SDIS Special Districts Insurance Services

Request for Proposal (RFP)

Property/Casualty and Benefits Actuarial Services

SDIS (Special Districts Insurance Services Trust)
727 Center St NE, Suite 208
Salem, OR 97301
503-371-8667

RFP Schedule	
Issuance of RFP:	**April 10, 2023**
Submission of Questions about the RFP:	**April 21, 2023**
Proposal Due:	**May 5, 2023**
Anticipated Contract Award:	**June 19, 2023**

REQUEST FOR PROPOSAL
FOR
PROPERTY/CASUALTY and BENEFITS ACTUARIAL SERVICES

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I. INTRODUCTION

A. PURPOSE

The purpose of this request for proposals (RFP) is to solicit offers from qualified vendors to provide actuarial analysis and conduct annual actuarial studies for the SDIS Property/Casualty and Benefits Trust. SDIS is issuing this RFP because our purchasing policy requires us to conduct an RFP for actuarial services at least every five years.

The Trust provides self-insured coverages for property, liability, workers' compensation, health and dental, as well as associated risk management services. Effective 7/1/2023 the Trust will no longer offer workers compensation coverage but will be responsible for all run-out claims with event dates prior to 6/30/2023. SDIS is responsible for allocating the costs of claims and expenses associated with the operation of the SDIS Trust among its members. In the course of allocating costs, SDIS attempts to balance goals of fairness for individual members with stability in contributions from year to year.

Annual actuarial studies provide SDIS with reasonable projections of:

- Gross and net ultimate losses and outstanding net liabilities including allocated loss adjustment expenses;
- Confidence levels for undiscounted reserves; and
- Projected undiscounted net ultimate losses.

SDIS also expects the actuarial study to provide recommendations which address any noted problem areas or improve the quality and future cost effectiveness of the self-insured programs.

The SDIS Trust's consulting actuary reports directly to the SDIS Board of Trustees on an annual basis.

B. BACKGROUND

SDIS is a public entity that provides insurance and risk management services to Oregon special districts. Based in Salem, SDIS was formed in 1985 by its parent organization, Special Districts Association of Oregon (SDAO). The majority of special districts in Oregon participate in one or more SDIS programs (property, liability, auto physical damage, workers' compensation and health benefits).

SDIS is directed by a 7-member Trust from varying types of special districts and regions.

II. SCOPE OF WORK

SDIS is seeking an actuary to provide the following professional actuarial and risk management services and advice for our property/casualty, workers' compensation run-out and medical/dental benefits programs. The successful vendor shall provide SDIS with the following:

1. The amount of funds SDIS should have available for each individual line of coverage by coverage year in order to adequately fund self-insured losses incurred through the report date.

2. The self-insured losses likely to be incurred and the recommended funding for claims incurred for each line of coverage for the future policy period.

3. The allocation of costs between various coverages.

4. The required GASB exhibits which include a reconciliation of claims liabilities by type of coverage and a loss development profile for each coverage year.

5. The impact of these projections on an undiscounted and discounted basis and at the following contingency margins both by individual line of coverage, and as a group:
   - Ultimate Expected Payment Level
   - 65% Confidence Level
   - 75% Confidence Level
   - 90% Confidence Level
   - 95% Confidence Level

Discussion drafts of the annual actuarial study will be presented to the SDIS Executive Director for SDIS staff review by August 31st each year. The final report is due by September 30th of each year. The actuary will be expected to attend the SDIS Board of Trustees meeting held in November of each year, to discuss the findings and recommendations of the most recent study.

III. SCHEDULE AND SUBMITTAL

A. RFP AND EVALUATION SCHEDULE

Issuance of RFP:	**April 10, 2023**
Deadline to Submit Written Questions about the RFP:	**April 21, 2023**
Proposal Due Date:	**May 5, 2023**
Evaluation of Proposals, Finalists Selected:	**May 15, 2023**
Finalist Interviews:	**TBD**
Anticipated Contract Award:	**June 19, 2023**
Commencement of Contract:	**July 1, 2023**

B. SDIS CONTACT PERSON

Michael Doherty
Chief Financial Officer
727 Center St NE, Suite 208
Salem, OR 97301
Email: mdoherty@sdao.com
Phone: 503-371-8667 | Fax: 503-371-4781

C. WRITTEN QUESTIONS

If proposers have questions about the RFP, they are encouraged to submit them as soon as possible, but no later than **April 21, 2023**. Questions must be in writing and may be e-mailed to the contact person above. SDIS will not be obligated to answer any questions received after the deadline, or any questions submitted in a manner other than as instructed above.

D. PROPOSAL SUBMITTAL

1. General

Proposals must be received by **May 5, 2023**. Any proposal received after this date and time will not be considered.

