



**SOLICITATION NO: R-14-006-DB
INFORMAL REQUEST FOR
PROPOSALS
Release Date: June 25, 2014**

ACTUARIAL SERVICES

Please return by July 9, 2014 @ 10:00 AM Central Time to: dabenites@saws.org

I. PROJECT INFORMATION

a. OBJECTIVE

San Antonio Water System (SAWS) is pursuing the assistance of a qualified actuarial firm to conduct a comprehensive actuarial analysis of SAWS self-insured workers' compensation and liability programs to include an estimate of the unpaid loss and allocated loss adjustment expense (ALAE) for known claims, and claims which have occurred but not yet reported (incurred but not reported or IBNR).

b. BACKGROUND

Headquartered in San Antonio, San Antonio Water System (SAWS) is the largest water utility in Bexar County serving more than one million citizens and provides water, wastewater, recycled water and heating and cooling services. SAWS policy is overseen by a City Council-appointed Board of Trustees and the San Antonio City Council is SAWS regulatory authority on rates and bond issues.

Actuarial Services are an important vehicle in determining the value of risk in the implementation of SAWS self-insured workers compensation and liability programs.

c. SCOPE OF SERVICE

The selected firm shall provide the following services:

- Consultant shall conduct a comprehensive annual actuarial analysis of SAWS' self-insured workers compensation and liability programs. The actuarial analysis shall be conducted by a licensed Independent Consulting Actuary who is a member of the Casualty Actuarial Society. The actuarial analysis shall

commence the month of execution of contract, with draft copies due to the SAWS Risk Director by the third week of the following month after execution, and separate final reports for workers' compensation, general liability and automobile liability provided to SAWS Risk Management Director no later than the first week of September of the same year.

- Consultant shall provide an estimate of the unpaid loss and allocated loss adjustment expense (ALAE) for SAWS workers' compensation, general liability, and auto liability programs. This estimate will include a provision for known claims as of December 31, as well as claims which have occurred but not yet been reported (i.e., incurred but not reported or IBNR claims) to SAWS.
- Estimates shall be provided at expected, 75%, and 90% probability at undiscounted, 1%, 2%, 3%, and 4% discounts separately for auto liability, general liability and workers' compensation at various retention levels for workers' compensation and general liability, and at no excess for auto liability. Tables shall reflect these options for both Net Loss & ALAE Reserves and Net Loss & ALAE Funding.
- Consultant shall provide a "roll-forward" of its estimates to December 31.
- Consultant shall provide prospective year loss projections for workers' compensation, general liability, and auto liability coverages. The prospective period shall be from January 1 through December 31 of the following year.

Assessment Allocation Plan (Optional Additional Services):

- SAWS, in its sole discretion, may require Consultant to perform the following optional additional services, related to the development of a methodology for, and preparation of, an assessment allocation plan. SAWS shall notify Consultant in writing, if SAWS wishes for Consultant to provide these services.
- Background. The SAWS maintains Workers, Compensation and General Liability Internal Service Funds ("WC/GL Internal Service Funds") from which it pays workers compensation and general liability claims. Assessments are charged against individual SAWS department's cost centers within the SAWS

budget to finance the WC/GL Internal Service Funds. The SAWS seeks Consultant's expertise, using its skills and identified industry best practices, to develop a methodology for applying appropriate assessments against individual SAWS department's cost centers in order to adequately finance the WC/GL Internal Service Funds. In addition, SAWS wishes for Consultant to apply its methodology to ascertain the assessments that should be applied for the following SAWS fiscal year.

