Northeast Ohio Regional Sewer District

The Northeast Ohio Regional Sewer District (NEORSD) solicits partners to provide assistance to its Risk Management Department. NEORSD seeks to leverage the talents of its existing staff with its partners to achieve its strategic business objectives.

NEORSD requests interested firms to dedicate professionals having the requisite experience and knowledge to support the projects and services requested by the NEORSD.

**Services Requested**

The engagement is anticipated to include both specific projects and general services. The engagement is to be coordinated with NEORSD and other project and service providers as directed by NEORSD.

Projects are fairly strictly defined with a developed plan, goals and objectives, and a general timeframe for the project. General services are requests by NEORSD for knowledgeable external resources available at a certain price, over a certain period of time, to support the skills needed by NEORSD and to supplement its Risk Management staff.

The roles and responsibilities of NEORSD partners include, but are not limited to:

- Identify and dedicate the appropriate project team and staffing
- Provide overall quality assurance for engagement
- Assume responsibility for finalizing work plans, managing professionals during fieldwork, and reviewing deliverables and reports with NEORSD management
- Monitor and communicate progress.

**Timing**

The objective of this proposal is to cover all designated risk engagement issues through October 2015. Individual projects or assignments will not require all levels of support.

Projects have specific time allotments as well as specific Scopes of Work. Professional staff assigned may vary depending upon the specifics of the engagement, the concerns and needs of NEORSD, and the expected deliverables. An example of the types of staffing provided in the engagements is as follows:
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**Professional Type**
- Project Manager
- Insurance Specialist
- Risk/ Financial Analyst
- Staff Professional
- Claims Analyst

**Technology Systems and Background**

Below is a brief outline of NEORSD’s Information Systems environment:

**Applications**
- Kronos Version 5.2 SP18
- Oracle HR Version 11.5.10
- Oracle Financials 11.5.10
- Noetix WebQuery 5.5
- ADP Connections 2005.4.2.0
- ADP 5.3 SP2
- Lablynx 6.20 SP 101
- Oracle Work Order Management 1.7.15.0.1
- GIS ESRI ArcGIS ver 9.3
- ODMS 3.5, IAS – 3.0
- Track-IT 6.5.31.8

**Databases**
- Oracle 9i and 10g

In addition, the District co-sources for various technology services in support of its Construction and Engineering practice through its Project Management Office.

**Process to Determine Engagement Partner**

Each proposal submitted will be reviewed for responsiveness. NEORSD will schedule an interview with firms deemed competitive. A combination of representatives from NEORSD will make the selection for interview and also make the final engagement decision subject to approval by the NEORSD Board of Trustees.

Prior to the submission of responses, NEORSD will schedule a pre-response meeting with interested firms. The purpose of this meeting would be to expound on the information provided to all participants and to clarify elements of the services to be provided.
A firm may choose to secure a partner relationship with NEORSD for any and all items in this proposal. NEORSD will choose partner firms based on the responsiveness to each individual item listed.

The winning bidder(s) is prohibited from bidding on risk and insurance products and services requested by NEORSD during the terms of the contract. The respondent’s demonstrated independence and lack of potential conflicts of interest relative to insurers will be an important consideration in evaluating the proposals.

**Proposal Format and Required Information**

For all proposals

- Each candidate shall submit one original and one electronic version of the proposal, readable in .docx or .pdf format.

- A Scope of Work will be created for the specific task. The Scope of Work will set forth the scope, deliverables, and activities, formalize pricing, and timing for each project. Services are to be quoted on a time and expense basis with a not to exceed limitation.

- Proposals shall address scopes as presented. Proposals may contain additions or alternatives to the proposed scopes, each to be detailed and quoted separately.

- A preliminary schedule showing the activities and anticipated milestone dates necessary to complete the projects in the timeframe allotted.

- The location(s) of the office(s) where the various project services are to be performed. NEORSD expects the proposed Project Manager and key members of the project team to be readily accessible throughout the course of this project.

- Hours and costs should be identified such that the proposal clearly defines where and when work is to be performed. This will allow for proper tracking of project milestones. NEORSD will also use this information to assist in evaluation of the proposals. NEORSD reserves the right to request additional information.

- Proposal project costs cannot be escalated for additional contingency factors or inflation adjustments during the contract period.

- Reasonable and customary out-of-pocket expenses shall be billed by the consultant at actual cost and with no mark-up for handling. Payment for lodging and meal expenses will be in accordance with NEORSD’s Travel Expense Reimbursement Policy. Mileage charges shall be at the current District rate, but
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will not exceed the current Internal Revenue Service rate. Applicable expenses will be subject to and included against “Not to Exceed” limits.

- A statement of the consultant’s qualifications, including a brief overview of no more than three recent similar projects or engagements by the involved staff conducted by the consultant, including descriptions and references.