Delivery of proposals by the specified deadline is the sole responsibility of the Proposer. SDIS will not be responsible for, nor accept as a valid excuse, any delay the method of delivery used by the Proposer except where it can be established that SDIS was the sole cause of the late receipt.

2. Method of Submittal

The proposal must be submitted in electronic form, in an email, to Michael Doherty, Chief Financial Officer, at mdoherty@sdao.com.

3. Evaluation Criteria

All proposals received in accordance with these RFP instructions will be evaluated to determine if they are complete and meet the requirements specified in this RFP. An award will be made to the Proposer whose offer is judged to be the most advantageous to SDIS. SDIS expressly reserves the right to reject all proposals and make no award under this RFP.

The following criteria will be considered in evaluating the proposals:

- Quality of the proposal, including an expressed understanding of SDIS's requirements;
- Qualifications;
- Experience, particularly with similar projects;
- References;
- Staffing & project organization;
- Work plan/technical approach;
- Cost schedule; and
- Miscellaneous, including exceptions/deviations.

IV. GENERAL INSTRUCTIONS

A. ORAL COMMUNICATIONS

Any oral communication by SDIS's contact person(s) or designee concerning this RFP is not binding and shall in no way modify the RFP or the obligations of SDIS, a proposer, or selected firm(s).

B. CHANGES TO RFP

If it is necessary to make material changes to the RFP, SDIS will e-mail written RFP addenda to all recipients of record of the original RFP and post such addenda on SDIS's website (www.sdao.com). Recipients of record are those parties to whom SDIS directly sent a copy of the RFP. Responses to written questions received by the specified deadline will be incorporated in an RFP addendum.

It is the responsibility of the proposer to inquire of SDIS as to any addenda issued. This may be done by emailing the SDIS Contact Person prior to the proposal submittal deadline. All addenda issued shall become part of the RFP.

C. EXCEPTIONS / DEVIATIONS

Any exceptions to or deviations from the requirements set forth in this RFP, must be declared in the proposal submitted by the Proposer. Such exceptions or deviations must be segregated as a separate element of the proposal under the heading "Exceptions and Deviations."

D. AUTHORIZATION TO DO BUSINESS

The Proposer must be authorized to do business in the State of Oregon and in the local jurisdiction in which it is located or where the work will be performed.

E. PRE-CONTRACTUAL EXPENSES

SDIS shall not be liable for pre-contractual expenses incurred by a proposer in the preparation of its proposal and proposers shall not include any such expenses in their offers. Pre-contractual expenses are defined as expenses incurred by the Proposer to: (1) prepare and submit its proposal to SDIS; (2) negotiate with SDIS on any matters related to this RFP; and (3) any other expenses incurred by the Proposer prior to the date of award, if any.

Issuance of this RFP and receipt of proposals does not commit SDIS to award a contract. SDIS reserves the right to postpone the award for its own convenience, to accept or reject any or all proposals received in response to this RFP, to negotiate with more than one proposer simultaneously, or to cancel all or part of this RFP.

F. WITHDRAWAL; PROPOSAL IRREVOCABLE FOR 90 DAYS

A Proposer may withdraw its proposal at any time prior to the submittal deadline by sending SDIS a request in writing from the same person who signed the submitted proposal. As of the deadline for submittal, any proposal received by SDIS and not withdrawn becomes an irrevocable offer available for acceptance by SDIS immediately and for **90** days thereafter. The Proposer is responsible for the accuracy of the proposal submitted, and no allowance will be made for errors or price increases that the Proposer later alleges are retroactively applicable.

G. DISPOSITION OF PROPOSALS

All materials submitted in response to this RFP become the property of SDIS, except for information identified by the Proposer as being proprietary. A blanket statement that all contents of the proposal are proprietary will not be honored by SDIS. Please note that as a public entity, SDIS is subject to Oregon public records law, which may require the disclosure of information regarding proposals or a subsequent contract.

H. IMMATERIAL DEFECTS IN PROPOSAL

SDIS may waive any immaterial deviation or defect in a proposal. SDIS's waiver shall in no way modify the RFP documents or excuse the Proposer from full compliance with the RFP if awarded the contract.

I. WRITTEN AGREEMENT

The Proposer selected for contract award through this RFP shall be required to enter into a written agreement with SDIS governing the provision of professional services to SDIS members and other eligible entities. The agreement will include pertinent terms and conditions set forth in this RFP and will reflect the Proposer's offer or the outcome of contract negotiations. The agreement will also include, to the extent applicable, the provisions described in Appendix A and any terms or conditions added by addendum.

It is anticipated that the Proposer may enter into separate agreements with subcontractors to fulfill the terms of this contract. SDIS will not be a party to those separate agreements, nor in any fashion a guarantor or indemnitor of them.