- If requested by SAWS, Consultant shall develop a methodology for SAWS-wide assessments, and apply the methodology to ascertain the appropriate assessments against individual SAWS department's cost centers in order to finance the WC/GL Internal Service Funds. Consultant shall identify industry best practices to SAWS, including how Consultant derived such practices and a detailed explanation justifying its proposed methodology to SAWS in a report, along with the proposed methodology and the actual assessments proposed. Consultant shall provide a draft of this report no later than 14 calendar days from the date SAWS requests these services. SAWS shall review the report and may request clarification or revision. If so, Consultant shall provide a revised report no later than 5 calendar days from SAWS' request for clarification or revision. SAWS shall notify Consultant in writing when SAWS accepts Consultant's report as final.
- Consultant is advised that the assessment and methodology may be used to charge both Federal and State of Texas grant funds.
- Consultant represents and warrants to SAWS that the Assessment Allocation Plan developed by Consultant and delivered to SAWS in accordance with the terms and conditions of this Agreement shall be in full compliance with the then-current version of (a) all applicable Generally Accepted Accounting Principles (GAAP); (b) all applicable Federal and State statutes, rules, regulations, and circulars, including but not limited to (i) OMB Circular A-87, "Cost Principles for State, Local, and Indian Tribal Governments; (ii) OMB Circular A 102 Common Rule for State, Local, and Indian Tribal Governments; (iii) OMB Circular A-133 for federal funding and the OMB Circular A-133 Compliance Supplement; and (iv) State of Texas Single Audit Circular for state funding.
- Consultant acknowledges that SAWS is relying upon the representation and warranty set forth in above in entering into this Agreement with Consultant.

- In the event of a challenge by any Federal or State Agency, Commission, Department, or Office to any portion(s) of the Assessment Allocation Plan prepared by Consultant and delivered to SAWS, Consultant shall, if requested by SAWS, take any and all action necessary to defend the Assessment Allocation Plan, including, but not limited to, taking the lead role, or actively participating in the defense, at SAWS' discretion, attendance at all meetings or hearings, timely providing to SAWS and/or such Federal or State Agency, Commission, Department, or Office all services, personnel, records, work papers, and other materials or information that are necessary to support and justify the challenged portion(s) of such Assessment Allocation Plan.
- A finding by a Federal or State Agency, Commission, Department, or Office that the Assessment Allocation Plan or any part(s) thereof developed by Consultant and delivered to SAWS are not in compliance in any substantial manner with GAAP and/or any applicable Circular (whether or not specifically mentioned in above) shall constitute a breach by Consultant of its representation and warranty to SAWS, and shall entitle SAWS to recover all damages of any type and nature whatsoever resulting there from. The indemnity provisions of this Agreement shall apply to the recovery by SAWS of all such damages.
- The provisions of this Article and the indemnity provisions of this Agreement shall survive the completion or earlier termination of this Agreement.
- All work performed by Consultant hereunder shall be performed to the satisfaction of SAWS' Chief Financial Officer (CFO) and/or Controller. The determination made by CFO and/or Controller shall be final, binding and conclusive on all Parties hereto. SAWS shall be under no obligation to pay for any work performed by Consultant, which is not satisfactory to CFO and/or Controller. SAWS shall have the right to terminate this Agreement, termination, in whole or in part, should Consultant's work not be satisfactory to CFO and/or Controller; however, SAWS shall have no obligation to terminate and may withhold payment for any unsatisfactory work, as stated herein, even should SAWS elect not to terminate.

d. ADDITIONAL REQUIREMENTS

- i. Submitting firms must have performed similar surveys in the past three (3) years.
- ii. Firms currently doing business with other water or wastewater services agencies may be in conflict. Other water or wastewater services agencies include, but are not limited to, San Antonio River Authority, San Antonio River Foundation, Guadalupe-Blanco River Authority, Edwards Aquifer Authority, and Lower Colorado River Authority.

If this is the case please notify the SAWS point of contact and provide a complete description of the work that is currently being done and when the work will be completed.

- iii. Contracted services shall be completed by end of year 2014.

