



# HOWARD COUNTY, MARYLAND

## OFFICE OF PURCHASING

6751 Columbia Gateway Drive, Suite 501, Columbia, MD 21046

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***ADDENDUM NO. 2  
ISSUED OCTOBER 11, 2018  
REQUEST FOR PROPOSALS***

***RFP-05-2019  
RISK MANAGEMENT CONSULTING SERVICES  
REVISED OPENING: OCTOBER 24, 2018 AT 11:00 A.M.***

<https://www.howardcountymd.gov/Departments/County-Administration/Purchasing>

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This addendum is hereby made a part of RFP-05-2019. Note the following information and submit the proposal accordingly.

### **Clarifications**

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Change all references for the opening date from October 17, 2018 to October 24, 2018.

### **Questions/Answers**

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1. Is there is an existing contract/provider for these Risk Management Consulting Services? If yes, who is the incumbent? How long have they held the contract? What was the compensation? (please provide period that compensation covered).  
**ANSWER:** The incumbent is Insurance Buyers' Council, Inc. They have held a contract since 2009. The compensation will not be provided.
2. Is the proposed Consultant for Property & Casualty only?  
**ANSWER:** The contract is not limited to property/casualty.
3. Is the County looking to restructure or consider a new insurance program?  
**ANSWER:** Not at this time.
4. How long has the County had their current insurance structure?  
**ANSWER:** Twenty years.
5. How often are meetings held between the County and the Risk Management Consultant? (i.e., excluding meetings with the Third-Party Administrators, Actuary, Other Contractors, etc.)  
**ANSWER:** Meetings are held as needed. The most recent contract year included one meeting.
6. If this is a new program/contract, what is the driver for the new program / contract?  
**ANSWER:** This is not a new program/contract.

7. If this is an existing contract, are there key changes the County is seeking with this new contract? Key drivers of the anticipated changes?  
**ANSWER:** There are no key changes.
8. Would you confirm that the coverages outlined in the Table below are the insurance programs for which this contract will apply per Sections D 1 and D 2.8? Also, what are the self-insured retentions and limits for each program? What is the current policy period for each?  
**ANSWER:** See below chart.

| Coverage  | SIR   | Limit   | Policy Period         |
|---|---|---|-----------------------|
| <b>Local Government Insurance Trust (Excess Coverages Pool)</b> |   |   |                       |
| <b>Excess General Liability</b>                                 | \$1,000,000   | \$5,000,000   | 7/1/2018-6/30/2019    |
| <b>Excess Public Official and Law Enforcement Liability</b>     | Covered under Excess GL Policy (see above)                | Covered under Excess GL Policy                              |                       |
| <b>Excess Auto Liability</b>                                    | \$1,000,000   | \$5,000,000   | 7/1/2018-6/30/2019    |
| <b>Excess Property</b>  | \$100,000   | Blanket to \$1 billion                                      | 7/1/2018-6/30/2019    |
| <b>Commercial Policies</b>                                      |   |   |                       |
| <b>Equipment Breakdown</b>                                      | \$10,000  | \$25,000,000  | 7/1/2018-6/30/2019    |
| <b>Commercial Crime</b>   | \$50,000  | \$2,000,000   | 12/20/2017-12/20/2018 |
| <b>Fiduciary Liability</b>                                      | County Retirement \$10,000<br>Police/Fire Retire \$10,000 | County Retire \$5,000,000<br>Police/Fire Retire \$5,000,000 | 5/1/2018-5/1/2019     |
| <b>Environmental</b>  | n/a   | n/a   | n/a                   |
| <b>Excess Workers Compensation</b>                              | n/a   | n/a   | n/a                   |
| <b>Special Events</b>   | \$0   | \$2,000,000   | 5/12/2018-5/12/2019   |
| <b>Aviation</b>   | 2.5% of value   | \$20 M Liab<br>\$3.5 M Hull                                 | 8/22/2018-8/22/2019   |
| <b>Self-Insurance</b>   |   |   |                       |
| <b>Workers Compensation</b>                                     | Up to statutory limits                                    | Up to statutory limits                                      |                       |

9. Section D.1, Background, states that “commercial insurance policies are purchased to supplement the coverage as necessary” as confirmed in the table above. How are these coverages purchased? i.e., Insurance Brokers? If yes, who are the Insurance Brokers for these coverages? Are the Broker of Record agreements beyond the current policy periods?  
**ANSWER:** Policies are currently purchased by the Office of Risk Management Local Government Trust, a risk pool.
10. As noted in the RFP the County is self-insured but also purchases some insurance through a pool and some stand-alone policies, please provide a schedule of insurance including current carriers, annual premiums, limits and deductibles.  
**ANSWER:** See below.

