

**REQUEST FOR PROPOSALS FOR**

**Broker Selection for Owner Controlled Insurance Program**

**ISSUING OFFICE**

**Pennsylvania Turnpike Commission**

**Risk Management Department**

**RFP NUMBER**

**RFP 12-10260-3611**

**DATE OF ISSUANCE**

**April 30, 2012**

**REQUEST FOR PROPOSALS FOR**  
**Broker Selection for Owner Controlled Insurance Program**

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## PART I

### GENERAL INFORMATION FOR PROPOSERS

**I-1. Purpose.** This request for proposals (RFP) provides interested Proposers with sufficient information to enable them to prepare and submit proposals for consideration by the Pennsylvania Turnpike Commission (Commission) to satisfy a need for a **Broker for Owner Controlled Insurance Program (OCIP)**

**I-2. Issuing Office.** This RFP is issued for the Commission by the **Risk Management Department**.

**I-3. Scope.** This RFP contains instructions governing the proposals to be submitted and the material to be included therein; a description of the service to be provided; requirements which must be met to be eligible for consideration; general evaluation criteria; and other requirements to be met by each proposal.

**I-4. Problem Statement.** The PTC requires assistance and oversight in assessments of certain projects for consideration of an OCIP, establishing timeframe guidelines and performing within such guidelines the design and implementation of OCIPs including additional services as outlined in Part IV.

**I-5. Type of Contract.** It is proposed that if a contract is entered into as a result of this RFP, it will be a **fee for services**. The Commission may in its sole discretion undertake negotiations with Proposers whose proposals as to price and other factors show them to be qualified, responsible, and capable of performing the work.

**I-6. Rejection of Proposals.** The Commission reserves the right to reject any and all proposals received as a result of this request, or to negotiate separately with competing Proposers.

**I-7. Subcontracting.** Any use of subcontractors by a Proposer must be identified in the proposal. During the contract period use of any subcontractors by the selected Proposer, which were not previously identified in the proposal, must be approved in advance in writing by the Commission.

A firm that responds to this solicitation as a prime may not be included as a designated subcontractor to another firm that responds to the same solicitation. **Multiple responses under any of the foregoing situations may cause the rejection of all responses of the firm or firms involved.** This does not preclude a firm from being set forth as a designated subcontractor to more than one prime contractor responding to the project advertisement.

**I-8. Incurring Costs.** The Commission is not liable for any costs the Proposer incurs in preparation and submission of its proposal, in participating in the RFP process or in anticipation of award of contract.

**I.9. Questions and Answers.** Written questions may be submitted to clarify any points in the RFP which may not have been clearly understood. Written questions should be submitted by email to [RFP-Q@paturndpike.com](mailto:RFP-Q@paturndpike.com) with **RFP 12-10260-3611** in the Subject Line to be received no later than **12:00 PM local time on Wednesday, May 16, 2012**. All questions and written answers will be posted to the website as an addendum to and become part of this RFP.

**I-10. Addenda to the RFP.** If it becomes necessary to revise any part of this RFP before the proposal response date, addenda will be posted to the Commission's website under the original RFP document. It is the responsibility of the Proposer to periodically check the website for any new information or addenda to the RFP.

The Commission may revise a published advertisement. If the Commission revises a published advertisement less than ten days before the RFP due date, the due date will be extended to maintain the minimum ten-day advertisement duration if the revision alters the project scope or selection criteria. Firms are responsible to monitor advertisements/addenda to ensure the submitted proposal complies with any changes in the published advertisement.

**I-11. Response.** To be considered, proposals must be delivered to the Pennsylvania Turnpike Commission's Contracts Administration Department, Attention: Wanda Metzger, on or before **12:00 PM local time on Tuesday, June 26, 2012.** The Pennsylvania Turnpike Commission is located at 700 South Eisenhower Boulevard, Middletown, PA 17057 (Street address). Our mailing Address is P. O. Box 67676, Harrisburg, PA 17106.

**Please note that use of U.S. Mail, FedEx, UPS, or other delivery method, does not guarantee delivery to this address by the above-listed time for submission.** Proposers mailing proposals should allow sufficient delivery time to ensure timely receipt of their proposals. If the Commission office location to which proposals are to be delivered is closed on the proposal response date, due to inclement weather, natural disaster, or any other cause, the deadline for submission shall be automatically extended until the next Commission business day on which the office is open. Unless the Proposers are otherwise notified by the Commission, the time for submission of proposals shall remain the same.

**I-12. Proposals.** To be considered, Proposers should submit a complete response to this RFP, using the format provided in PART II. Each proposal should be submitted in **Six (6)** hard copies and one complete and exact copy of the technical proposal on CD-ROM in Microsoft Office or Microsoft Office-compatible format to the Contracts Administration Department. No other distribution of proposals will be made by the Proposer. Each proposal page should be numbered for ease of reference. Proposals must be signed by an official authorized to bind the Proposer to its provisions and include the Proposer's Federal Identification Number. For this RFP, the proposal must remain valid for at least 120 days. Moreover, the contents of the proposal of the selected Proposer will become contractual obligations if a contract is entered into.

Each and every Proposer submitting a proposal specifically waives any right to withdraw or modify it, except as hereinafter provided. Proposals may be withdrawn by written or fax notice (fax number (717) 986-8714) received at the Commission's address for proposal delivery prior to the exact hour and date specified for proposal receipt.

Contracts Administration Department  
Attn: Donald Klingensmith  
Manager, Contracts Administration  
PA Turnpike Commission  
700 South Eisenhower Blvd.  
Middletown, PA 17057

However, if the Proposer chooses to attempt to provide such written notice by fax transmission, the Commission shall not be responsible or liable for errors in fax transmission. A proposal may also be withdrawn in person by a Proposer or its authorized representative, provided his/her identity is made known and he/she signs a receipt for the proposal, but only if the withdrawal is made prior to the exact hour and date set for proposal receipt. A proposal may only be modified by the submission of a new sealed proposal or submission of a sealed modification which

**I-13. Economy of Preparation.** Proposals should be prepared simply and economically, providing a straightforward, concise description of the Proposer's ability to meet the requirements of the RFP.