II. SELECTION PROCESS

a. Selection

San Antonio Water System (SAWS) will review, evaluate, and rank the proposals according to a numerical scoring system based on the responses to the criteria listed below. Those firms with proposals deemed most beneficial to SAWS will enter into negotiations for a contract to perform the services detailed in this RFP.

b. Summary of Evaluation Criteria

- Project Team’s Demonstrated Competence and Experience 30 Points
- Project Team and Resumes 20 Points
- Project Approach 20 Points
- Compensation Proposal 15 Points
- Adherence to Affirmative Action and Small, Minority and Woman Business (SMWB) Participation (Exhibit “B” Community Outreach Plan) 15 Points
- Total Points / Percentage 100 points

c. Technical & other Questions

Respondents may submit technical questions concerning the services in this RFP. Questions must be in writing and electronically sent by e-mail only to David Benites Contract Administrative Specialist at **Email: dabenites@saws.org**. **Submit technical questions by 10:00 AM Wednesday, July 2, 2014.** Entitle the subject line of the question email with: “R-14-006-DB Questions” and then the name of your firm.

d. Clarification of Submittals

SAWS reserves the right to contact any respondent should clarification be required after responses are opened. SAWS also reserves the right to further negotiate with any respondent when it is deemed necessary by SAWS.

III. SUBMITTING A RESPONSE

a. Deadline

Proposals are due no later than July 9, 2014 at 10:00 AM Central.

b. Submission

Submission of Proposals – Please address a PDF of your submittal to dabenites@saws.org. Entitle the subject line of the submission email with “R-14-006-DB Proposal Response” and then the name of your firm.

c. Response Format:

The response shall be organized as follows and each section shall be titled accordingly.

i. Statement of Project Team’s Demonstrated Competence and Experience of the Project

1. Cover Letter: prepared on the letterhead of the lead Respondent, which summarizes the relevant characteristics that distinguish the Respondent in its ability to work with SAWS on this project. The cover letter should identify each team member and his or her role. It should also identify a principal contact person authorized to commit the respondent to a contractual agreement. In addition to providing the name of a principal contact person, the address, telephone number, facsimile number, and email address of said individual shall be provided
2. Provide a brief description of your firm and its history providing the scope of services.
3. Detail how your firm has the unique abilities to provide the services per the supplied scope.
4. Provide a summary of not more than one (1) page detailing the unique qualifications of each sub-consultant.
5. Please demonstrate similar prior experience and provide no less than three references as specified in section I. subsection d. of this RFP.

Provide a list of all current and/or previous projects (a maximum of 5) in the last three years, in which the Respondent has performed professional services similar to those sought in this solicitation. This list should include:

- Name of client
- Name and title of contact
- Contact information (Telephone, Email, etc.)
- Location (city and state)
- Duration of assignment
- Respondent's role in project

ii. Project Team and Resumes

1. Provide a team organization chart

2. Provide a resume for each team member to include expertise directly related to the scope of services. It shall be not more than two (2) pages per person and cover the capabilities, professional experience and qualifications of each team member. Resumes shall include the team member's name, title, education, brief overview of professional experience, and team member licenses or professional affiliations.

iii. Project Approach

1. Describe what steps, tools, and methods you will employ to assist SAWS achieve its goals.

2. Describe and demonstrate your firm's ability to perform the scope of services in a timely manner.

3. Detail how you have quickly performed similar services in the past.

iv. Compensation Proposal

1. In consideration of Consultant's performance in a satisfactory and efficient manner, as determined by the Director of Risk Management, of all services and activities set forth in your cost proposal Exhibit C.

d. Proof of Insurability: Exhibit "A"

i. Respondent shall submit a copy of their current insurance certificate.

ii. Submit a letter from insurance provider stating provider's commitment to insure the Respondent for the types of coverage listed and at the levels specified in Exhibit "A" if awarded a contract under this RFP.

