2	QUALIFICATIONS: -Largest LC Broker in CA in terms of # of clients and premium volume PRICE: -\$50K, 420 hrs, composite rate \$120/hr ADDITIONAL COMMENTS: -Bulk Insurance Purchasing Programs	QUALIFICATIONS: -City & County of S.F. -Lots of Cities -Chino ARM-PE -Critical of current provider - "Current Brokers are not doing the job" -Stable program that utilizes and aggregates loss pick and combines claims management with/Loss Control. PRICE: -\$50K - 2yrs op1 INNOVATION: -Assists TPA with quarterly claims review "...will save the City a Million Dollars in 2-3 years over existing costs." ADDITIONAL COMMENTS: 1 of 2 proposers - recommend interview
3	QUALIFICATIONS: -Largest PB Broker in CA in terms of # of clients & premium volume PRICE: -\$50K, 420hrs - composite rate \$120/hr ADDITIONAL COMMENTS: -Bulk Insurance purchasing program -PEPIP, Animal - CSAC-EIA	QUALIFICATIONS: -Experience - Cities, JPAs, School Districts PRICE: -Additional costs? - TPA Quarterly Claim Review, W/C & Liability Loss Prevention -\$50K - Approximately 1,000 hrs (1,078) -Composit \$46.30 - ? Viable number INNOVATION: -Basis for claim of \$1.0million Savings 2-3 years?