**I-14. Discussions for Clarification.** Proposers who submit proposals may be required to make an oral or written clarification of their proposals to the Issuing Office to ensure thorough mutual understanding and Proposer responsiveness to the solicitation requirements. The Issuing Office will initiate requests for clarification.

**I-15. Best and Final Offers.** The Issuing Office reserves the right to conduct discussions with Proposers for the purpose of obtaining "best and final offers." To obtain best and final offers from Proposers, the Issuing Office may do one or more of the following: a) enter into pre-selection negotiations; b) schedule oral presentations; and c) request revised proposals. The Issuing Office will limit any discussions to responsible Proposers whose proposals the Issuing Office has determined to be reasonably susceptible of being selected for award.

**I-16. Prime Proposer Responsibilities.** The selected Proposer will be required to assume responsibility for all services offered in its proposal whether or not it produces them. Further, the Commission will consider the selected Proposer to be the sole point of contact with regard to contractual matters.

**I-17. Proposal Contents.** Proposals will be held in confidence and will not be revealed or discussed with competitors, unless disclosure is required to be made (i) under the provisions of any Commonwealth or United States statute or regulation; or (ii) by rule or order of any court of competent jurisdiction. All material submitted with the proposal becomes the property of the Pennsylvania Turnpike Commission and may be returned only at the Commission's option. Proposals submitted to the Commission may be reviewed and evaluated by any person other than competing Proposers at the discretion of the Commission. The Commission has the right to use any or all ideas presented in any proposal. Selection or rejection of the proposal does not affect this right.

In accordance with the Pennsylvania Right-to-Know Law (RTKL), 65 P.S. § 67.707 (Production of Certain Records), Proposers shall identify any and all portions of their Proposal that contains confidential proprietary information or is protected by a trade secret. Proposals shall include a written statement signed by a representative of the company/firm identifying the specific portion(s) of the Proposal that contains the trade secret or confidential proprietary information.

Proposers should note that "trade secrets" and "confidential proprietary information" are exempt from access under Section 708(b)(11) of the RTKL. Section 102 defines both "trade secrets" and "confidential proprietary information" as follows:

Confidential proprietary information: Commercial or financial information received by an agency: (1) which is privileged or confidential; **and** (2) the disclosure of which would cause substantial harm to the competitive position of the person that submitted the information.

Trade secret: Information, including a formula, drawing, pattern, compilation, including a customer list, program, device, method, technique or process that: (1) derives independent economic value, actual or potential, from not being generally known to and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use; **and** (2) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. The term includes data processing software by an agency under a licensing agreement prohibiting disclosure.

65 P.S. §67.102 (emphasis added).

The Office of Open Records has determined that a third party must establish a trade secret based upon factors established by the appellate courts, which include the following:

- the extent to which the information is known outside of his business;
- the extent to which the information is known by employees and others in the business;
- the extent of measures taken to guard the secrecy of the information;
- the value of the information to his business and to competitors;
- the amount of effort or money expended in developing the information; and
- the ease of difficulty with which the information could be properly acquired or duplicated by others.

*See Crum v. Bridgestone/Firestone North Amer. Tire.*, 907 A.2d 578, 585 (Pa. Super. 2006).

The Office of Open Records also notes that with regard to “confidential proprietary information the standard is equally high and may only be established when the party asserting protection shows that the information at issue is either ‘commercial’ or ‘financial’ and is privileged or confidential, and the disclosure **would** cause substantial competitive harm.” (emphasis in original).

For more information regarding the RTKL, visit the Office of Open Records’ website at [www.openrecords.state.pa.us](http://www.openrecords.state.pa.us).

**I-18. Debriefing Conferences.** Proposers whose proposals are not selected will be notified of the name of the selected Proposer and given the opportunity to be debriefed, at the Proposer’s request. The Issuing Office will schedule the time and location of the debriefing. The Proposer will not be compared with other Proposers.

**I-19. News Releases.** News releases pertaining to this project will not be made without prior Commission approval, and then only in coordination with the Issuing Office.

**I-20. Commission Participation.** Unless specifically noted in this section, Proposers must provide all services to complete the identified work.

**I-21. Cost Submittal.** The cost submittal shall be placed in a separately sealed envelope within the sealed proposal and kept separate from the technical submittal. **Failure to meet this requirement will result in disqualification of the proposal.**

**I-22. Term of Contract.** The term of the contract will commence on the Effective Date (as defined below) and will be for approximately six (6) years from that date with options of up to two (2) one-year contract extensions. The Commission shall fix the Effective Date after the contract has been fully

executed by the Contractor and by the Commission and all approvals required by Commission contracting procedures have been obtained.