- Résumés of key staff members and/or sub consultants proposed to work on the project. NEORSD fully expects that personnel included in the proposal will be assigned to the project. Any personnel added to the project team or changes of personnel in significant roles shall be subject to advance approval by NEORSD.

- A completed Equal Employment Opportunity form. A blank form will be provided with a proposed contract form.

- Statements confirming that no personal or organizational conflicts of interest are known to exist. This includes the anticipated basis and projected amount of all compensation to be received from the insured or any insurer by the respondent, as well as any affiliated entity. Compensation includes but is not limited to: commissions, fees, contingent commissions, enhanced or supplemental commissions, excess surplus lines and reinsurance commissions, profit sharing, volume overrides, work transfer payments and service income.

- A schedule of hourly rates for the types of expertise anticipated as necessary in conducting various engagements.

Submission of Proposals

Responses to Proposals will be received by the Manager of Purchasing of the Northeast Ohio Regional Sewer District, 3900 Euclid Ave., Cleveland, Ohio 44115, until 4:00 p.m. official local time on the date indicated below.

Due Date: Thursday, July 12, 2012

Pre-Proposal Meeting: Monday, June 25, 2012 at 9:00 AM

Environmental and Maintenance Services Center (EMSC)
4747 East 49th Street
Cuyahoga Heights, OH 44125
Transfer of Records

The consultant shall be responsible for maintaining a complete project library and master files of all contract actions and reports.

All records (graphics originals, calculations, electronic files including model input and output files, etc.) collected and generated by the project shall be the property of NEORSD and shall be turned over to NEORSD upon completion or as directed. These records shall be in a form and format such that NEORSD can continue to use and expand on the work product provided in the engagements.

All deliverables produced during an engagement are for the sole use of NEORSD’s management. For each project requested by NEORSD, a Scope of Work will act as an addendum to this proposal. The Scope will set forth the scope, deliverables, activities, and general timing for the engagement.

Legal Language to be Included in RFP’s

Insurance. Consultant will be required to demonstrate evidence of coverage for commercial general liability and property damage insurance in an amount sufficient to cover any damages caused by the Consultant. The Consultant must also maintain insurance to protect itself from claims arising out of the performance of professional services caused by any errors, omissions or negligent acts for which it may be legally liable. Consultant shall provide copies of such policies to the District before commencing any portion of the work. In the event that policies are not available, the consultant must provide a certificate of insurance including an additional insured endorsement. Consultant must provide an exact copy of such policies in the event that the District intends to submit a claim under the policies.

Indemnification. Consultant will be required to indemnify the District against any damages caused by the tortuous actions of the Consultant. The District is prohibited under Ohio law from indemnifying a private entity.

Choice of Law and Jurisdiction. Any engagement between Consultant and the District shall be governed by the laws of the State of Ohio, the ordinances of the City of Cleveland, and the Rules and Regulations of the District. Any disputes related to the agreement shall be brought in any court of competent jurisdiction located in the City of Cleveland, County of Cuyahoga.
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Task 1
Insurance Brokerage Services

Objectives

- Act as the District’s insurance broker in all matters concerning the insurance coverage detailed below, including policy and coverage review. Demonstrate understanding of the insurance implications on the District’s status as a political subdivision of the State of Ohio
- Act as the District’s insurance broker for other coverage identified through review and analysis by the District or its agents
- Provide inspection and loss prevention services
- Identify, develop and provide to the District the proper data, data inputs and analytical tools to make decisions with regards to Self Insured Retentions and deductibles
- Identify all disclosures and relationships with insurers and note when not acting solely in the interest of the District
- Allow the District to clearly identify premiums paid to insurance providers, and recognize insurance providers as vendors of the District distinct from the services and charges paid to the Broker

Scope

Understanding of coverage issues in the recent past will assist with procurement going forward. Coordination with Risk Management task will need to be maintained, which is meant to augment traditional brokerage relationship into a clear billable time relationship.
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Procedures

- Broker will work within primary coverage and develop/adapt program as required:

<table>
<thead>
<tr>
<th>TYPE</th>
<th>LIMITS OF LIABILITY</th>
<th>DEDUCTIBLE/ SELF INSURED RETENTION</th>
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<tr>
<td>Property</td>
<td>$500,000,000 In Any One Occurrence</td>
<td>$250,000</td>
</tr>
<tr>
<td>General Liability</td>
<td>$1,000,000 Per Occurrence</td>
<td>$100,000</td>
</tr>
<tr>
<td>Business Auto</td>
<td>$1,000,000 Per Occurrence</td>
<td>$1,000/ $100,000</td>
</tr>
<tr>
<td>Public Officials</td>
<td>$1,000,000 Each Wrongful Act</td>
<td>$100,000</td>
</tr>
<tr>
<td></td>
<td>$3,000,000 Annual Aggregate</td>
<td></td>
</tr>
<tr>
<td>Employment Practices</td>
<td>$5,000,000 Limit Each Wrongful Act</td>
<td>$200,000</td>
</tr>
<tr>
<td>Liability</td>
<td>$5,000,000 Annual Aggregate</td>
<td></td>
</tr>
<tr>
<td>Crime</td>
<td>$7,500,000 Per Loss Limit</td>
<td>$100,000</td>
</tr>
<tr>
<td>Workers’ Comp</td>
<td>Self – Insured</td>
<td></td>
</tr>
<tr>
<td>Excess Worker’s Comp</td>
<td></td>
<td>$500,000</td>
</tr>
<tr>
<td>Umbrella Liability</td>
<td>$15,000,000 Each Wrongful Act</td>
<td>$10,000</td>
</tr>
<tr>
<td></td>
<td>$15,000,000 Annual Aggregate Limit</td>
<td></td>
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</tbody>
</table>