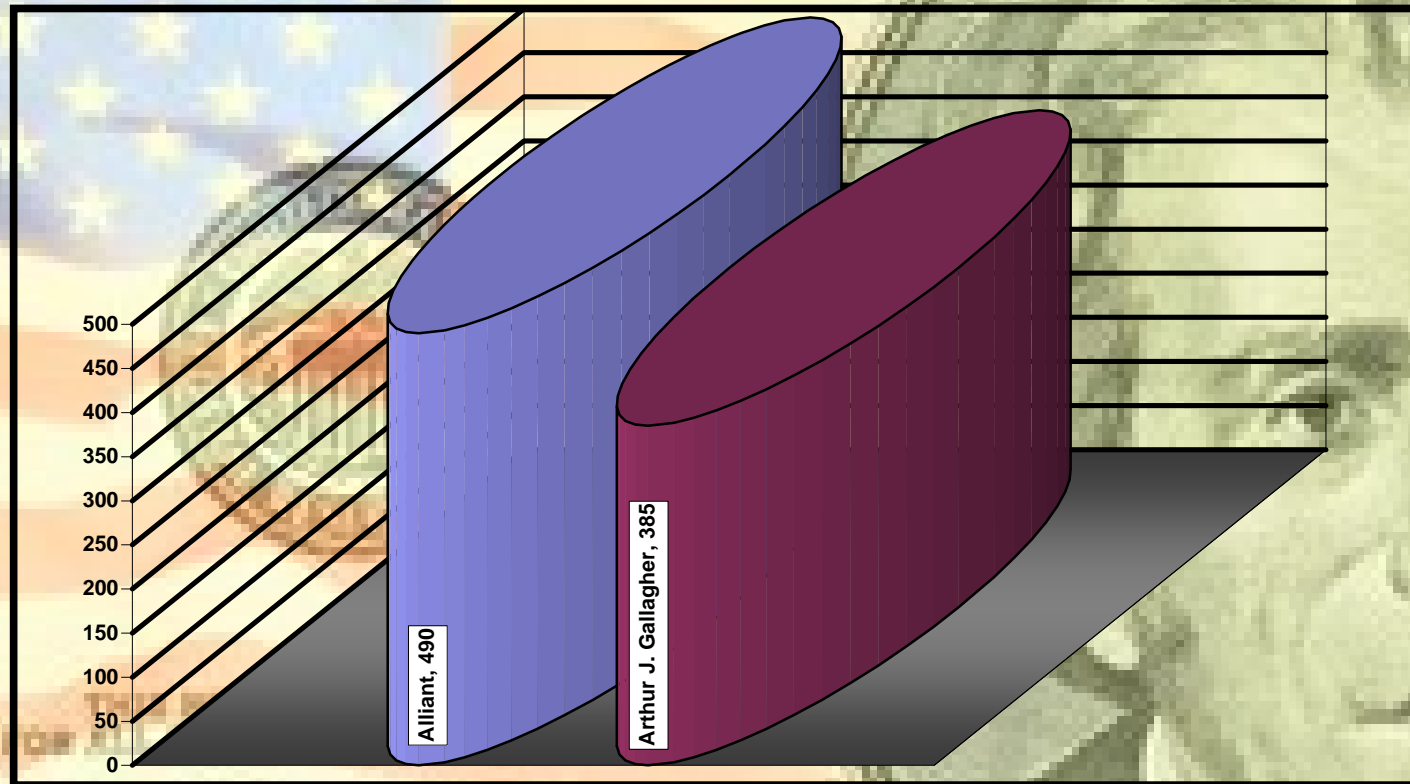
INSURANCE BROKERS

Qualifications of Entity and Key Personnel



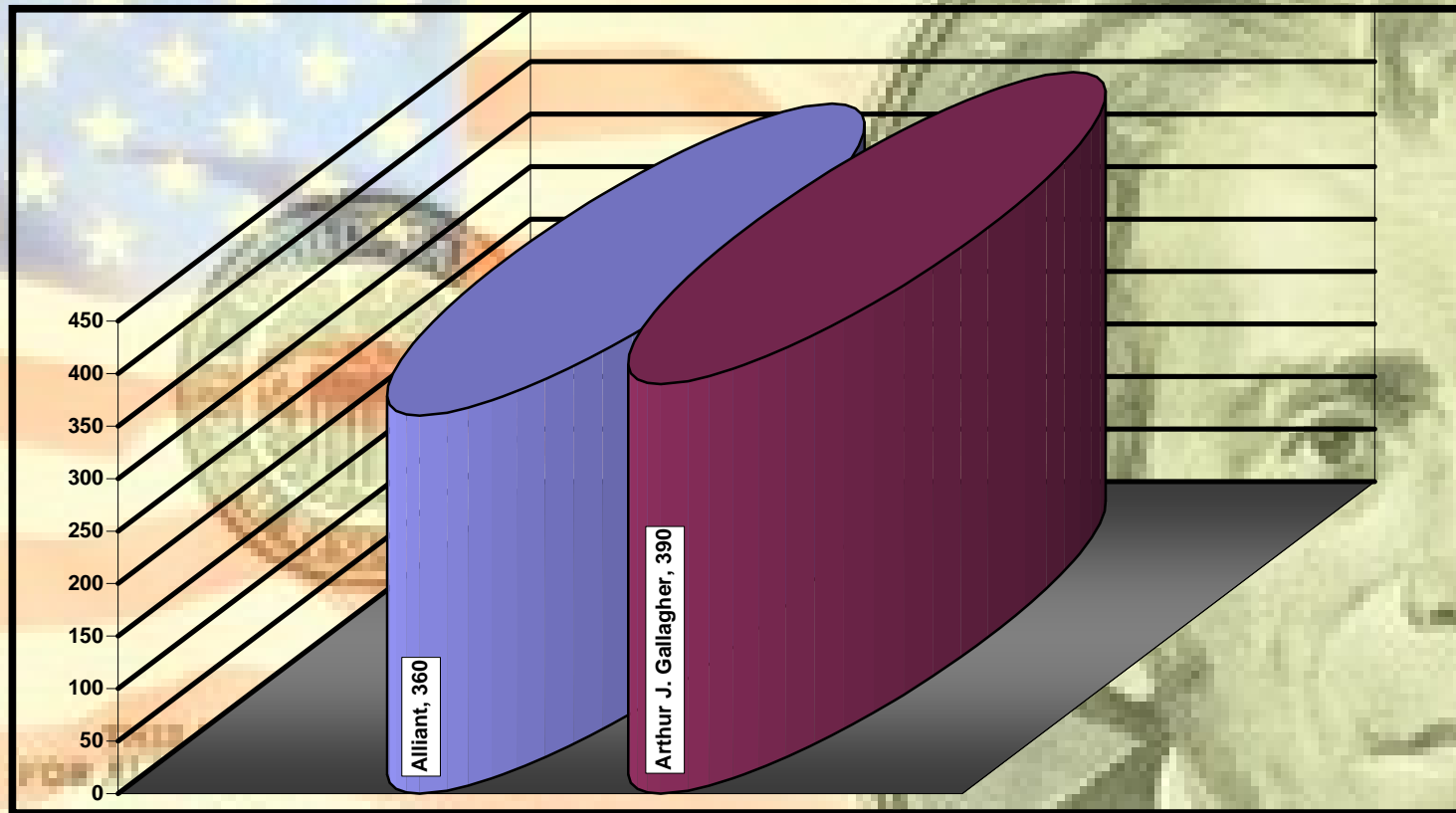
INSURANCE BROKERS