**I-23. Proposer's Representations and Authorizations.** Each Proposer by submitting its proposal understands, represents, and acknowledges that:

- a. All information provided by, and representations made by, the Proposer in the proposal are material and important and will be relied upon by the Issuing Office in awarding the contract(s). Any misstatement, omission or misrepresentation shall be treated as fraudulent concealment from the Issuing Office of the true facts relating to the submission of this proposal. A misrepresentation shall be punishable under 18 Pa. C.S. 4904.
- b. The price(s) and amount of this proposal have been arrived at independently and without consultation, communication or agreement with any other Proposer or potential Proposer.
- c. Neither the price(s) nor the amount of the proposal, and neither the approximate price(s) nor the approximate amount of this proposal, have been disclosed to any other firm or person who is a Proposer or potential Proposer, and they will not be disclosed on or before the proposal submission deadline specified in the cover letter to this RFP.
- d. No attempt has been made or will be made to induce any firm or person to refrain from submitting a proposal on this contract, or to submit a proposal higher than this proposal, or to submit any intentionally high or noncompetitive proposal or other form of complementary proposal.
- e. The proposal is made in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive proposal.
- f. To the best knowledge of the person signing the proposal for the Proposer, the Proposer, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last four (4) years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding or proposing on any public contract, except as disclosed by the Proposer in its proposal.
- g. To the best of the knowledge of the person signing the proposal for the Proposer and except as otherwise disclosed by the Proposer in its proposal, the Proposer has no outstanding, delinquent obligations to the Commonwealth including, but not limited to, any state tax liability not being contested on appeal or other obligation of the Proposer that is owed to the Commonwealth.
- h. The Proposer is not currently under suspension or debarment by the Commonwealth, or any other state, or the federal government, and if the Proposer cannot certify, then it shall submit along with the proposal a written explanation of why such certification cannot be made.

- i. The Proposer has not, under separate contract with the Issuing Office, made any recommendations to the Issuing Office concerning the need for the services described in the proposal or the specifications for the services described in the proposal.
- j. Each Proposer, by submitting its proposal, authorizes all Commonwealth agencies to release to the Commission information related to liabilities to the Commonwealth including, but not limited to, taxes, unemployment compensation, and workers' compensation liabilities.

#### **I-24. Insurance.**

**A. General.** Before the execution of a Contract, Provider must provide the Commission with certificates of insurance evidencing the coverage required acceptable to the Commission, as described below. Have all policies endorsed to contain the following clause: "Thirty (30) days written notice of any cancellation, non-renewal, limit or coverage reduction is to be sent to the Commission by Certified Mail." The preceding is subject to existing Commonwealth of Pennsylvania statutory cancellation provisions relating to non-payment of premium and misrepresentation by the insured. Maintain the insurance described herein for the entire duration of the Contract. All insurance policies must be written by an Insurance Company licensed and/or authorized to do business in Pennsylvania and acceptable to the Commission having an A.M. Best's rating of no less than A-, with a financial size category of IX, or better. Have all insurance policies and certificates signed by a resident Pennsylvania Agent of the issuing Company. However, in the case of an eligible surplus lines insurer, have all policies and certificates also signed by a party duly authorized to bind, on behalf of the eligible surplus lines insurer, the certified coverage's. Provider's obligations to maintain such insurance shall in no way limit the liability or obligations assumed by Provider hereunder.

**B. Commercial General Liability Insurance.** Commercial general liability insurance (CGL) with limits not less than \$5,000,000 each occurrence with a \$10,000,000 aggregate. CGL insurance shall be written on the Insurance Services Office Inc. (ISO) occurrence form CG 00 01 12 07 (or substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, independent contractors, products completed operations, personal injury and advertising injury, and liability assumed under contract (including the tort liability of another assumed in a business contract but not including breach of contract damages).

**C. Business Auto Liability Insurance.** Business auto liability insurance with a limit of not less than \$5,000,000 each accident. Such insurance shall cover liability, including bodily injury or death and property damage, arising out of any auto (including owned, hired, and non-owned autos). Business auto coverage shall be written on the current ISO form or a substitute form providing equivalent liability coverage.

**D. Worker's Compensation and Employer's Liability Insurance.** Take out, pay for and maintain during the life of the contract, Worker's Compensation Insurance in statutory required limits for the protection of all employees. Provide, pay for and maintain during the life of the contract, Employer's Liability Insurance in limits of not less than \$500,000 bodily injury each accident, \$500,000 bodily injury by disease- Policy Limit, and \$500,000 bodily injury by disease each employee



**E. Professional Liability Insurance.** Insurance coverage for Errors and Omissions (Professional Liability Insurance) in an amount not less than \$5,000,000. Insurance shall be provided on a form acceptable to the Pennsylvania Turnpike Commission.

**F. Additional Insured.** All Commercial General Liability and Automobile Liability insurance provided hereunder shall name the Pennsylvania Turnpike Commission and the Commonwealth of Pennsylvania as additional insured's.

## **PART II**

### **INFORMATION REQUIRED FROM PROPOSERS**

Proposals must be submitted in the format, including heading descriptions, outlined below. To be considered, the proposal must respond to all requirements in this part of the RFP. Any other information thought to be relevant, but not applicable to the enumerated categories, should be provided as an appendix to the proposal. Each proposal shall consist of two (2) separately sealed submittals. The submittals are as follows: (i) Technical Submittal, in response to Part II-1 through II-7 hereof; (ii) Cost Submittal, in response to Part II-8 hereof.

The Commission reserves the right to request additional information which, in the Commission's opinion, is necessary to assure that the Proposer's competence, number of qualified employees, business organization, and financial resources are adequate to perform according to the RFP.

The Commission may make such investigations as deemed necessary to determine the ability of the Proposer to perform the work, and the Proposer shall furnish to the Issuing Office all such information and data for this purpose as requested by the Commission. The Commission reserves the right to reject any proposal if the evidence submitted by, or investigation of, such Proposer fails to satisfy the Commission that such Proposer is properly qualified to carry out the obligations of the agreement and to complete the work specified.

**II-1. Statement of the Problem.** State in succinct terms your understanding of the problem presented or the service required by this RFP.

**II-2. Management Summary.** Include a narrative description of the proposed effort and a list of the items to be delivered or services to be provided.

**II-3. Work Plan.** Describe in narrative form your technical plan for accomplishing the work. Use the task descriptions in Part IV of this RFP as your reference point. Modifications of the task descriptions are permitted; however, reasons for changes should be fully explained. Indicate the number of person hours allocated to each task.