- IV. Contract Requirements after award:
- a. Certificates of Insurance must be submitted with the signed contract returned to SAWS. The certificates of insurance must meet the insurance requirements outlined in Exhibit “A” – “Insurance Specifications” attached to the contract. The certificates of insurance must include the contract number, the name of the project, and the job number.
 - b. A “Corporate Authorization Resolution” listing by name or position the individuals authorized to contractually bind the company must accompany the signed contract returned to SAWS.
- V. RESERVATION OF RIGHTS SAWS reserves the right to:
- Reject any and all Proposals received
 - Issue a subsequent RFP
 - Cancel the entire RFP
 - Remedy technical errors in the RFP process
 - Negotiate with any, all, or none of the Respondents to the RFP
 - Waive informalities and irregularities
 - Accept multiple Proposals
 - Make multiple recommendation(s) to staff
 - Request additional information or clarification
- a. OWNERSHIP OF PROPOSALS
All responses and their contents will become the property of SAWS.
 - b. NO REIMBURSEMENT FOR PROPOSALS
SAWS will not reimburse Respondents or sub-consultants for any costs associated with any travel and/or per diem incurred in any presentations associated with the selection process.
 - c. NO GUARANTEE OF CONTRACT
This RFP does not commit SAWS to enter into a contract, nor does it obligate it to pay any costs incurred in the preparation and submission of Proposals or in anticipation of a contract.

Exhibit "A"

**SAWS STANDARD INSURANCE SPECIFICATIONS &
CERTIFICATE OF LIABILITY INSURANCE REQUIREMENTS**

1. **Commercial Insurance Specifications ("Specifications"):**

a. Commencing on the date of this Contract, the CONSULTANT shall, at his own expense, purchase, maintain and keep in force such lines of insurance coverage as will protect him and the San Antonio Water System ("SAWS") and the City of San Antonio ("the City") and their employees and agents from claims, which may arise out of or result from his operations under this Contract, whether such operations are by himself, by any sub-consultant, supplier or by anyone directly or indirectly employed by any of them or by anyone for whose acts any of them may be liable, including, without limitation, the following lines of insurance coverage:

- 1) **Commercial General Liability (CGL)** insurance that will protect the CONSULTANT, SAWS and the City from claims for damages because of bodily injury, personal injury, sickness, disease or death and insurance that will protect the CONSULTANT, SAWS and the City from claims for damages to or destruction of tangible property of others, including loss of use thereof.

This line of insurance coverage shall:

- Cover independent contractors;
- Afford coverage for Products Liability and/or Completed Operations and, Contractual Liability.

The minimum policy limits of liability for this line of insurance coverage shall be:

\$ 1,000,000.00	Occurrence Limit
2,000,000.00	General Aggregate
2,000,000.00	Products/Completed Operations Aggregate
1,000,000.00	Personal and Advertising Injury
1,000,000.00	Contractual Liability

This line of insurance coverage shall be endorsed:

- Naming SAWS and the City as an **Additional Insured**; and
 - To provide a **Waiver of Subrogation** in favor of SAWS and the City.
- 2) **Professional Liability (PL)** (errors and omissions) insurance with minimum coverage limits of \$1,000,000 per claim, \$1,000,000 in the aggregate **and**, if this line of coverage is written on a "Claims Made" form, the CONSULTANT must maintain this line of insurance coverage for a period of at least twenty-four (24) months after the date of Contract termination.

NOTE - For Professional Liability, include in writing on the **Certificate of Liability Insurance** ("Certificate") the coverage form under which the respective line of coverage is written – either:

- **Claims-made form**; if the coverage form declared on the Certificate is the Claims-made form, the "**Retroactive-date**" for this line of coverage must also be included on the Certificate as well; **or**
 - **Occurrence basis** – no additional wording required.
- b. CONSULTANT shall require all Sub-consultants to carry lines of insurance coverage appropriate to their scope of Work and submit copies of Sub-consultants' Certificates of Liability Insurance upon request by SAWS.
- c. CONSULTANT agrees that with respect to the above required lines of insurance, all insurance policies are to contain or be endorsed to the extent, not inconsistent with the requirements of the issuing insurance carrier, to provide for an endorsement that the "other insurance" clause shall not apply where SAWS and the CITY are an Additional Insured shown on the policy if such endorsement is permitted by law and regulations.
- d. CONSULTANT shall, upon request of SAWS, provide copies of all insurance policies and endorsements required under Contract.
- e. CONSULTANT is responsible for the deductibles under all lines of insurance coverage required by these Specifications.
- f. The stated policy limits of each line of insurance coverage required by these Specifications are **MINIMUM ONLY** and it shall be the CONSULTANT's responsibility to determine what policy limits are adequate and the length of time each line of insurance coverage shall be maintained; insurance policy limits are not a limit of the CONSULTANT's liability.
- g. These minimum limits required of each line of insurance coverage may be either basic policy limits of the CGL and any combination of basic limits or umbrella (Umbrella form) or excess (Other Than Umbrella form) limits. SAWS acceptance of Certificate(s) that in any respect, do not comply with these Specifications, does not release the CONSULTANT from compliance herewith.
- h. Within five (5) calendar days of a suspension, cancellation or non-renewal of any required line of insurance coverage, the CONSULTANT shall provide SAWS a replacement Certificate with all applicable endorsements included. SAWS shall have the option to suspend the CONSULTANT's performance should there be a lapse in coverage at any time during this Contract.
- i. SAWS recommends that each line of insurance coverage that is required under these Specifications shall be so written so as to provide the CONSULTANT thirty (30) calendar days advance written notice directly of any suspension, cancellation or non-renewal or material change in coverage, and not less than ten (10) calendar days advance written notice for nonpayment of premium.
- j. Failure to provide and to maintain the required lines of insurance coverage shall constitute a material breach of this contract.

- k. In addition to any other remedies, SAWS may have, upon the CONSULTANT's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, SAWS shall have the right to order the CONSULTANT to stop performing services hereunder and/or withhold any payment(s) which become due to the CONSULTANT hereunder until the CONSULTANT demonstrates compliance with the Specifications hereof.
- l. Nothing herein contained shall be construed as limiting, in any way, the extent to which the CONSULTANT may be held responsible for payments for damages to persons or property resulting from the CONSULTANT's or its sub-consultant's performance of the services covered under this Contract; or limiting, in any way the extent to which the CONSULTANT may be held responsible for payment of fines, penalties, fees, or economic damage to SAWS.
- m. It is agreed that the CONSULTANT's insurance shall be deemed primary and non-contributory with respect to any insurance or self-insurance carried by SAWS, the City and their employees and agents for liability arising out of operations under this Contract.
- n. CONSULTANT agrees that all lines of insurance coverage required by these Specifications shall be with insurance companies, firms or entities that have an **A.M. Best** rating of "**A-** ("**A**"-**minus**)" and a **Financial Size Category** of a "**VII**" or better. All lines of insurance coverage shall be of an "Occurrence" type except for the Professional Liability line of insurance coverage.

SAWS will accept worker's compensation insurance coverage written by the Texas Workers Compensation Insurance Fund.

- o. SAWS reserves the right to review the above stated Insurance Specifications during the effective period of this Contract and any extension or renewal hereof and to request modification of lines of insurance coverage and their respective liability limits when deemed necessary and prudent by SAWS' Risk Manager and Legal Department based upon changes in statutory law, court decisions, or circumstances surrounding this Contract.

In no instance will SAWS and the City allow modification whereupon SAWS and the City may incur increased risk exposure.

2. Certificate(s) of Liability Insurance ("Certificate") Requirements

Prior to the commencement of any Services under this Contract and once notified by SAWS Contracting Official that your Company has been selected as the apparent successful CONSULTANT pursuant to an Informal Request for Proposal, RFP selection process, pending Board final approval, and, a request is made for you to submit your Company's Certificate of Liability Insurance, that Certificate must meet all of the following requirements:

- a. The CONSULTANT shall have completed by its insurance agent(s), and submitted to SAWS Contracting Department within 5 business days, a **Certificate(s) of Liability Insurance** ("**Certificate(s)**") providing evidence of the lines of insurance coverage pursuant to Section 1.a.1) through 1.a.2) above.
- b. The original Certificate(s) or form must include the agent's original signature (stamped or typed is acceptable), including the signer's company affiliation, mailing address, Office and FAX phone numbers, email address, and contact person's name; and, be mailed, with copies of all applicable endorsements, directly from the insurer's authorized representative in strictly compliance with

sections 2.g. (**Certificate Holder**) and 2.h. (**Distribution of Completed Certificates**) below.