Approach to Providing the Requested Scope of Services



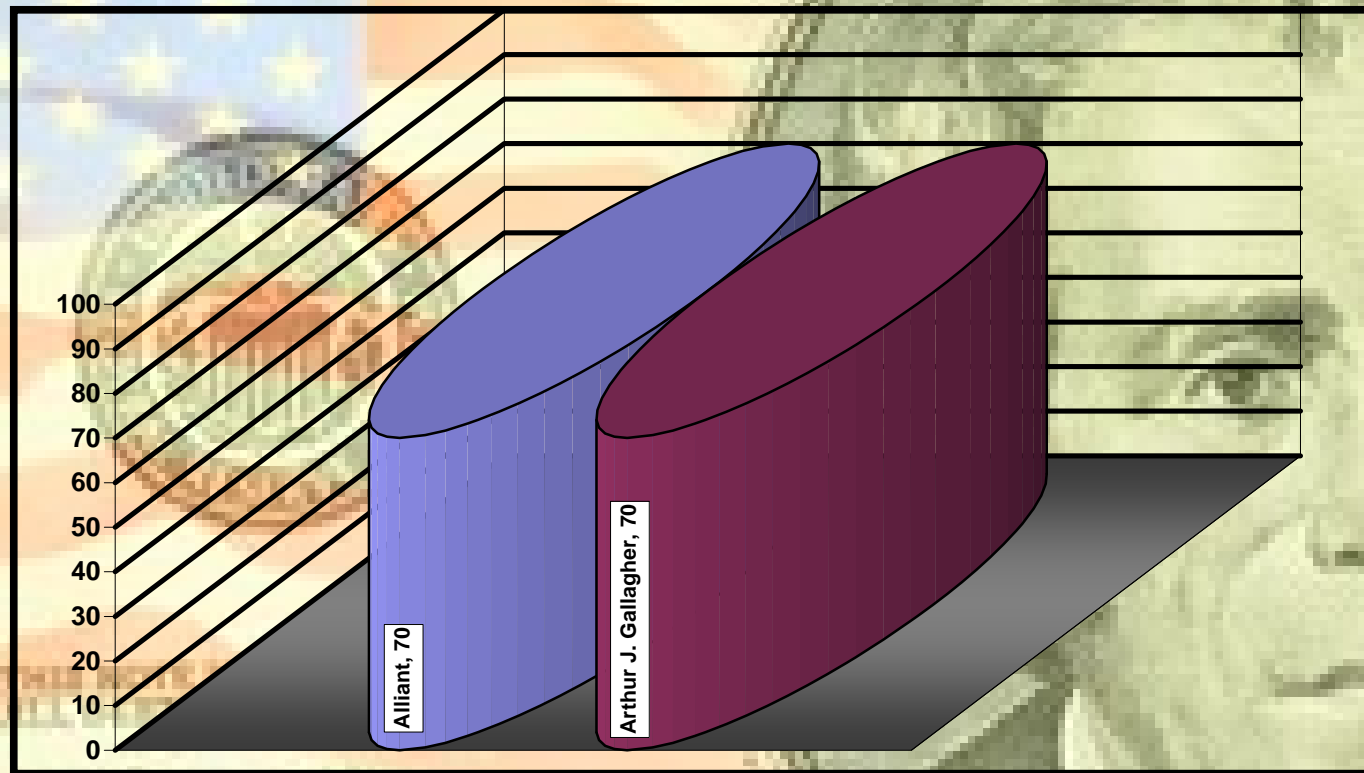
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Price Proposal