**II-4. Prior Experience.** Include your relevant experience in insuring and managing OCIPs for road and bridge reconstruction. Experience shown should be work done by individuals who will be assigned to this project as well as that of your company. Studies or projects referred to should be identified and the name of the customer shown, including the name, address, and telephone number of the responsible official of the customer, company, or agency who may be contacted.

**II-5. Personnel.** Include the number, and names where practicable, of executive and professional personnel, analysts, auditors, researchers, programmers, consultants, etc., who will be engaged in the work. Show where these personnel will be physically located during the time they are engaged in the work. Include through a resume or similar document education and experience in insuring and managing OCIPs for road and bridge reconstruction. Indicate the responsibilities each will have in this project and how long each has been with your company. Identify subcontractors you intend to use and the services they will perform.

**II-6. Training.** If appropriate, indicate recommended training of Commission personnel. Include the personnel to be trained, the number to be trained, duration of the program, place of training, curricula, training materials to be used, number and frequency of sessions, and number and level of instructors.

**II-7. DBE/MBE/WBE Participation.** The Turnpike Commission is committed to the inclusion of disadvantaged, minority, and woman firms in contracting opportunities. Responding firms shall clearly identify DBE/MBE/WBE firms, expected to participate in this contract, in their Proposal. Proposed DBE/MBE/WBE firms must be certified by the Pennsylvania Department of General Services ([www.dgs.state.pa.us](http://www.dgs.state.pa.us)) or the Pennsylvania Unified Certification Program ([www.paucp.com](http://www.paucp.com)) at the time of the submission of the proposal. While D/M/WBE participation is not a requirement for this RFP, inclusion of D/M/WBEs will be a factor in the evaluation determination. **If further information is desired concerning DBE/MBE/WBE participation,** direct inquiries to the Pennsylvania Turnpike Commission's Contract Administration Department by calling (717) 939-9551 Ext. 4241.

**II-8. Cost Submittal.** The information requested in this section shall constitute your cost submittal. **The Cost Submittal shall be placed in a separate sealed envelope within the sealed proposal, separate from the technical submittal.**

Proposers should **not** include any assumptions in their cost submittals. If the proposer includes assumptions in its cost submittal, the Issuing Office may reject the proposal. Proposers should direct in writing to the Issuing Office pursuant to Part I-9 of this RFP any questions about whether a cost or other component is included or applies. All Proposers will then have the benefit of the Issuing Office's written answer so that all proposals are submitted on the same basis.

The total cost you are proposing must be broken down but need not be limited to the following components: The PTC prefers the broker be remunerated on a fee basis. If any commissions are received, they will be offset against the fee. If it can be determined, this will include any contingent income. We realize the following to be approximations, with the final fees negotiated after the broker is selected. The fees are to include any on-site personnel and off-site requirements.

The projected fees are to be for the life of the contract and detailed for the five (5) components listed below as outlined in Part IV-2. For clarity and detail, please identify component costs by project where possible.

—

<b><u>MP 320-326</u></b>	<b><u>Fee Basis &amp; Quantity</u></b>	<b><u>Estimated Fees</u></b>
Broker Services		
Program Administration		
Loss Control Services		
Claims Management Service		
RMIS Services		
<b>Total</b>	- -	

<b><u>MP A26-A31</u></b>	<b>Fee Basis &amp; Quantity</b>	<b>Estimated Fees</b>
Broker Services		
Program Administration		
Loss Control Services		
Claims Management Service		
RMIS Services		
<b>Total</b>	- -	

<b><u>I95 - SECTION D1</u></b>	<b>Fee Basis &amp; Quantity</b>	<b>Estimated Fees</b>
Broker Services		
Program Administration		
Loss Control Services		
Claims Management Service		
RMIS Services		
<b>Total</b>	- -	

<b><u>I95 – SECTION D2</u></b>	<b>Fee Basis &amp; Quantity</b>	<b>Estimated Fees</b>
Broker Services		
Program Administration		
Loss Control Services		
Claims Management Service		
RMIS Services		
<b>Total</b>	- -	

<b>Grand Total</b>	- -	
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**Any costs not provided in the cost proposal will be assumed as no charge to the Commission.**

**The selected Proposer shall only perform work on this contract after the Effective Date is affixed and the fully-executed contract sent to the selected Proposer. The Commission shall issue a written Notice to Proceed to the selected Proposer authorizing the work to begin on a date which is on or after the Effective Date. The selected Proposer shall not start the performance of any work prior to the date set forth in the Notice of Proceed and the Commission shall not be liable to pay the selected Proposer for any service or work performed or expenses incurred before the date set forth in the Notice to Proceed. No Commission employee has the authority to verbally direct the commencement of any work under this Contract.**

## PART III

### CRITERIA FOR SELECTION

**III-1. Mandatory Responsiveness Requirements.** To be eligible for selection, a proposal shall be (a) timely received from a Proposer; (b) properly signed by the Proposer; and (c) formatted such that all cost data is kept separate from and not included in the Technical Submittal.

**III-2. Proposal Evaluation.** Proposals will be reviewed, evaluated, and rated by a Technical Evaluation Team (TET) of qualified personnel based on the evaluation criteria listed below. The TET will present the evaluations to the Professional Services Procurement Committee (PSPC). The PSPC will review the TET's evaluation and provide the Commission with the firm(s) determined to be highly recommended for this assignment.

The Commission will select the most highly qualified firm for the assignment or the firm whose proposal is determined to be most advantageous to the Commission by considering the TET's evaluation and the PSPC's determination as to each firm's rating. In making the PSPC's determination and the Commission's decision, additional selection factors may be considered taking into account the estimated value, scope, complexity and professional nature of the services to be rendered and any other relevant circumstances. Additional selection factors may include, when applicable, the following: geographic location and proximity of the firm, firm's Pennsylvania presence or utilization of Pennsylvania employees for the assignment; equitable distribution of work; diversity inclusion; and any other relevant factors as determined as appropriate by the Commission.