## Howard County Commercial Insurance Policies – FY19

| Policy   | Broker/<br>Carrier                    | Policy<br>Date             | Limits                       | Deductible<br>(Retention) |
|--|---------------------------------------|----------------------------|------------------------------|---------------------------|
| Excess General Liability<br>(including Cyber)          | LGIT                                  | 7/01/18 - 6/30/19          | \$5,000,000                  | \$1,000,000               |
| Excess Property  | LGIT                                  | 7/01/18 - 6/30/19          | Blanket to<br>\$1Billion     | \$100,000                 |
| Excess Auto  | LGIT                                  | 7/01/18 - 6/30/19          | \$5,000,000                  | \$1,000,000               |
| Equipment Break-down                                   | CNA                                   | 7/01/18 - 6/30/19          | \$25,000,000                 | \$10,000                  |
| Commercial Crime                                       | RCM&D/<br>F&D                         | 12/20/15 - 12/20/18        | \$2,000,000                  | \$50,000                  |
| Special Events   | Jacobs Co/<br>K&K                     | 5/12/2018- 5/12/2019       | \$2,000,000                  | \$0                       |
| County Retirement Plan:<br>Fiduciary                   | Alliant                               | 5/1/18 - 5/1/19            | \$5,000,000                  | \$10,000                  |
| County Retirement Plan:<br>Crime                       | RCM&D/<br>F&D                         | 12/20/15 – 12/20/18        | \$2,000,000                  | \$10,000                  |
| Police/Fire Retirement Plan:<br>Fiduciary              | Alliant                               | 5/1/18 - 5/1/19            | \$4,000,000                  | \$25,000                  |
| Police/Fire Retirement Plan:<br>Crime                  | RCM&D/<br>F&D                         | 12/20/15 – 12/20/18        | \$2,000,000                  | \$10,000                  |
| Finance Director’s Bond                                | Rossmann,<br>Hurt,<br>Hoffman/<br>CNA | 1/27/18 – 1/27/19          | \$400,000                    | none                      |
| Aviation Policy  | USIS,<br>Inc/Global                   | 8/22/2018 - 8/22/2019      | \$20 M Liab;<br>\$3.5 M Hull | 2.5% of value             |
| Police Aux; Police & Fire<br>Chaplains Accident Policy | RCM&D/<br>Provident                   | 10/21/2018 -<br>10/21/2019 | \$200,000                    | \$0                       |

11. Aon works with and in some cases, has ownership interest in insurance intermediaries and partners that provide insurance and reinsurance solutions and products. In order to provide the full range of solutions, Aon would access these markets. These are Corporate / Global relationships that are independent of the RFP. Aon (ARS) encourages its retail brokers to approach markets directly (without an intermediary) wherever possible. However, where ARS believes it is in the Client's best interest, We may recommend the use of intermediaries, including but not limited to co-brokers, sub-brokers, managing general agents/managing general underwriters, wholesale brokers, or reinsurance brokers (collectively, "Intermediary") to assist in the procurement and servicing of the Client's insurance. ARS prefers, wherever possible, to use the services of an ARS-affiliated Intermediary and ARS shall not be responsible for a non-ARS affiliated Intermediary's actual or alleged acts, errors, or omissions or those of its officers, directors or employees. Any and all compensation earned by an Intermediary in connection with the programs shall be in addition to the compensation paid to ARS and shall not be credited against the Fee, if any. We will require the County's authorization to utilize approved intermediaries when necessary.  
**ANSWER:** Preference shall be given to an independent consultant not offering products that may result in conflicts of interest.
12. Was there an RFP for the Broker services? If yes, RFP/Contract #?  
**ANSWER:** The County does not have a broker of record.
13. Who is the current Third Party Administrator (TPA) referenced in Section D.1, Background?  
**ANSWER:** Corvel Corporation.
14. For what coverage(s) do they provide claims management services?  
**ANSWER:** They provide Workers Compensation, Auto Liability and General Liability.
15. How long have they been the County's Third Party Administrator?  
**ANSWER:** Since 2002.
16. What is their current period of performance?  
**ANSWER:** Services are reviewed for annual renewal.
17. How often does the TPA conduct claim review meetings for each of the programs they manage? Who attends these meetings?  
**ANSWER:** Claim review meetings are estimated to be held 3-4 times annually. The staff that attend vary.
18. Where is Corvel's offices located?  
**ANSWER:** White Marsh, MD.
19. How large is the Howard County Risk Management Office (i.e., number of employees)?  
**ANSWER:** Seven employees.
20. What are the key roles and responsibilities? Who is the primary point of contact with the Risk Management Consultant? What are the key systems utilized by the Office (i.e., technology, e.g., database/data repository)?  
**ANSWER:** The staff is comprised of management, insurance coordinators, safety coordinators, and administrative support. Third Party Administrator software is used in addition to an internal database and standard Microsoft office software.
21. Who within the Risk Management Office has primary responsibility for managing the governmental pool program? (i.e., serving as liaison? attending meetings? submitting underwriter information? submitting and managing claims?)  
**ANSWER:** The Risk Manager and Deputy Risk Manager.
22. Who is the current Actuary? What are the coverages for which they provide actuarial studies?