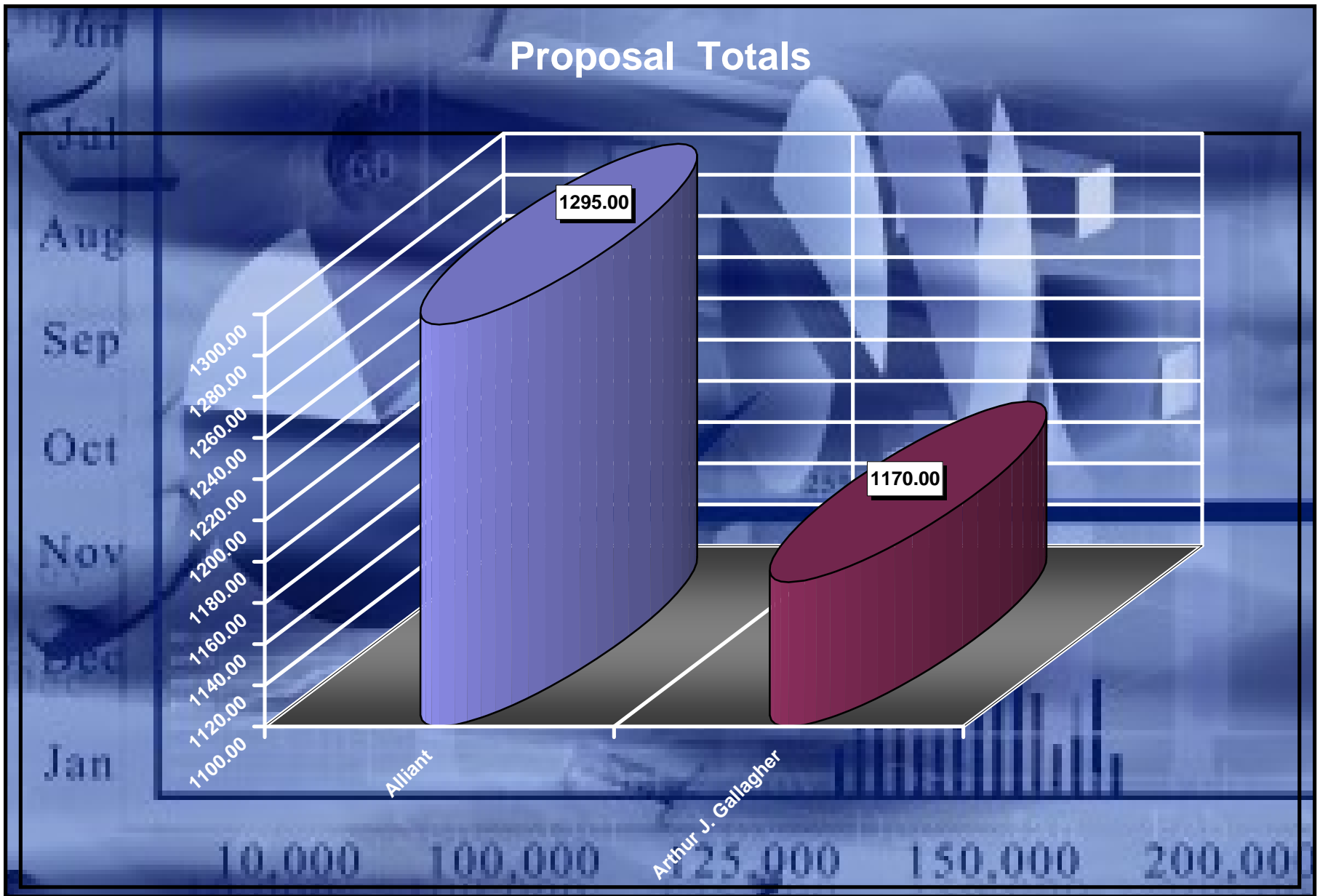
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Innovative and Creative Approaches



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Proposal Totals



INTERVIEW EVALUATION SCORES

This section provides a matrix of the evaluation committee member's individually weighted scores in each of the evaluation criterion categories for each proposer who was selected to advance to the Interview phase of the RFP process.

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Interview Scores

		1	2	3	Totals	
15		Grasp of Project				
Alliant Insurance Services		5	5	5	15	225
Arthur J. Gallagher		3	3	4	10	150
25		Approach and Work plan				
Alliant Insurance Services		5	4	5	14	350
Arthur J. Gallagher		3	2	5	10	250
25		Qualification and experience				
Alliant Insurance Services		5	5	5	15	375
Arthur J. Gallagher		3	3	4	10	250
20		Communication / Presentation				
Alliant Insurance Services		4	5	4	13	260
Arthur J. Gallagher		2	2	4	8	160
15		Quality of the overall Presentation				
Alliant Insurance Services		4	5	4	13	195
Arthur J. Gallagher		2	2.5	4	9	127.5
Proposers	Interview	Proposal	Totals	RANK	Annual Fee	NOTES
Alliant Insurance Services	1405	1295	2700.00	1	\$ 50,000.00	
Arthur J. Gallagher	937.5	1170	2107.50	2	\$ 50,000.00	

