

The Philadelphia Parking Authority
701 Market Street, Suite 5400
Philadelphia, PA 19106

RFP No. 17-34
Insurance Broker and Risk Management Services
Addendum One

To: See Email Distribution List

From: Mary Wheeler
Manager of Contract Administration

Date: January 19, 2018

No Pages: 5 pages plus attachment

This addendum is issued on January 19, 2018 prior to the RFP due date to add, delete, modify, clarify and/or to respond to questions submitted by prospective offerors regarding the work included in the above referenced solicitation.

CLARIFICATIONS, CHANGES AND ADDITIONS TO THE BID DOCUMENTS

1. NOTICE TO ALL POTENTIAL OFFERORS: Many of the questions submitted through this process seem to seek information to help shape a proposal that will be substantially similar to the Authority's current broker relationship. As we have noted above, we seek creative and new proposals on the handling of our insurance program, loss controls, risk management, employee training, etc. The proposal is an opportunity to present a comprehensive plan to address those issues and is specifically not an attempt to obtain identical services at a lower price.

QUESTIONS

1. Question: I wanted to know if there is any way to get the loss history for all lines of coverage for the past 5 years?
Response: That information is not readily available, however, the following information was provided by the Authority's Risk Management Department to illustrate typical volume for 12 month period.

Claims filed with insurance carriers thru broker:

- Business Auto - 50
- General Liability - 10
- Directors & Officers Liability - 10

Claims filed with insurance carrier and managed in-house

- Workers' Compensation - 450 (300 memo-only, 150 medical treatment)

2. Question: Please provide an overview of the current insurance program including the structure, deductibles, etc.
Response: See attached "PPA - 2017 Insurance Program Summary .pdf"

3. Question: Please provide loss runs for Automobile Liability, General Liability, Workers Compensation, and Property insurance.

Response: See response to Question #1.

4. Question: What are the current fees charged by the current broker?

Response: \$101,710.00 for the fifth term of the contract.

5. Question: Please describe the analytical services utilized by the Authority.

Response: The Authority does not currently use any outside services or specialized software to analyze risks. If services/software will be provided as part of the services being offered please describe in your response.

6. Question: Please advise the types of Loss Control services currently utilized by the Authority and the hourly commitment provided.

Response: Annual review with broker and carrier for General Liability, Auto, and Workers' Comp claims/trends.

The Authority does a periodic review of claims data using in-house and carrier's reporting tools to identify trends and consider operational changes to reduce or eliminate certain types of accidents. This approach is used for all claims reported to the carrier (General Liability, Auto, and Workers' Comp) as well claims handled in-house (property damage related to minor motor vehicle accidents, towing/impound operations, and off-street parking facilities.)

This is an area the Authority would like to see significantly improved in conjunction with our new broker relationship.

7. Question: Can the PPA provide a more comprehensive schedule of insurance outlining policy periods, carriers, limits, deductibles/retentions and premiums?

Response: See attached "PPA - 2017 Insurance Program Summary .pdf"

8. Question: Can you provide a breakdown of payroll by WC classification?

Response: This information will be made available after the award of a contract to the successful broker.

9. Question: Can you provide the replacement cost values and business interruption values by location?

Response: This information will be made available after the award of a contract to the successful broker.

10. Question: Five years of carrier and TPA loss runs for all insured and self-insured programs. (See attached document for requested data fields. We would like to at least see total incurred and claim counts by year per policy.)

Response: Please see response to Question #1 above. Any additional will be made available after the award of a contract to the successful broker.

11. Question: Actuarial reports for any insured or self-insured programs.

Response: This information will be made available after the award of a contract to the successful broker. Providing actuarial services is not in the Work Statement included in this RFP.

12. Question: Are actuarial services provided by your current broker or through other partnerships?

Response: Actuarial services are provided through another contract, not our current broker.

13. Question: Copies of last year's renewal applications.

Response: This information will be made available after the award of a contract to the successful broker.

14. Question: Five years of historical exposure data for all policies:

Location schedule and values

- List of equipment and values, including rolling stock
- Vehicle listing and values

- o Payroll by class code and employee concentration by location and shift

Response: This information will be made available after the award of a contract to the successful broker.

15. **Question:** Schedule of outstanding collateral, including amounts, type of collateral (cash/LOC/bonds/etc.) and the risks and years the collateral is supporting. What are the fees/rates on your collateral?

Response: This information will be made available after the award of a contract to the successful broker.

16. **Question:** Provide an overview of the risk management infrastructure that you currently have in place, including how your team is staffed and the functional responsibilities of your team.

Response: This information will be made available after the award of a contract to the successful broker.

17. **Question:** Describe how you interface with your current brokers, including the claims and risk control / safety services you require.