J. TERM OF CONTRACT

If a contract is awarded through this RFP, it will be effective upon full execution of the agreement, which SDIS expects to be **on or about July 1, 2023**. The anticipated term of the contract is **five** years. No agreement with SDIS shall be in effect until a contract has been approved by the SDIS Board of Trustees or designee, and has been signed by both parties.

K. NEWS RELEASES

News releases pertaining to any award resulting from this RFP may not be issued without the prior written approval of SDIS.

V. PROPOSAL FORMAT AND CONTENT

The proposal submitted in response to this RFP must contain the information required in Sections A through F below. Brevity is preferred. For the questions in Sections B through D, please precede your answers with a restatement of the question. If you intend to use any subcontractors in fulfillment of services, information should be furnished for both your firm and the subcontractors where appropriate.

Submitting general marketing materials about your firm in lieu of providing specific answers to questions will not be acceptable. If you wish to submit marketing materials, you should do so as a separate addendum rather than as part of the formal response.

A. COVER LETTER

All proposals must include a cover letter addressed to the contact person in Section III, B above. At a minimum, the cover letter must contain the following:

- Identification of the Proposer, including business name, address and telephone number.
- Name, title, address, telephone number, fax number, and e-mail address of a contact person during the period of proposal evaluation.
- Acknowledgment of RFP addenda received, if any.
- A statement that the proposal shall remain valid for a period of not fewer than **90** days from the due date for proposals.
- Any exceptions to any specified criteria in this RFP.
- Identification of any information contained in the proposal which the Proposer deems to be confidential or proprietary and wishes to be withheld from disclosure. A blanket

statement that all contents of the proposal are confidential or proprietary will not be honored by SDIS.

- Signature of a person authorized to bind the offering firm to the terms of the proposal.

B. QUALIFICATIONS, RELATED EXPERIENCE AND REFERENCES

1. Furnish background information about your firm, including date of founding, legal form (i.e., sole proprietorship, partnership, LLC, corporation/state of incorporation), number and location of offices, principal lines of business, number of employees, days/hours of operation and other pertinent data. Disclose any conditions (e.g., bankruptcy or other financial problems, pending litigation, planned office closures, impending merger) that may affect your ability to perform contractually. Certify that the firm is not debarred, suspended or otherwise declared ineligible to contract by any federal, state, or local public agency.

2. Describe your firm's experience and qualifications for providing the required services to SDIS. Specifically highlight those qualifications that distinguish you from your competitors. The focus should be on recent experience within the last **five** years that is relevant to the scope of work outlined in this RFP.

3. List public entities, pools, associations, or other organizations similar to SDIS for which your firm has provided actuarial services.

4. Identify at least **three** public entities or pools for which your firm has provided actuarial services including the years you provided the services. Please identify personnel in those entities or pools that SDIS may contact as references. Describe the work performed and include the name, job title, address, email address, and telephone number of a contact person for each reference.

5. Describe your experience and scope of providing capital modeling studies for self-insured pools or insurance companies.

C. STAFFING AND PROJECT ORGANIZATION

1. Identify the key personnel from your firm who would be assigned to this project. Include a brief description of the number of years with your firm, qualifications, professional certifications, job functions, current caseload, and office location(s). Designate an Engagement Manager who would be ultimately responsible for the relationship and a Project Manager who would provide day-to-day direction of the required work. Furnish brief resumes (not more than two (2) pages long) for all key personnel; include these as an appendix, not in the body of the proposal.

2. If more than two people will be assigned to SDIS's project, include a simple organization chart that clearly delineates communication and reporting relationships among the project staff.

D. WORK PLAN / TECHNICAL APPROACH

1. Describe in detail what information, documents, staff assistance, facilities or other resources you would require from SDIS or its members to complete your work; declare any critical assumptions upon which your work plan is based.

2. Describe succinctly how your firm would accomplish the work and satisfy SDIS's objectives described in this RFP. If appropriate, divide the work into segments or tasks to represent milestones for measuring progress.

3. Describe the work products and other deliverables you would provide to SDIS and our members. State the purposes for which the work products could be used and any limitations your firm would impose on their usage.

E. COST SCHEDULE

The Proposer's cost schedule for a **five-year** contract must be submitted with the proposal.

All costs are to be contained in this schedule. For each service element, include a cost and state a grand total for all service elements per year as well as a total contract cost.

The schedule should also include the method used to charge for any special requests, reports, or broadening of the scope of the work beyond that described in this RFP.

This section must also include payment terms required for services rendered and a preferred schedule of billing dates.

F. SAMPLE CONTRACT

Submit a copy of your proposed written agreement for the provision of professional services to SDIS with your response. Required provisions for the agreement are described in Section IV(I) above and Appendix A below.