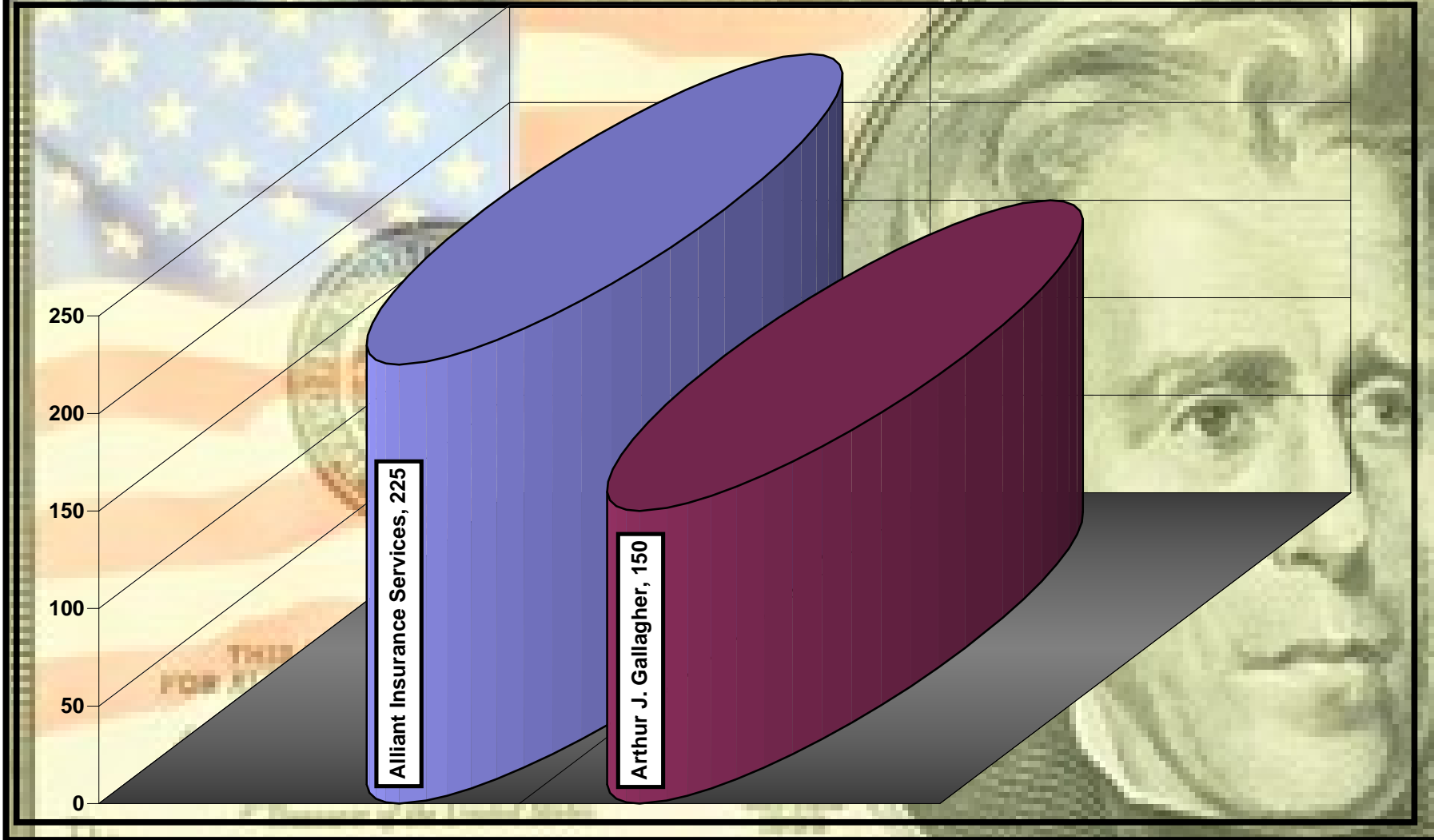
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Interview Comments

Rater		Alliant	Arthur J. Gallagher Risk Management
1	██████	<ul style="list-style-type: none"> -They have a great deal of public sector and specifically California experience. -Good customer service focus. 	<ul style="list-style-type: none"> -Negative presentation -The insults about the competitors and the City's current program were out of line.
2	██████	<ul style="list-style-type: none"> -Clear, concise & succinct presentation -Strongest public sector background & experience -Excellent customer service. -Hit key points of RFP 	<ul style="list-style-type: none"> -Limited understanding of the City of Costa Mesa -Discussed ethics, but unprofessional in addressing current vendor. -"Get Away" with Hourly Fee
3	██████	<ul style="list-style-type: none"> -Unique service - Bulk Insurance Program -Insurance requirements manual -Leader in P.E. in California in terms of # of City & County clients. 	<ul style="list-style-type: none"> -A bit unprofessional with negative comments of competitors. -Hours - question mark? -Lives in CM would do it essentially for free - I found the response very questionable.