Award will only be made to a Proposer determined to be responsive and responsible in accordance with Commonwealth Management Directive 215.9, Contractor Responsibility Program.

**III-3. Evaluation Criteria.** The following criteria will be used, in order of relative importance from the highest to the lowest, in evaluating each proposal:

**a. Understanding the Problem.** The Commission anticipates the need to evaluate the feasibility of several independent or inter-related road and bridge reconstruction projects for OCIP consideration. It is also anticipated, based upon the PTC's experience with previous projects insured under an OCIP, that one or more of these projects will be selected for an OCIP. The Commission seeks expertise in determining the feasibility of OCIP treatment for a project and in identifying, implementing and overseeing the optimal design, structure, support and insurance company participants for the individual projects that are selected for OCIP treatment.

**b. Proposer Qualifications.** This refers to the ability of the Proposer to meet the terms of the RFP, especially the time constraint and the quality, relevancy, and recency of feasibility studies and projects completed by the Proposer. This also includes the Proposer's financial ability to undertake a project of this size. The Proposer should identify its relevant experience in the successful assessment, implementation, and management of OCIPs for road and bridge reconstruction of varying size and scope. The Proposer should also elaborate on its internal and external structure, capabilities and relationship with various OCIP insurers.

**c. Personnel Qualifications.** This refers to the competence of professional personnel who would be assigned to the job by the Proposer. Qualifications of professional personnel will be measured by experience and education, with particular reference to experience on studies/services similar to that described in the RFP. Particular emphasis is placed on the qualifications of the project manager. The Proposer must have qualified personnel close enough to the project sites to respond quickly to contractor's questions, loss occurrences, project meetings, and submission of documents. Among the services the Proposer may be required to perform include insurance marketing, policy verification and delivery, document preparation, liaison with contractors' brokers, claim handling or auditing, and loss control service or audits.

**d. Soundness of Approach.** Emphasis here is on the techniques for collecting and analyzing data, sequence and relationships of major steps, and methods for managing the service/project. Of equal importance is whether the technical approach is completely responsive to all written specifications and requirements contained in the RFP and if it appears to meet Commission objectives. If aspects of the approach and methodology are specific to size and scope, provide examples of specific functions that may be performed, omitted, outsourced or otherwise handled differently due to project size and/or scope.

**e. Available Facilities.** Consideration should be given to the need for an on-site servicing facility such as a separate office or trailer. Please provide detail for under which circumstances this would be recommended.

**f. Cost.** While this area may be weighted heavily, it will not normally be the deciding factor in the selection process. The Commission reserves the right to select a proposal based upon all the factors listed above, and will not necessarily choose the firm offering the best price. The Commission will select the firm with the proposal that best meets its needs, at the sole discretion of the Commission. Please elaborate on typical, preferred and acceptable methods of compensation, including disclosure policies, that the Provider typically employs including markups for outsourced or subcontracted services.

**g. DBE/MBE/WBE Participation.** This refers to the inclusion of D/M/WBE firms, as described in Part II-7, and the extent to which they are expected to participate in this contract. Participation will be measured in terms of total dollars committed or percentage of total contract amount to certified D/M/WBE firms.

## PART IV

### WORK STATEMENT

#### IV-1. Objectives.

**a. General.** The broker will be required to design, market and place the appropriate insurance coverage's for Owner Controlled Insurance Programs (OCIP), as well as administer such programs selected for construction projects of the PTC. All bidders responding to this proposal must provide the following information:

1. A brief history and description of your firm
2. Local service capabilities and methods of supplying brokerage services
3. Method and amount of compensation for brokerage services (Fee and/or commission? What is included/excluded? What extra costs?)
4. Marketing procedures and amount of owner involvement
5. Underwriters and/or insurance companies through whom you would propose to place the OCIP

**b. Specific.** The PTC will expect the broker to provide the following services relating to construction projects selected for an OCIP:

1. Feasibility Analysis
2. Brokerage Services
3. Program Administration
4. Loss Control Services
5. Claims Management Services
6. Risk Management Information System (RMIS)

Include a description of the roles and responsibilities of the proposer's program relative to the insurance carrier(s), the PTC, the construction manager and the contractor(s). If any of the services will be provided by the insurance companies or third parties, provide a detailed explanation on which services will be so provided and how they will be provided. The PTC prefers the services be primarily by the broker with the insurance companies providing support.

Participants are encouraged to identify and recommend concepts that will result in cost savings and improved coverage or administration and service without sacrificing coverage.

**IV-2. Nature and Scope of the Project.** Potential projects for OCIPs will fall within the PTC's fiscal year 2013 ten-year capital program. There are four (4) roadway, bridge and interchange construction or replacement projects that may be included in this OCIP. These projects have a total estimated construction cost of ~\$700 million. The available project details are as follows:

Project Description	Project Cost	Project Bid	Project Timeframe
Total Reconstruction Milepost 320 - 326	\$235 Million	Late 2013	Spring 2014 – Fall 2016
Total Reconstruction Milepost A26 – A31	\$175 Million	Mid 2013	Fall '13/Spring '14 – Fall 2016
Interstate 95 Interchange Section D1	\$161 Million	TBD	Spring 2014 – Fall 2016
Interstate 95 Interchange Section D2	\$135 Million	TBD	Spring 2015 – Summer 2018

## **DESCRIPTION OF THE PROJECTS**

### **TOTAL RECONSTRUCTION MP 320-326**

Construction of the Milepost 320-326 section is anticipated to include one mainline construction contract. Two early action bridge replacement contracts have already been completed. Upon completion, the existing four-lane roadway with a 10-foot median and 12-foot outside shoulders will be converted into a six-lane facility with three 12-foot travel lanes each direction, a 26-foot median and 12-foot outside shoulders.

