

March 5, 2018

To: All Prospective Proposers

Re: Addendum No. 1
Legal Notice No. GD 18-03
Insurance Broker Services

On March 1, 2018 at 10:00 a.m. a pre-proposal conference for the above referenced legal notice was held in RTA's 7th floor conference room at Wright Stop Plaza. Those in attendance representing the RTA were as follows:

Mary Stanforth, Chief Financial Officer, Project Manager
Roland Caldwell, Director of Transportation
Steve Hatton, Risk Manager
Tamea Wiesman, Sr. Purchasing Agent

Other attendees consisted of the following individuals:

Marc Reynolds, Marsh & McClennan Agency
Cari Sanders, Marsh & McClennan Agency
Joe Teed, Aon

Tamea Wiesman gave a brief overview of the procurement process including reminders of the following:

- All requests for clarification of the scope of work must be submitted in writing to twiesman@greaterdaytonrta.org no later than March 9, 2018.
- In addition to the information you will be submitting about your firm, the RFP contains forms and submittals that you will need to include in your proposal. A few of the forms are marked "Not Applicable" at the top. Some of them, for instance, the DBE forms, are marked "Submit if Applicable". To clarify, DBE participation is not mandatory for this procurement; however, RTA welcomes DBE participation, so if you are or have a DBE subcontractor, then those forms would apply.

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- Your firm must have a current approved Affirmative Action Assurance Plan through the City of Dayton. Please review the instructions on page 66 of the RFP for obtaining the approval and allow up to 10 business days to complete this requirement.
- **Proposals are due no later than 2:00 p.m., March 21, 2018. Late proposals will not be accepted.**
- It is anticipated that award of this contract will be made at the June 5, 2018, RTA Board of Trustees meeting, and work will commence immediately upon execution of the contract.

Mary Stanforth conducted a brief overview of the scope of work, including the following:

- As noted in Section 2.1 Tasks, Item (n) found on page 46, subrogation services are a requirement of the scope of work. Approximately \$100,000 is collected annually through subrogation, so this is an important piece of the work.
- Current coverage is listed on pages 48-49. RTA's policy years begin on December 1, necessitating the work commence immediately upon contract award so that insurance applications can be made quickly for the various coverages. It is important to get the best price and best coverage for the RTA and the taxpayers that help fund this organization.
- The RFP states RTA's premiums were approximately \$1.65 million in 2017 and have remained relatively flat for the last five years. They have actually remained relatively flat for about the last ten years.

Steve Hatton then conducted a brief overview of RTA's workers compensation process:

- You will be dealing with RTA's Excess Workers Comp coverage. RTA is self-insured. The day to day workers comp is handled by a third party, Hunter Consultants. All original decisions are made at RTA *[by Mr. Hatton]*. We do the initial intake and administer the claims. Hunter Consultants does the actual paper administration of the claims, but the decisions are made here.
- RTA's retention is \$500,000, and that has remained the same for the last several years. Whoever gets this contract places that retention. We've only had two claims that ever hit retention. One is an ongoing claim, and one was a settlement.
- The third party pays all of our bills. They also pay our indemnity once a week upon approval of RTA.
- RTA averages approximately 52 claims per year. The average cumulative incurred runs approximately \$522,000 per year (incurred, not paid). There are

currently 70 active claims being handled right now. The statutorily open claims number about 400. We've had 1,600 claims since we started.

Mr. Hatton went on to say that regarding the property damage and bodily injury, as RTA's Risk Manager, he and our current broker's representative are responsible for all the initial decisions made regarding the claims, on the subrogation for recovery, and also on the liability. We have a third party that does our liability to our self-insured retention, which is \$100,000, and then we have an insurance carrier that takes over after that. The attorney that works our claims is actually retained in the claim itself and is retained by the third party, and then Mr. Hatton and the attorney and the third party administrator work together to adjudicate the claim.

The meeting then went into a question and answer session.

Q1: How long have you been self-insured for workers compensation?

R1: RTA has been self-insured since 1994.

Q2: How have auto claims been in the last five years or so?

R2: Following are the totals for the five-year period from 12/1/12 to 2/28/18:

Total Auto Claims Received	Total Liability Claims Reported to TPA	Total Incurred Amount
5,155 Received	1,800 Reported	\$2,266,042.33

Q3: Do you receive any additional loss control services or claims advocacy services from your current broker?

R3: We do. We currently have, at a minimum, quarterly review meetings, and then we also have on-site advisory services where they come in and look at how we're doing things and then make recommendations on how we can do better. This is part of our very positive trend with exposure that we've had in prior years. The thing with RTA and the business that we're in is the driver and the bus they are driving, and it just takes one small mistake to have a big claim. RTA does have an extensive operator training program, but that is the business we are in. There are trends that show about once every three to five years we do have something significant happen.