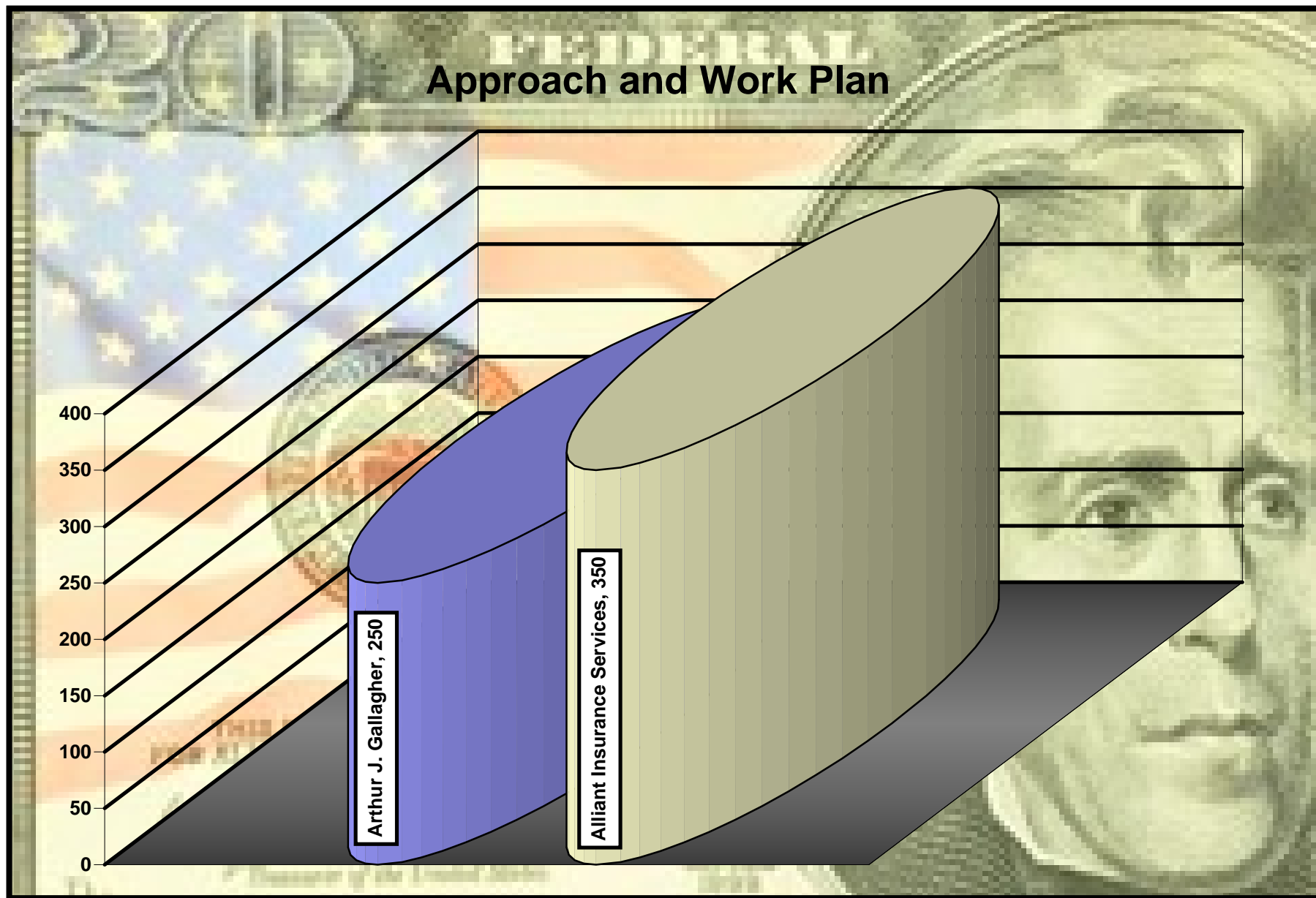
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Grasp of Project



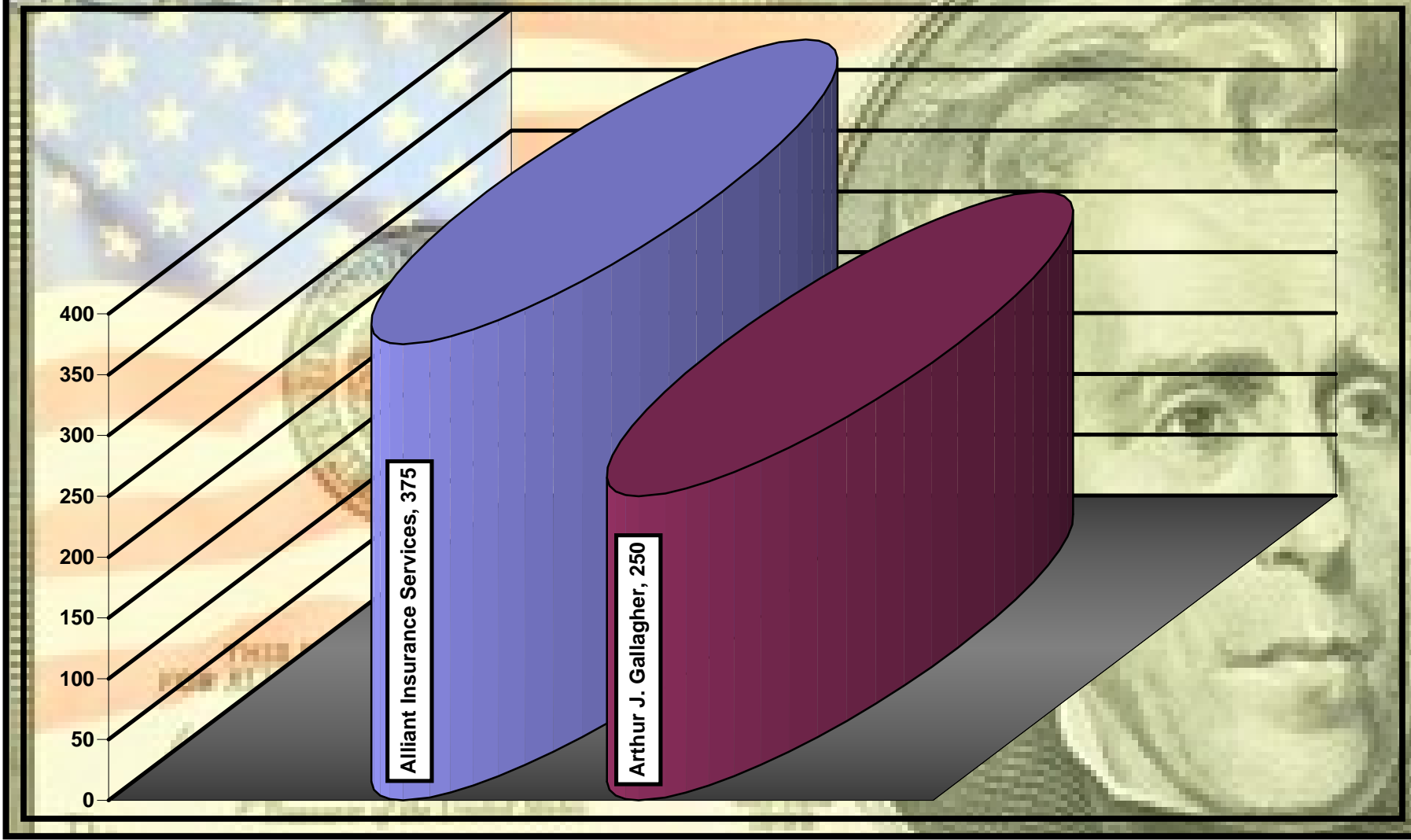
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Approach and Work Plan