The contract is for the reconstruction and widening of the Turnpike mainline from the Route 29 Interchange (MP 319.4) to the Valley Forge Interchange (MP 326.7). Final design is currently underway for this project which is anticipated to be bid as a full depth bituminous pavement.

Mainline bridge replacements and culvert extensions in this section include the following:

1. EB-733, MP 320.11, Bridge Replacement – Over T-401, Howells Road
2. EB-734, MP 321.53, Bridge Replacement – Over S.R. 1005, Yellow Springs Road
3. EB-735A, MP 322.96, Culvert Extension – Tributary to Valley Creek
4. EB-736, MP 323.46, Bridge Replacement – Over Valley Creek
5. EB-737, MP 323.73, Bridge Replacement – Over T-593, Wilson Road
6. EB-740, MP 325.17, Bridge Replacement – Over T-576, Thomas Road
7. EB-741, MP 325.44, Culvert Extension – West Branch of Trout Creek
8. EB-742, MP 325.59, Bridge Replacement – Over T-616, Glenhardie Road
9. EB-743, MP 325.64, Culvert Extension – East Branch of Trout Creek
10. EB-744, MP 326.01, Bridge Replacement – Over S.R. 422 & S.R. 2059, N. Gulph Road (Large bridge)

In addition, this project includes retaining walls, noise walls, drainage improvements and stormwater facilities. It is anticipated that there will be approximately 8,550 linear feet of retaining walls in fill and approximately 4,680 linear feet of retaining walls in cut. This project also includes approximately 30,900 linear feet of noise walls.

### **TOTAL RECONSTRUCTION MP A26-A31**

Construction of the Milepost A26-A31 section is anticipated to include one mainline construction contract. The project includes the reconstruction of the existing ramps and the addition of 3 new auxiliary ramps at Lansdale Interchange. Upon completion, the existing four-lane roadway with a 4-foot median and 10-foot outside shoulders will be converted into a six-lane facility with three 12-foot travel lanes each direction, a 26-foot median and 12-foot outside shoulders. There were four early action bridge replacement contracts to replace 6 overhead bridges, 5 of which are complete with the sixth scheduled to be complete summer 2013.

The mainline construction contract is for the design-bid-build reconstruction and widening of the Turnpike mainline from the MP A25.67 to MP A31.73. Final design is currently underway for this project which is anticipated to be bid as a full depth bituminous pavement.



Project includes the extension of 8 culverts and the replacement of the following bridges:

1. NB-125, MP A26.22, – Over T-379, Berks Road
2. NB-128, MP A26.77, – Over SR 2002, Shultz Road
3. NB-134, MP A27.67, – Over SR 0363, Valley Forge Road
4. NB-140, MP A29.24, – Over T-397, Green Lane Road
5. NB-141, MP A29.66, – SR 1002, Bustard Road Over Turnpike
6. NB-148, MP A30.30, – Ramp AB Over Mainline
7. NB-150, MP A30.90, – Over T-403, Wambold Road
8. NB-152, MP A31.13, – Over Skippack Creek

This project includes approximately 14,000 linear feet of retaining walls and 26,000 linear feet of noise walls as well as various drainage improvements and stormwater facilities.

### **SECTION D1- TURNPIKE MAINLINE WIDENING & FLYOVERS**

I-95, PA Turnpike Interchange (TPK) SR:0095

Limits: Existing I-95 to TPK Int 358 (Delaware Valley Int)

Improvement: Roadway New Capacity

Municipalities: Bristol Township, Bucks County

Project Construction Contract D1 includes the mainline Turnpike widening and related improvements between I-95 and Int 358 (Delaware Valley Int) in Bristol Township. Additionally, the I-95 mainline flyover tie-ins to the Turnpike mainline will be constructed, as well as a re-aligned eastbound Int 358 off-ramp. Related improvements include those for mainline bridge replacement, drainage, noise/retaining wall, pavement reconstruction/widening, ITS, signing, lighting and stream and T&E habitat mitigation. Mainline structures over Durham Road (SR 2049) and Veterans Highway (SR 0413) will be replaced with wider structures and the mainline will be widened to accommodate design year traffic. The overpass structure carrying Bristol-Oxford Valley Road (SR 2029) was previously replaced.

### **SECTION D2- INTERSTATE 95 MAINLINE WIDENING & FLYOVER COMPLETION**

I-95, PA Turnpike Interchange (TPK) SR:0095

Limits: Neshaminy Creek to the PA Turnpike (I-276)

Improvement: Roadway New Capacity

Municipalities: Bristol Township, Bucks County

Project Construction Contract D2 includes the mainline I-95 widening and related improvements between Neshaminy Creek and the PA Turnpike in Bristol Township. Additionally, the I-95 mainline flyovers between I-95 and the Turnpike will be completed, as well as re-aligned SR 0413 on-ramps to northbound and southbound I-95. Related improvements include those for mainline culvert extensions, drainage, noise/retaining wall, pavement reconstruction/widening, ITS, signing and lighting. The mainline will be widened to accommodate design year traffic. The overpass structure carrying Ford Road (SR 2192) will be replaced under a separate construction contract.

**IV-3. Requirements.** The broker will assist with establishing timeframe guidelines for assessments of certain projects for consideration of an OCIP and perform within such guidelines the facilitation of the contractor enrollment process for projects selected for an OCIP including additional services as outlined.