Mr. Caldwell added that starting this month, RTA is starting a refresher training program for the drivers to ensure they have all the knowledge and tools needed to drive safely.

Q4: Do you have a fairly high turnover in drivers?

R4: I think our average turnover is about 18% company wide, so it is difficult. The average age of our workforce is about 50, and we have just under 700

employees, so we have a mature work group. Our HR department is constantly trying to find good drivers, get them properly trained, and make sure their CDL is what it needs to be. RTA has just had a service reduction of approximately \$2 million, so February, in particular, was not a month that we were hiring a lot, but we're always thinking about that backfill because of the age of the workforce.

Q5: How many maintenance locations do you have?

R5: We have a maintenance shop at the 600 Longworth Street location. At the 601 Longworth location we have some bus storage and maintenance work on a minor scale, and then we have the Line Shop. The Line Shop garage houses about 15 employees and all the equipment needed to maintain the overhead electric trolley lines. The shop is still a part of the 600 Campus, it is just in a separate area.

Q6: How long have you been with your current broker?

R6: Marsh & McClennan is RTA's current broker, and we have been with them for approximately ten years.

Q7: Do most of the workers comp cases come from the mechanics and maintenance area or out on the road?

R7: Out on the road.

Q8: Do you receive any current analytic studies or data from Marsh about workers comp?

R8: This contract will only handle the excess workers comp coverage, but the WC third party administrator, Hunter Consulting, provides regular reports.

Q9: Are you comfortable with your current retention levels?

R9: We are. They have been fine tuned year after year taking into consideration the risk. For example, considering the risk to our trolley lines if there would be a tornado, do you insure every single mile of wire that we have, or is it more likely that it would just be a patch of the wire that would be damaged? We have really focused on that each and every year, so what is included in the scope of work is basically what we are looking for.

Q10: Are you planning to award to one broker for all lines, or would you consider splitting that up?

R10: It would depend on the proposals received. If you would like to propose on only part of the work, I encourage you to do that.

Due to RTA's response to this question, RFP Part I, Section 5.0, Paragraph 5.17

on page 35 and Part III, Section 5.0, Paragraph 5.10 on page 57 shall be revised as follows, and the pricing form has been modified:

It is anticipated that the RTA will present this procurement to the RTA Board of Trustees for approval on **June 5, 2018**. **The contract will be awarded to one or more firms and will be effective upon execution of the contract.**

Q11: As you receive emails prior to the March 9 deadline for questions, you will send out a blast email to everyone with your responses?

R11: Yes, an addendum answering questions received will be sent to all proposers of record and posted on the RTA website.

Please note: The RFP states that monthly invoices shall be sent to RTA for payment, and RTA will pay the contractor on a monthly basis (Part I, Section 5.0, Paragraph 5.7 on page 31). The pricing form has been modified to clarify this. RTA's payment terms are Net 30.

THE MODIFIED PRICING FORM IS ATTACHED. PROPOSERS SHALL USE THE REVISED PRICING FORM WHEN SUBMITTING THEIR PROPOSALS.

This Addendum No. 1 shall become a part of the scope of work and contract documents and shall be taken into consideration when preparing your proposal; you are hereby notified accordingly.

Sincerely,

Tamea Wiesman

Tamea Wiesman, CPPB
Senior Purchasing Agent

PART III - PROPOSAL FORMAT

Section 6.0: Cost and Pricing REVISED

PROPOSERS SHALL USE THIS FORM WHEN SUBMITTING PRICING

6.0 *Cost and Pricing*

6.1 Contract Type:

The contract that may result from this Request for Proposal shall be a firm fixed price type contract.

6.2 Pricing Form:

Each proposer shall submit in sufficient detail the cost to provide INSURANCE BROKER SERVICES for a four year period with one option year.

From the Line of Business guide below, proposer should indicate the number(s) associated with the line(s) of business they are proposing and provide fixed monthly fees as follows:

Contract Year	Fixed Monthly Fee	Total Annual Fee	Line(s) of Business
Year 1			
Year 2			
Year 3			
Year 4			
Total			
Option Year			
Grand Total			

Line of Business

1. Property
2. General Liability
3. Auto Liability
4. Auto Physical Damage
5. Crime
6. Excess Liability
7. Public Officials & EPLI
8. Property Terrorism
9. Faithful Performance Bond
10. Workers Compensation
11. Felonious Assault
12. Cyber Liability