Response: See response to Question #1.

18. **Question:** Describe your overall philosophy for managing claims.

Response: Please refer to the response to Question #1 above.

19. **Question:** Describe your overall philosophy for loss prevention / safety.

Response: Please refer to the response to Question #5. However, please note that the Authority is seeking assistance with its plan to modernize its approach to loss prevention and safety issues and wants to see proposals to move that agenda forward. We seek assistance with plans not only to provide adequate and economical coverage of claims, but also with our new goal to take aggressive and creative action to prevent them.

20. **Question:** Describe how claims are currently reported to your carriers/TPAs.

Response: Please refer to the response to Question #1, above. Additionally, claims that are filed from the Authority directly with the carrier (primarily workers compensation) are filed through a web interface. Claims filed through the broker are provided to the broker via email from the Authority.

21. **Question:** What software and/or RMIS system is currently being utilized (if applicable)?

Response: See response to Question #4.

22. **Question:** How often are the claims reviewed with the TPA/carrier(s)? What is the review format?

Response: See response to Question #6 above. Additionally there are quarterly conference call to review GL, Auto and WC claims with the Authority, broker and carrier. It is the broker's responsibility to schedule and coordinate the quarterly conference calls.

23. **Question:** Has there been any claim related coverage disputes in the past? Were they resolved to your satisfaction?

Response: Any disputes that have been presented have been resolved to the Authority's satisfaction.

24. **Question:** What types of day-to-day services are required of the broker and associated volume?

Estimated number of certificates of insurance to be issued. **Typical volume is 15 per year.**

How do you track and manage receipt and review of certificates from third parties? **Certificates of Insurance are sent to the broker for review and comment.**

Estimated number of contract reviews and support required. **Approximately 115.**

25. **Question:** Can the Authority provide a 5 year loss history for all lines of insurance?

Response: See response to Question #1.

- 26. Question:** Please provide copies of current insurance policies?
Response: This information will be made available after the award of a contract to the successful broker.
- 27. Question:** Please provide a schedule of insurance detailing inception dates, limits and deductibles carried?
Response: Please see response to Question #2.
- 28. Question:** Please provide values associated with the locations identified on the property schedule?
Response: This information will be made available after the award of a contract to the successful broker.
- 29. Question:** Small and Diverse Business Participation – The RFP encourages the use of SBPI entities but does not set a required percentage. As the evaluation criteria assigns a 5% weight to small and diverse business participation, can you provide guidance on a recommended percentage?
Response: The RFP is asking whether the Offeror is either certified or not certified. Those certified will receive 5% points and those who are not will not receive any points.
- 30. Question:** How long have you had current broker?
Response: March 31, 2013 - present. The contract for that broker was issued after an RFP process as well and has expired.
- 31. Question:** How important is that the insurance broker is physically located in Philadelphia?
Response: The RFP does not have a requirement that the broker be located in Philadelphia.
- 32. Question:** What is the current fee the PPA is paying?
Response: Please see response to Question #4.
- 33. Question:** What does the decision process look like? Who comprises the selection committee?
Response: Please refer to Park III, Criteria for Selection, of the RFP document. The Evaluation Committee will consist of the following Authority employees:
- **Mary Wheeler, Manager of Contract Administration**
 - **Antonina Miller, Director of Risk Management**
 - **Sue Cornell, Senior Director of Administration**
 - **Jim Ney, Director of Strategic Planning**
 - **Rocco Morrotto, Director of Off-Street Parking Operations**
 - **Peter Messina, Risk Management Manager**
 - **Aisha Wallace, Accountant**
- 34. Question:** Is there a current service plan in place? Are you satisfied with the level of service your current broker is providing?
Response: The Authority has a contract with our existing broker which outlines the services required. These services may be similar, but not identical to the Work Statement outlined in this RFP. The Authority is not ending the current broker's contract because of dissatisfaction, but because it is naturally expiring. This RFP should not be viewed as a request for the identical services provided by our current broker, as noted above and in the RFP documents, the Authority is seeking to modernize its entire approach to the Risk Management process and will need an able and creative broker to partner with to reach that end.
- 35. Question:** What would you change about the current servicing of your insurance/risk management program?
Response: Please refer to Part IV of the RFP, Work Statement.
- 36. Question:** Does the PPA currently have an internal risk management department?
Response: Yes, although it has seen significant turnover. The broker's assistance will be crucial to the rebuilding of that department.