- Assist the District in building the directory of information needed to properly shop and renew various coverage
- Inspect and document the District’s locations to assist with identification of loss control exposures
- Check the wording and accuracy of each binder, policy, certificate, endorsement or other document from the insurer to the District within a specified, reasonable time
- Verify the accuracy of all rates, rate classifications and premiums charged, including assistance with premium adjustments
- Provide separate invoices for premiums charged by insurance providers and the applicable commissions, fees, etc charged by the Broker
- Deliver all policies as soon as practical but in no event later than sixty (60) days following inception
- Available to answer risk and insurance questions from the District
- Prepare and deliver certificates of insurance as requested
- Attend meetings with the District as reasonably requested

Requested Allowance and Duration

Documented fee schedule as outlined in RFP response in conformance with conditions noted above
Task 2
Risk Management Services

Objectives

- Provide NEORSD with the ability to historically value risk; provide basis for further development of that valuation capability and for the standards to measure the success of the risk decisions against an appropriate framework, such as enterprise risk, strategic goals and key performance indicators.
- Globally provide the tools to allow the District to measure and make decisions at a detail, group and organizational level that will provide the best balance between the cost of risk and the risk appetite of the District.
- Provide framework for NEORSD to understand and relate to risk transfer process and methods employed in NEORSD design and construction portfolio. Recommend areas for communication and reporting of risk transfer decision criteria.
- Define and allow for refinement of consistent categories of activities and contracts into risk pools.
- Allow for consistently apply risk standards with defined risk pools.
- Align risk transfer and risk ownership decisions with Enterprise Risk Framework and risk profile of the organization.
- Generally review and advise on risk ownership and risk transfer practices.

Scope

- All planned contracts and activities through 2020.
- Bid, invoice and payment data from 2009 to present.
- Insurance policies, claims and self insurance activities 2009 to present.
- Review existing ERM information from 2009 and 2012.

Procedures

- Obtain, review and understand contracts, activities and plans.
- Consider in-house activities done in lieu of contracting, for instance in-house design, or purchase of coverage versus consultant or contractor purchase of coverage.
- Detailed analysis of contract cost structure and application of experience with the costs of risk transfer for like civil engineering projects.
- Interviews with District and contractor personnel in support of analysis.
- Selection and development of common software tools for data collection and analysis with handover to appropriate District personnel.
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- Determine how and when to apply results in collaboration with risk owners; provide means to assess results of this engagement and of ongoing risk transfer evaluation
- Understand present risk transfer profile, including passive transfers such as warranties
- Obtain and analyze details of risk transfer costs across various activities
- Template development and implementation
- Coordination with ongoing Enterprise Risk Management activities

**Requested Hours and Start Date**

600 to 1000 Hours
Estimated Start Time: Q4 2012 completion 2013
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Track 3
Third Party Administrator Services

Objectives

- Provide timely, accurate and professional claims administration and loss adjustment services to fulfill Self Insured Retention requirements in coordination with the District’s internal claims management
- Coordinate and bring to bear data, reporting and other services to support this management
- Assist the District with and provide the tools for the ability for the District to analyze incident and claims information to make informed risk management decisions

Scope

The successful bidder will be able to incorporate previous loss and claims data and understand the risk profile of the organization with regards to claims and loss management. Previous claims information must be accommodated and incorporated into claims history and trend reporting on behalf of the risk management function.

Procedures

- Provide claims administration and loss adjustment under the District’s self insured retention program under the District’s insurance program for otherwise insured losses
- Provide claims administration and loss adjustment on an as needed basis under the District’s self insured retention plan for uninsured risks
- Provide written reporting on a regular basis on claim development
- Notify insurers where the SIR agreement mandates such notice
- Coordinate subrogation and indemnification actions against third parties
- Assist with litigation management and direction of outside counsel when applicable
- Provide data processing services and loss runs
- Meet with District administration and address Board of Trustees as needed to discuss claim management and development

Requested Allowance and Duration

Flat rate for services with detail as to methodology for services charge