**IV-4. Tasks.**

**1. Feasibility Analysis**

- a) Evaluate conformance of the specific projects to general guidelines and characteristics of a cost-effective OCIP
- b) Consideration of projects and/or phases for inclusion within an OCIP as well as guidelines for which parties should be included
- c) Identification of unique risk and hazards to be insured or excluded
- d) Assessment of required service and recommended providers

**2. Insurance Brokerage Services**

- a) Assistance in drafting contractor insurance (for enrolled and non-enrolled parties) and safety requirements for contract and bid documents
- b) OCIP insurance program design including the most comprehensive coverage specifications and limits to protect the PTC and participating parties, including manuscript endorsements as needed, recommend appropriate retentions and provide optimal cash-flow features and incentives at the most competitive cost
- c) Marketing of OCIP program to prospective insurers
- d) Represent the PTC in all negotiations with the underwriters, insurance department, Pennsylvania Compensation Rating Bureau and other parties that might be involved in the OCIP. The PTC is desirous of meeting with underwriters to facilitate the marketing process and to be involved in final negotiations and selection of insurers and programs.
- e) Procurement and verification of policies and endorsements including verification of rates and premiums
- f) Provide accurate policies and endorsements to the PTC within ninety (90) days of the effective date.
- g) Monitoring and adjustment of insurance coverage's and insured values as needed
- h) Direction and monitoring of insurer activities
- i) On an as-needed basis, arrange for the underwriter to attend meeting with the PTC and the construction manager
- j) Sixty days (60) prior to the annual expiration date, provide a stewardship report, which will incorporate the following:
  - i. By year and line of coverage, the earned premiums, paid and incurred losses
  - ii. Anticipated renewal terms, conditions and an indication of the projected pricing
  - iii. Current status of the project for all phases
  - iv. Any problems experienced with the administration of the program and implemented or recommended solutions
  - v. Statement of all income received from the placement of the coverage, if on a commission basis

### **3. Administrative Services**

- a) Development of criteria for bid evaluation and participation in the bid evaluation. It is preferred that bidders be required to bid with details of the insurance portion clearly expressed, so that the value can be identified and deleted upon award of contract. A description of your processes and methodology for ensuring all eligible insurance credits from contractors/subcontractors should be explained in detail.
- b) Draft pre-bid insurance, loss control and procedural documents and participate in preconstruction conferences for bidding contractors
- c) Provide details of your methodology for enrollment of participants including processing of incoming or exiting contractors
- d) Development and distribution of insurance and procedural manual(s) for all enrolled contractors/subcontractors. At minimum, the manual(s) should include information regarding the insurance program, safety program and claim reporting provisions
- e) Delivery of insurance forms and collection of data
- f) Communication and coordination of insurance credits with contractors/subcontractors to be enrolled and their insurers/brokers
- g) Preparation and distribution of OCIP insurance certificates
- h) Secure, review and validate certificates of insurance from all parties required to provide evidence of insurance in accordance with established insurance requirements for non-OCIP coverage
- i) Payroll and other premium exposure development and audit system including obtaining and validating such information
- j) Proposed administrative staffing levels, description of roles and costs. Consideration should be given to the need for an on-site servicing facility such as a separate office or trailer

### **4. Loss Control Services**

- a) The overall safety program of the projects will be the responsibility of the broker and the broker will be required to provide or contract to provide a full-time safety professional for the length of the project. The safety responsibilities will include:
  - i. The design, implementation and monitoring of the overall safety program
  - ii. Proposed staffing and responsibilities
  - iii. Coordinate monthly safety committee meetings with construction manager and contractors as well as provide materials and monitor weekly toolbox talks
  - iv. Monthly review and investigation of claims, root cause analysis and corrective and preventative actions plans for deficiencies
  - v. Scheduling and coordination of hazard and security surveys/audits
  - vi. Provide quarterly comparisons on the severity and frequency rates with those of industry standards
  - vii. Conduct routine and unannounced safety inspections on a regular basis
  - viii. Develop and utilize a safety video for viewing by each employee prior to starting work
  - ix. Coordinate drug testing for all employees prior to starting work
  - x. List other activities that you would provide
  - xi. Screen and approve qualifications and experience levels of the construction manager and contractors' safety personnel
- b) Develop loss control manual addressing at minimum the following:
  - i. Lines of authority and reporting requirements

- ii. Requirement for individual contractors' written safety programs and OSHA compliance
- iii. Violations and penalties
- iv. Public safety & security
- v. Proposed loss control administration

## **5. Claims Management Services**

- a) The broker will be responsible for monitoring the claims reporting and management process. This will include:
  - i. Development, implementation and monitoring of system for reporting and administration of claims for employee injury, third party injury and first or third party property damage.
  - ii. Developing emergency transportation services
  - iii. Work with area health care providers to assist with immediate and necessary treatment for injured workers and negotiate reduced fees
  - iv. Provide schedule of network providers with negotiated fee arrangements for indirect health care related services (vocational rehabilitation, physical therapy, etc.)
  - v. Detailed monthly reports on all claims with incurred value in excess of \$25,000
- b) Quarterly reporting to include:
  - i. Loss experience including medical and compensation by contractor, paid and reserved, aggregates by type of loss or injury and by body part, and severity analysis
  - ii. Installed cost and payroll update
  - iii. OCIP safety and cost performance projections based on current data and compared with insurance costs that would have been incurred under a traditional program
  - iv. Coordination of open claim review meeting with insurer claims representative, construction manager, contractors (as needed) and PTC
- c) Perform and validate audits of claim reporting, handling and reserving. If retro plan is used, open reserves must be evaluated prior to the annual adjustment periods, and the subsequent retro calculations must be verified.