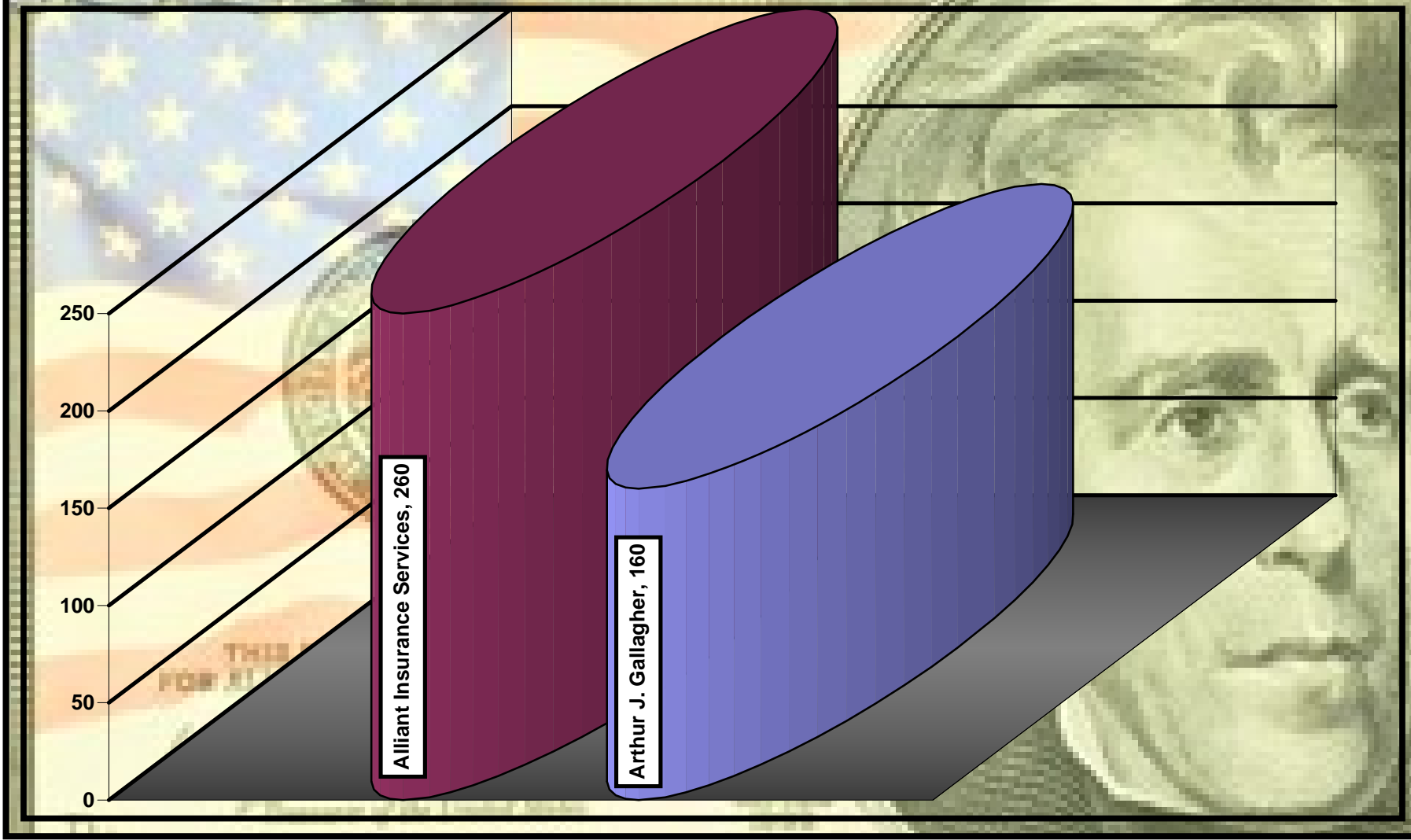
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Qualification and Experience

