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April 3, 2014  
Addendum No. 1  
to  
Request for Proposal  
for Business Insurance Broker, Consultation  
and Third-party Certificate Management Services,  
dated March 18, 2014

Dear Consultant:

This letter is Addendum No. 1 to the Request for Proposal (RFP) for Business Insurance Broker, Consultation and Third-party Certificate Management Services, dated March 18, 2014. Where text is revised, deleted text is shown in strike-through format; added text is *italicized*. The RFP is revised as follows:

<u>Addendum Item</u>	<u>Reference</u>	<u>Change</u>	
1.	RFP, Section V. Consultant Selection Timetable, Page 3	10:00 a.m., Friday, March 28, 2014	Proposers' Conference, at 101 8 <sup>th</sup> Street, Oakland, CA 94607, in the Claremont Conference Room
		4:00 p.m., Monday, March 31, 2014	Closing date/time for receipt of requests for modifications/exceptions
		No later than three (3) working days prior to the date proposals are due.	Deadline for protesting RFP provisions
		<b>4:00 p.m., Friday, April 11, 2014</b>	<b>Closing date/time for receipt of proposals</b>
		Week of <i>April 14</i> <del>April 7, 2014*</del>	Interviews/Discussions (if held)
		Week of <i>April 21</i> <del>18, 2014*</del>	Date for receipt of Best and Final Offers (if required)
		May 14, 2014*	Administration Committee Review
		July 1, 2014*	Contract Execution/Start Date (approximate)

<u>Addendum Item</u>	<u>Reference</u>	<u>Change</u>
<u>2.</u>	RFP, Appendix B, <u>Business Insurance Program Schedule</u> , page 17	Appendix B, <u>Business Insurance Program Schedule</u> , is deleted in its entirety and replaced with the attached Appendix B, <u>Business Insurance Program Schedule</u> .

The remaining provisions of the RFP, dated March 18, 2014, remain unchanged. In the event of a conflict between this Addendum and the previous version(s), this Addendum takes precedence.

Questions and Answers regarding this RFP are enclosed with this Addendum.

Any questions concerning this addendum to the RFP should be directed to Mamie Lai, Project Manager, at (510) 817-5860 or mlai@mtc.ca.gov.

Sincerely,



Ann Flemer  
Deputy Executive Director, Policy

AF:DR

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**APPENDIX B, BUSINESS INSURANCE PROGRAM SCHEDULE**

**MTC, MTC SAFE, BATA, BAIFA  
 All policies effective April 1, 2013-2014**

<b>Coverage</b>	<b>Limits</b>	<b>Deductible/Retention</b>
Property	\$75,000,000	\$10,000
General Liability	\$1,000,000	\$10,000 *
Auto Liability	\$1,000,000	\$500 Comprehensive \$1,000 Collision
Foreign Package	\$1,000,000	\$0
Excess Umbrella Liability	\$25,000,000	\$10,000
Crime Insurance	\$20,000,000 and various	\$50,000
Public Officials and Employment Practices Liability	\$10,000,000	\$50,000
Employed Lawyers	\$5,000,000	\$25,000
Non-Owned Aircraft Liability	MTC is non-renewing on April 1, 2014	
Cyber Liability	TBD	TBD

\*Claims Handled by TPA, Carl Warren

**RAFC  
 All policies effective April 1, 2013-2014**

<b>Coverage</b>	<b>Limits</b>	<b>Deductible/Retention</b>
Property	\$29,000,000	\$5,000
General Liability	\$1,000,000	\$0
Auto Liability	\$1,000,000	\$0
Excess Umbrella Liability	\$10,000,000	\$10,000
Directors and Officers Liability	\$2,000,000	\$10,000

**BAHA  
 All policies effective October 14, 2013-2014**

<b>Coverage</b>	<b>Limits</b>	<b>Deductible/Retention</b>
Property and COC	\$170,000,000	\$50,000
General Liability	\$1,000,000	\$0
Auto Liability	\$1,000,000	\$500 Comprehensive \$500 Collision
Excess Umbrella Liability	\$50,000,000	\$10,000
Environmental Liability	\$2,000,000	\$25,000

**MTC, MTC SAFE, BATA, BAIFA**  
**All policies effective April 1, 2014-2015**

<b>Coverage</b>	<b>Carrier</b>	<b>Limits</b>	<b>Deductible/ Retention</b>	<b>Annual Premium</b>
Property	Affiliated FM	\$143,000,000	\$10,000	\$179,166 *
General Liability	AWAC	\$1,000,000	\$10,000 *	\$196,633**
Auto Liability	AWAC	\$1,000,000	\$500 Comprehensive \$1,000 Collision	\$17,110
Foreign Package	ACE	\$1,000,000	\$0	\$2,750
Excess Umbrella Liability	AWAC	\$25,000,000	\$10,000	\$79,300
Crime Insurance	F&D/Zurich	\$20,000,000 and various	\$50,000	\$40,074
Public Officials and Employment Practices Liability	RSUI /Hiscox	\$10,000,000	\$75,000	\$224,900
Employed Lawyers	OneBeason	\$5,000,000	\$25,000	\$24,107
Cyber Liability	Lloyds of London	\$5,000,000	\$100,000	\$99,408

\*Premium include' s a mandatory \$9,400 charge for Engineering/Loss Control Services.