**ANSWER:** Towers Watson. They cover Environmental Liability, Workers' Compensation, General Liability, and Auto Liability.

23. What is the date of the most recent actuarial report and how often are meetings held?

**ANSWER:** Final draft prepared Sept 2018. Meetings may vary, at a minimum an annual meeting would be required.

24. Who attends the Actuarial meetings from the Risk Management Office and/or the Risk Management Consultant?

**ANSWER:** The Risk Manager and Deputy Risk Manager and potentially members of the administration (CAO, Deputy CAO, Chief of Staff, Budget, etc.).

25. Where is Tower and Watson's office located?

**ANSWER:** Ellicott City, MD.

26. What 'other contractors' are being referred to in Section D 2.7?

**ANSWER:** We currently don't have any other contractors.

27. Does the County have any current coverages with carriers outside of the United States? If yes, are underwriter meetings held outside of the U.S.? If yes, which coverages?

**ANSWER:** No.

28. In Section D 5, Contractor's Qualifications, it is stated that Contractors must not currently be engaged in selling of insurance. May subcontractors be utilized as subject matter experts (SMEs) for select consulting services if they are engaged in the selling of insurance (e.g., insurance brokers)? If yes, are there limitations for what services they may provide?

**ANSWER:** No.

29. How many County departments are allocated self-insurance costs referenced in D 2.5? How often are the allocations?

**ANSWER:** Costs are spread between 11 internal agencies and 5 additional affiliated agencies for calculation of allocation/chargebacks.

30. Would you describe your current, if any, loss control programs? Who provides these services? While it is not specifically described in Section D 2, Statement of Work, are you expecting that loss control consulting will be a component of this Risk Management Consulting program (e.g., D 2.1 states '...all matters relating to the County's Risk Management Program' and D 2.2 states 'written recommendations on insurance and risk management matters?')

**ANSWER:** Loss control consulting services are not being requested.

31. Are there other meetings and/or conferences for which the County would like the Risk Management Consultant to attend? Where? How often?

**ANSWER:** Yes, additional meetings may include speaking to the administration or County Council as needed.

32. Section E 2.3.5 states that at least 3 examples of public entity risk management consulting service examples must be provided. May private sector risk management experience be substituted for one or more of these 3 examples?

**ANSWER:** Yes, but preference will be given to those with applicable experience in the public sector.

33. Item 8, Estimated Annual Contract Value of \$30,000 to \$75,000, is pricing outside of the parameters acceptable, or is this range a qualifying/disqualifying criterion?

**ANSWER:** The range is an estimated annual value for the contract and is not a qualifying/disqualifying criterion.

34. The price page has an estimated annual quantity of 75 hours. Is this number fixed?  
**ANSWER:** Yes, it is fixed.

All other specifications, terms and conditions remain the same.

Please acknowledge addenda by signing below and returning with the proposal. Failure to acknowledge this addendum may be cause for rejection of the proposal.

**ADDENDUM RECEIVED BY:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Title

EHB