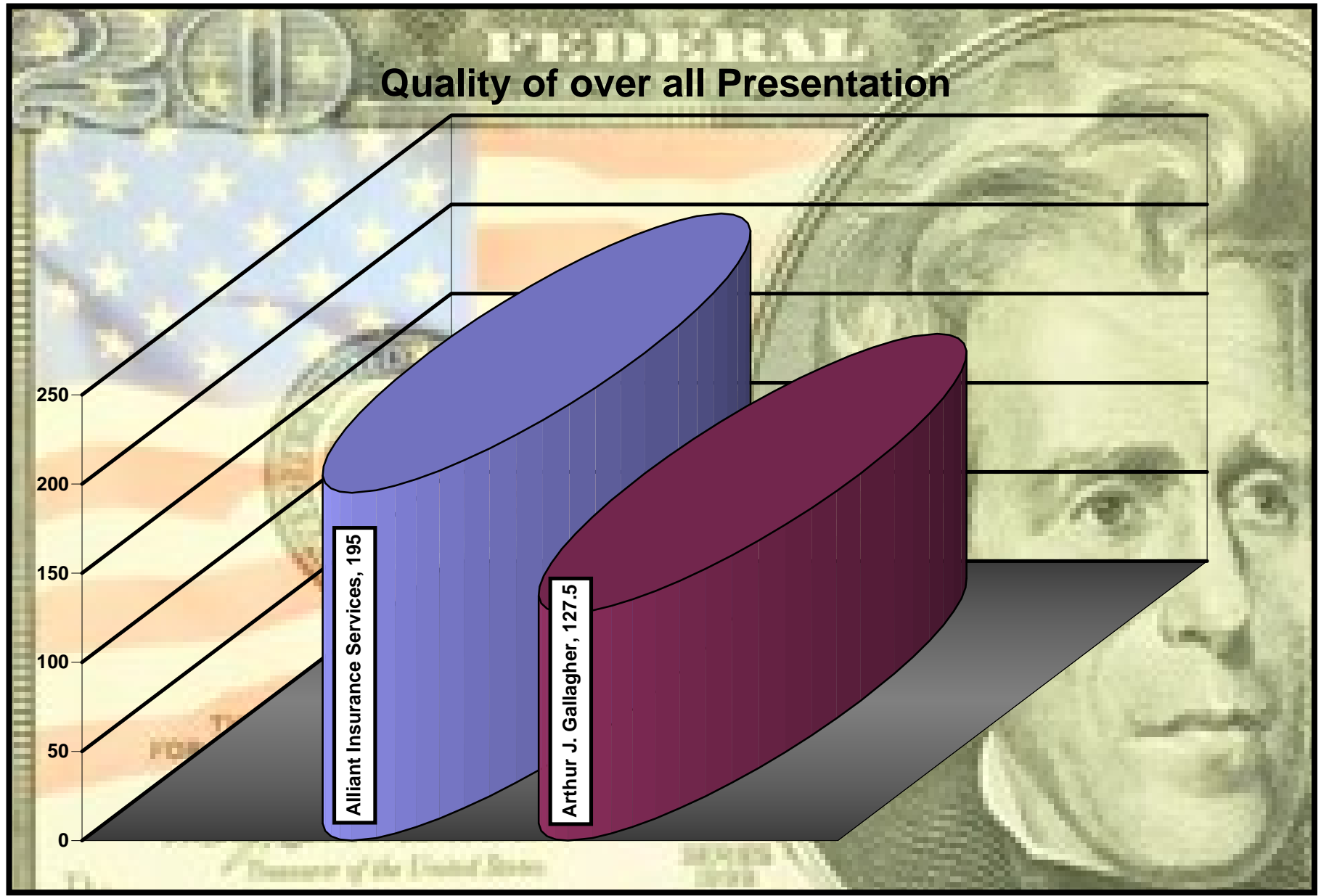


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Communication/Presentation



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