\*\*Claims Handled by TPA, Carl Warren

**BAHA**  
**All policies effective October 14, 2013-2014 (COC 26 Month Policy)**

<b>Coverage</b>	<b>Carrier</b>	<b>Limits</b>	<b>Deductible/ Retention</b>	<b>Annual Premium</b>
Property and COC	Liberty Mutual Fire Ins. Co.	\$170,000,000	\$50,000	\$325,987 (Total premium for 26 month policy )
General Liability	Liberty Mutual Fire Ins. Co.	\$1,000,000	\$0	\$38,580
Auto Liability	Liberty Mutual Fire Ins. Co.	\$1,000,000	\$500 Comprehensive \$500 Collision	\$1,033
Umbrella	Liberty Mutual Fire Ins. Co.	\$20,000,000	\$10,000	\$24,477
Excess Umbrella Liability	Endurance Risk Solution's	Quota Share \$15,000,000 part of \$30,000,000	Underlying \$20,000,000	\$15,150
Excess Umbrella Liability	RSUI Indemnity Company	Quota Share \$15,000,000 part of \$30,000,000	Underlying \$20,000,000	\$17,016
Environmental Liability	Steadfast Insurance Company	\$2,000,000	\$25,000	\$53,130 (Total premium for 10 Yr. Policy)

**RAFC**  
**All policies effective April 1, 2014-2015**

<b>Coverage</b>	<b>Carrier</b>	<b>Limits</b>	<b>Deductible/ Retention</b>	<b>Annual Premium</b>
Property	Federal Insurance Company	\$29,435,000	\$5,000	\$20,613
General Liability	Federal Insurance Company	\$1,000,000	\$0	\$8,653
Auto Liability	Federal Insurance Company	\$1,000,000	\$0	\$554
Excess Umbrella Liability	Federal Insurance Company	\$10,000,000	\$10,000	\$8,901
Directors and Officers Liability	Federal Insurance Company	\$2,000,000	\$10,000	\$5,088

**REQUEST FOR PROPOSALS (RFP)  
 FOR BUSINESS INSURANCE BROKER, CONSULTATION AND THIRD-PARTY  
 CERTIFICATE MANAGEMENT SERVICES  
 dated March 18, 2014**

**Proposers' Conference and Submitted Questions and Answers  
 April 4, 2014**

Question 1: Who is the incumbent insurance broker, and how long have they been providing services to MTC?

Answer 1: MTC's current insurance broker is Wells Fargo Insurance Services USA, Inc., San Carlos, CA. Wells Fargo Insurance Services USA, Inc. have been providing brokerage services for MTC since December 3, 2008.

Question 2: What are the fees being paid to your current insurance broker?

Answer 2: MTC's current fees for brokerage, insurance consulting and Certificate of Insurance (COI) management are listed below:

Insurance Brokerage Services	No charge to MTC. Broker is compensated in commission by Insurance Carriers		
Business Insurance Consulting Services (as needed)	No charge to MTC, unless a single project or request requires more than 10 hour of resources. In these situations, the parties shall agree in advance and in writing on a flat fee or hourly payment. Total budget for insurance consulting services shall not exceed \$5,000 annually.		
Certificate Management Services	Total budget not to exceed \$10,000 annually. Annual base rate to be billed in quarterly increments based on 275 vendors with an annual true-up on December 31 for the number of vendors above the base as follows:		
	<b>Fiscal Year</b>	<b>Annual Base Rate</b> <i>(up to 275 vendors)</i>	<b>Above Base</b>
	FY 2013-14	\$8,500	\$30/vendor

Question 3: Why are you bidding this service now?

Answer 3: As a public entity MTC is required to publicly bid professional services of this type. MTC is bidding this service now because we are at the end of a five-year cycle, it is not based on broker dissatisfaction.

Question 4: Can MTC provide its policy schedule, with carrier, and premium amounts?

Answer 4: See Addendum 1, item 2.

Question 5: What system does the current broker use for COI management?

Answer 5: The current broker subcontracts to Ebix. See <http://www.ebix.com/> for more information on Ebix.

Question 6: Are there any Disadvantaged Business Enterprise (DBE) or Small Business Enterprise (SBE) goals associated with this RFP and its resultant contract?

Answer 6: There are no DBE or SBE goals associated with this RFP or its resultant contract. MTC does however, encourage DBE and SBE firms to submit proposals and non DBE and SBE firms to utilize DBE and SBE firms to the full extent possible.

Question 7: Does MTC foresee that the number COI's will increase in the future?

Answer 7: Yes. Based on number of upcoming projects we anticipate that the number of COI's that need to be managed may increase to approximately 350.

Question 8: What types of claims does MTC typically receive?

Answer 8: There is no typical type of claim received by MTC.

Question 9: The Scope of Work for Appendix D, MTC Standard Consultant Contract is not included in the RFP, when will that be provided?

Answer 9: Appendix A, Scope of Work, of the RFP, is the Scope of Work that will be inserted into Attachment A, Scope of Work and Schedule of Appendix D when the contract is issued to the selected insurance broker.