- c. SAWS will not accept Memorandum of Insurance or Binders as proof of insurance.
- d. SAWS shall have no duty to pay or perform under Consulting Services Agreement until such certificate(s) and applicable endorsements have been received, reviewed and deemed 100% compliant with the Insurance Specifications (contained herein) by SAWS' Risk Management/Contract Services Department. No one other than SAWS Risk Manager shall have authority to waive any part of these requirements.
- e. The SAWS Project/Contract number(s) along with its Descriptor Caption **must be included** in the Description of Operations section located in the bottom half of the standard ACORD Certificate forms.
- f. **Certificate Holder** - SAWS shall be shown as the Certificate Holder in the Certificate Holder section located in the bottom half of the standard ACORD Certificate forms and formatted as follows:

**San Antonio Water System
c/o Ebix BPO
PO Box 257
Ref. # 107- (SAWS Contract/Project #)*
Portland, MI 48875-0257**

**SAWS Contracting Official will include in the above address, the correct, complete Ref# in the written confirmation of your selection as a CONSULTANT pending final Board approval.*

DO NOT BEGIN THE DISTRIBUTION OF ANY CERTIFICATE(S) BEFORE RECEIVING AND INSERTING THE COMPLETE REFERENCE NUMBER INTO THE CERTIFICATE HOLDER ADDRESS SHOWN ABOVE.

- g. **Distribution of Completed Certificates** - Completed **Certificates** shall be distributed by the Consultant as follows:
 - 1) Send Original:
 - a) By **Mail**:

San Antonio Water System
C/O Ebix BPO
P.O. Box 257
Ref. #107- (Same as the **Certificate Holder** name/address shown above.)
Portland, MI 48875-0257
 - b) By **Fax**: 1-517-647-7900
 - c) By **E-Mail**: CertsOnly@periculum.com
 - 2) Send Copy to the following:

San Antonio Water System
Attention: Contract Administration
P.O. Box 2449
San Antonio, TX 78298-2449

- h. CONSULTANT shall be responsible for obtaining Certificates of Insurance from the first tier Sub-consultant, and upon request furnish copies to SAWS.

3. **SURVIVAL**

Any and all representations, conditions and warranties made by Consultant under this Contract including, without limitation, the provisions of Section 1.a.1) of these **Commercial Insurance Specifications and Certificates of Liability Insurance Requirements** are of the essence of this Contract and shall survive the execution and delivery of it, and all statements contained in any document required by SAWS whether delivered at the time of the execution, or at a later date, shall constitute representations and warranties hereunder.

EXHIBIT B
GOOD FAITH EFFORT

TO BE PROVIDED AFTER SAWS INTERNAL REVIEW OF DOCUMENT.

EXHIBIT C

COMPENSATION PROPOSAL

<u>Three Year Actuarial Service</u>	<u>Cost Per Analysis</u>	<u>Optional Services</u>
2014 Actuarial Analysis of SAWS Self-Insured Workers Comp & Liability Programs		
2014 Loss Projection		
Optional: Assessment Allocation Plan Updated		
2015 Actuarial Analysis of SAWS Self-Insured Workers Comp & Liability Programs		
2015 Loss Projection		
Optional: Assessment Allocation Plan Updated		
2016 Actuarial Analysis of SAWS Self-Insured Workers Comp & Liability Programs		
2016 Loss Projection		
Total Cost:		

Hourly Billing Rate Table	
Discipline	Hourly Rate
Actuary	
Statistician	
Clerical	