- 37. Question:** What level of loss control services is your current broker providing?
Response: The requirements for this RFP are detailed Part V, Work Statement. Additional information can be found in the response to Questions #6 and #22.
- 38. Question:** What level of claim services is your current broker providing?
Response: The requirements for this RFP are detailed Part IV, Work Statement. Additional information can be found in the response to Questions #20 and #22.
- 39. Question:** What can you tell us about your current insurance placement? What lines of coverage are self-insured? Who is proving claims administration?
Response: Please see the response to Questions #1 and #20.
- 40. Question:** Do you have 5 years of loss history by line of coverage available for review?
Response: Please see response to Question #1.
- 41. Question:** Could you please advise on the following with regards to the current in-force 2017-2018 Policy Year?
- o Current Insurance Broker – A.J. Gallagher
 - o Current Annual Fee – See response to Question #4.
 - o Current Carriers and Premiums by line of business - Please see response to Question #2 above. Premium information will be made available after the award of a contract to the successful broker.

END OF ADDENDUM ONE

Philadelphia Parking Authority

Program Summary 3/31/17-18

Coverage	3/31/17-18
Property	Travelers
Property Rate (per \$100 of Values)	0.0536
Loss Limit	\$250,000,000
Buildings	\$454,540,100
Personal Property	\$21,555,979
Business Interruption	\$25,116,270
AR/EDP/VP	\$3,000,000
Total Values Subject to Loss Limit - \$250M	\$504,212,349
Deductible	\$50,000
General Liability (Occurrence Form)	Travelers
Rate (per \$1,000 sales)	0.7910
Estimated Sales	\$233,686,756
Policy Aggregate Limit	\$15,000,000
Location/General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$1,000,000
Personal & Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000
Damage to Rented Premises	\$500,000
Medical Expense (Any One Person)	\$10,000
Employee Benefits (Retro Date 3/31/09)	\$1,000,000
Per Occurrence Deductible	\$100,000
Business Auto	Travelers
Composite Rate per Unit	\$588
Liability - Number of Units	307
Liability Limit	\$1,000,000
Uninsured Motorists Limit	\$1,000,000
Medical Payments Limit	\$5,000
Deductible	\$100,000
Garagekeepers Liability	Travelers
Limit	\$1,000,000
	Comp: \$100/auto; \$500 max/event; Collision
Deductible	\$500/auto

Coverage	3/31/17-18
Workers' Compensation	Travelers
Total Payrolls	\$50,246,024
Rate (per \$100 of Payroll)	1.3235
Each Accident	\$500,000
Disease - Policy Limit	\$500,000
Disease - Each Employee	\$500,000
Deductible	\$300,000
Umbrella	Chubb
Liability Limit Each Occurrence	\$25,000,000
Aggregate	\$25,000,000
Retained Limit	\$0
Sales	\$233,686,756
Payroll	\$50,246,024
Autos	307
Gen Liab, Auto, Workers Comp Program	3/31/17-18
Loss Conversion Factor (LCF)	0.115
Maximum Loss Content Amount	\$4,809,840
WC Max Rate	9.5726
GL/Auto Maximum Loss Content Amount	Unlimited
Minimum Travelers Program Cost Amount	\$1,063,078
Minimum Rate	Flat Charge
Loss Fund (No additional funds required)	\$68,004
Collateral - NO CHANGE	\$5,740,000
Crime	National Union Fire Insurance Company of Pittsburgh, PA
Employee Theft	250,000
Forgery or Alternation	250,000
Inside Premises - Theft of Money & Securities	250,000
Inside Premises - Robbery & Safe Burglary	250,000
Outside the Premises	250,000
Computer Fraud	250,000
Fund Transfer Coverage	250,000
Money Orders & Counterfeit Paper Currency	250,000
Deductible - All Coverages	\$25,000

Coverage	3/31/17-18
Directors & Officers Liability	National Union Fire Insurance Company of Pittsburgh, PA
Each Claim Limit	\$10,000,000
Aggregate Limit of Liability	\$10,000,000
Retentions	
Directors & Officers Liability	\$250,000
Employment Practice Liability	\$150,000
Non-Employment Discrimination Liability	\$150,000
Employed Lawyers	\$2,500,000 Limit
Continuity Date - D&O	6/5/1947
Cyber Liability	National Union Fire Insurance Company of Pittsburgh, PA
Policy Aggregate	\$5,000,000
Cyber, Privacy and Networks Security Liability	\$5,000,000
Privacy Regulatory Claims	\$5,000,000
Payment Card Loss	\$5,000,000
Business Income	Incl. Up to Agg. Limit
Contingent Business Income	\$100,000
Digital Asset Restoration	Incl. Up to Agg. Limit
Electronic, Social, and Printed Media Liability	Incl. Up to Agg. Limit
Crisis Management Expense	\$50,000
Retention Each Claim	\$100,000
Waiting period - BI & Digital Asset Restoration	18 hrs in addition to SIR
Retro Date	Inception