## **6. Risk Management Information System (RMIS)**

- a) Provide complete description of the type of RMIS that would be used for the OCIPs, including the hardware requirements. The RMIS must be capable of providing the following:
  - i. Development of emergency transportation procedures
  - ii. Monthly, quarterly and annual reports summarizing the progress, accomplishments, current and planned safety and claims activity
  - iii. Maintain contractor tracking logs that will include the following:
    - Alphabetical listing of all contractors including name, address and contact information
    - Listing of all subcontractors by tiers of relationships, e.g. contractor, subcontractors, sub-subcontractors including whether such entities are enrolled or non-enrolled participants
    - Contract start dates and completion dates

- Policy types, policy numbers, terms, conditions, underwriting data, estimated payrolls and other exposure data, and estimated premiums
- Policy and form information tracking system for receipt of policies and forms between contracts, insurers and other parties
- Monitoring of monthly payroll reports and spot-checking for accuracy
- Capable of supporting development and claim trending, reserve analysis, retrospective rating projections and other related data
- Access availability to PTC staff

**IV-5. Reports and Project Control.** All reports and project control will be in accordance with Section IV-4 detailed above.

**a. Task Plan.** A work plan for each task that identifies the work elements of each task, the resources assigned to the task, and the time allotted to each element and the deliverable items to be produced.

**b. Status Report.** A periodic progress report as specified in IV-4 covering activities, problems, and recommendations; the report should be keyed to the work plan developed by the Proposer in its proposal, as amended or approved by the Commission.

**c. Problem Identification Report.** An “as required” report, identifying problem areas. The report should describe the problem and its impact on the overall project and on each affected task. It should list possible courses of action with advantages and disadvantages of each, and include Proposer recommendations with supporting rationale.

**d. Final Report.** A final report summarizing the costs incurred, cost savings, claims summary, and any other details of the OCIP program is required using format comparable to the following:

- (1) Abstract or summarize the result of the study or service in terminology that will be meaningful to management and others generally familiar with the subject areas.
- (2) Describe data collection and analytical and other techniques used during the study.
- (3) Summarize findings, conclusions, and results developed in each task.
- (4) Include all supporting documentation; e.g., loss data, forms, questionnaires, etc.

## **Addendum No. 1**

**RFP 12-10260-3611**

### **Broker Selection for Owner Controlled Insurance Program**

**Prospective Respondents:** You are hereby notified of the following information in regard to the referenced RFP:

#### **REVISIONS**

1. Page 1 of 19, Item I-9, Questions and Answers. The question due date has been changed to **12:00 PM local time on Tuesday, June 5, 2012.**

All other terms, conditions and requirements of the original RFP posted April 30, 2012 remain unchanged unless modified by this Addendum.

## **Addendum No. 2**

### **RFP 12-10260-3611**

#### **Broker Selection for Owner Controlled Insurance Program (OCIP)**

**Prospective Respondents:** You are hereby notified of the following information in regard to the referenced RFP:

#### **REVISIONS**

1. Page 11 of 19, Item III-2, Proposal Evaluation, the second paragraph language has been revised to read as follows:

The Commission will select the most highly qualified firm for the assignment or the firm whose proposal is determined to be most advantageous to the Commission by considering the TET's evaluation and the PSPC's determination as to each firm's rating.

#### **QUESTIONS & ANSWERS**

Following are the answers to questions submitted in response to the above referenced RFP as of June 5, 2012. All of the questions have been listed verbatim, as received by the Pennsylvania Turnpike Commission.

1. **Is there a DBE/MBE/WBE requirement?**

No, however as stated in Section II-7 the Turnpike Commission is committed to the inclusion of DBE/MBE/WBE firms and in Part III- Criteria for Selection it is also one of the evaluation criteria for this RFP.

2. **Is there a preliminary budget available for each job? At a minimum, are trade breakdowns from similar (historical) jobs available?**

See Part IV -2. Nature and Scope of Project in the RFP for preliminary budgets.  
Trade Breakdowns are not currently available.

3. **What are the anticipated number of subcontractors per project?**

This information is not currently available.

4. **The contract term is for 6 years with (2) one year extensions: however the projects shown extend over a 4 year period. What other anticipated work is expected? How much volume?**

While actual work on the projects is projected to fall within that 4 year window, administration of the program will commence prior to construction and continue beyond the construction completion dates.

- 5. With respect to the required Limits of Liability, please confirm they can be met by having the limits of both the primary and Excess Liability Policies.**

Yes. Insurance coverage limits can be achieved via a combination of primary and excess coverages.

- 6. Will overtime compensation be approved for the “full time safety professional” for work performed in excess of 40 hours in a work week and/or on weekends and holidays?**

The “full time safety professional” would be engaged by the selected broker. The terms of that contract would be negotiable.

- 7. Will a “full time safety professional” be needed on site at all times when work is being performed for each project? Or will one full time safety professional be needed to cover all projects and fulfill the duties outlined in section 4 of the RFP.**

Whether a full time safety professional will be need at all times will be determined by the type of work being performed and the extent of the project. The selected broker will help in determining the need.

- 8. What safety requirements are there for general contractors, construction managers and contractors to provide site safety professionals on projects?**

This is a negotiable item which the selected broker will help to determine prior to the contractor bidding process.

- 9. What are the parameters for the “safety video” that needs to be developed? Is there a minimum/maximum length as this will affect production costs?**

The safety video in question is a short, 10 minutes or so, introduction to safety. These videos are primarily used for new hires.

- 10. Item 4 v. “Scheduling and coordination of hazard and security survey/audits”. Who will provide security for the projects?**

As the Turnpike is a closed system, the PTC does not supply “security”. Site Security is the responsibility of the contractor.

- 11. Does the PTC have a mechanism in place for “violations and penalties” against contractors? If so, please explain the parameters and collection methods?**

The PTC does not have a mechanism in place for violations and penalties against contractors with regard to safety or insurance.

All other terms, conditions and requirements of the original RFP posted April 30, 2012 remain unchanged unless modified by this Addendum.