APPENDIX A – SDIS CONTRACT CONSIDERATIONS

SDIS contracts will be subject to the following standards. These are not exclusive and other contract clauses and provisions will obviously be applicable as well. However, these are areas respondents to SDIS RFPs should be aware of in considering and preparing responses.

A. MANDATORY PROVISIONS

1. Indemnity Provision. There shall be no provision requiring SDIS to indemnify contractor for contractor's acts or omissions. Indemnity provisions should be mutual and reciprocal. Our standard indemnity clause is as follows:

   Contractor agrees to hold harmless, indemnify, and defend SDIS, and its officers and employee from and against all claims, suits, actions, losses, damages, liabilities, costs, and expenses of any nature resulting from, arising out of, or related to the acts or omissions of Contractor or its officers, employees, subcontractors, or agents in performance of services pursuant to this Contract. SDIS agrees to hold harmless, indemnify, and defend Contractor and its officers and employees from and against all claims, suits, actions, losses, damages, liabilities, costs and expenses of any nature resulting from, arising out of, or related to the acts or omissions of SDIS or its officers, employees, subcontractors, or agents pursuant to this Contract.

2. Independent Contractor Status. The following shall be included in SDIS contracts:

   Contractor shall perform the required services as an independent contractor and not as an "officer, employee, or agent" of SDIS as those terms are used in ORS 30.260 through 30.300. Although SDIS reserves the right to evaluate the quality of the service provided by Contractor, SDIS will not control the means or manner of Contractor's performance.

3. Governing Law and Venue. SDIS contracts shall subject to the laws of Oregon and venue for any disputes arising out of the contractual relationship. The contract shall include the following clause or the substantial equivalent:

   This contract shall be governed by the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, suit or proceeding between SDIS and Contractor arising from or related to this contract shall be brought and conducted in the Circuit Court of Marion County for the State of Oregon; provided, however, if a claim must be brought in a federal forum, then it shall be brought in the U.S. District Court for the State of Oregon.

4. Insurance. Except under special circumstances, and with the approval and consent of SDIS Executive Director, the following minimum insurance provisions shall be specified in the contract:

   During the term of this contract, Contractor shall maintain in force insurance coverage compliant with the requirements listed below:

   a. **Workers' Compensation insurance in compliance with ORS Chapter 656, if Contractor employs "subject workers".**
   b. **Comprehensive General Liability insurance applicable to the services provided to SDIS, with a combined single limit, or the equivalent, of not less than $1,000,000 each occurrence for Bodily Injury, Personal Injury, and Property Damage, including contractual liability coverage applicable to the indemnity provided under this contract.**
   c. **Automobile Liability insurance applicable to the operation of Contractor's trucks or automobiles with a combined single limit of not less than $1,000,000 each accident for Bodily Injury and Property Damage, including coverage for owned, non-owned, and hired vehicles, as applicable.**
   d. **Notice of Cancellation or Change. There shall be no cancellation, material change, reduction of limits without 30 days' prior written notice from the Contractor or its insurer(s) to SDIS.**
   e. **Certificates of Insurance. As evidence of the insurance coverages required by this contract, the Contractor shall provide acceptable insurance certificates to SDIS as soon as practicable upon written request by SDIS. If requested, complete copies of insurance policies, shall be provided to SDIS.**

B. OTHER CONTRACT CONSIDERATIONS:

1. Limitations on Liability and Warranties. Responses to RFPs should include a description of any limitations on liability to either SDIS or purported third party liability limitations contractor would propose to include in a contract with SDIS. These provisions are disfavored and will be a consideration in our review and comparison of RFP responses.

2. Termination. While termination provisions are negotiable, any provision that would not permit SDIS to terminate the contract with a reasonable notice period, without further obligation, would be strongly disfavored and allowed only with the consent of the Executive Director. Our preferred termination provision is as follows:

   a. **This contract may be terminated at any time by mutual written consent of the Parties.**
   b. **SDIS may, at its sole discretion, terminate this contract, in whole or in part, upon 30 days' written notice to Contractor. In the event of such a termination, SDIS agrees to pay Contractor the fees and expenses reasonably incurred prior to such termination.**

c. **SDIS may terminate this contract immediately upon notice to Contractor, or at such later date as SDIS may establish in such notice, if Contractor commits any material breach or default of any covenant, warranty, obligation or agreement under this contract, or fails to perform in a timely manner the services under this contract, and such breach, default, or failure is not cured within 10 business days after delivery of SDIS's notice, or such longer period as SDIS may specify in such notice.**
d. **Contractor may terminate this contract upon 10 days' written notice to SDIS if SDIS fails to pay Contractor pursuant to the terms of this contract and SDIS fails to cure within 30 days after receipt of Contractor's written notice, or such longer period as Contractor may specify in such notice.**