



VALLEY INSURANCE PROGRAM JOINT POWERS AUTHORITY

REQUEST FOR PROPOSAL

FOR

JPA/POOL ADMINISTRATION

SERVICES

Dated: January 14, 2010

RETURN RFP RESPONSES TO
CAROL WELLS
SPECIALTY RISK SOLUTIONS, LLC.
9437 Cross Fox Way
Elk Grove, CA 95758
(916) 684-6286
Carol_wells@specialtyrisksolutions.com

DEADLINE FOR RESPONSES:
5:00 p.m.



VALLEY INSURANCE PROGRAM JOINT POWERS AUTHORITY

Request for Proposal

For

JPA/Pool Administration Services

TABLE OF CONTENTS

I.	Introduction	3
II.	Scope of Services.....	4
III.	Proposal Requirements.....	8
IV.	Insurance Requirements.....	10
V.	Selection Process.....	10
VI.	Selection Timeline.....	11



VALLEY INSURANCE PROGRAM JOINT POWERS AUTHORITY

I. INTRODUCTION

Overview

Valley Insurance Program Joint Powers Agency (VIPJPA) was created in 1986 by Community College Districts in the Central Valley of California to provide a pooled approach to insurance pursuant to the California Community Code. VIPJPA is a partnership of three community colleges that was formed in order to address the challenges of traditional insurance. By pooling assets, members of VIPJPA jointly control their risks and pay their own claims rather than purchase primary insurance from carriers. However, VIPJPA does purchase excess coverage from carriers to cover catastrophic events. In order to help members control their risks and protect their assets, VIPJPA provides resources such as loss control and prevention services and a web-based training program to help keep employees and students safe.

Pooled excess and group purchase coverage programs include workers' compensation, general liability, and employment practices liability, property and auto physical damage.

Membership and Governance

The VIPJPA consists of three community college district member entities and is governed by a Board of Directors represented by the President, Vice President, Secretary, and Treasurer.

Member Districts

Merced Community College District
State Center Community College District
Yosemite Community College District

Safety & Loss Control Committee

The Safety & Loss Control Committee was established for the purpose of research, education, training and support purposes to directly reduce claims and improve safety for the benefit of all member districts. The Committee consists of representatives from each district.

Website Address

<http://www.vipjpa.org>

II. SCOPE OF SERVICES

JPA/Pool Administration services will include working with the Board of Directors and Committees to conduct day-to-day management, operation, general administration, safety services, and financial affairs of VIPJPA and its programs of insurance, self-insurance and risk management and to provide oversight of any other contracted operations. Services to be contracted shall include:

A. General Services

- Maintain a business office in a location of the administrator's choosing within the State of California and pay all costs incidental to the occupancy and maintenance of the office;
- Retain sufficient personnel to conduct the business affairs of VIPJPA;
- Maintain an 800-toll free number for use by members in contacting administrator's staff;
- Once key contacts are established and agreed to by VIPJPA, any alternate staff must be accepted and approved by VIPJPA;
- A member of the Administrator's staff will be appointed as VIPJPA's Recording Secretary.

B. Leadership and Management

- Maintain contacts and participation in key public agency risk managers and insurance industry organizations such as PARMA (Public Agency Risk Management Authority), PRIMA (Public Risk Management Association), AGRIP (Association of Governmental Risk Pools), CASBO (California School Business Officials) and CAJPA (California Joint Powers Authority);
- Advise members of proposed/newly adopted administrative law or legislative changes;
- Exercise initiative in recommending improved organization procedures in the governance of VIPJPA as well as produce, prepare and maintain governing documents and administrative policy manual;
- Work with VIPJPA in introducing and implementing pooling practices including orientation of new Board members to important trends and activities of pools. Maintain liaison between member agencies and VIPJPA to keep members fully informed on the current status of VIPJPA affairs;
- Maintain operations that meet all regulatory and operational requirements to continue to qualify for the CAJPA Accreditation with Excellence standard;
- Prepare and file updated Statement of Facts with the Secretary of State and any other required reports with State Agencies;
- Oversee and assist in the preparation and submission of annual reports to the State Controller's Office and to the Office of Self-Insurance Plans, Department of Industrial Relations;
- Maintain the VIPJPA website - <http://www.vipjpa.org>;
- Monitor the performance of all external service contractors to ensure compliance with their contractual obligations. Coordinate an annual evaluation by the Board of the service provider (including Pool Administration). Recommend changes or improvements in the services provided when needed;
- Maintain a general file of all documents, including but not limited to, correspondence, reports, insurance policies, agendas, minutes, and governing documents;
- Assist, when needed, in the selection of risk management and insurance programs, brokers, insurance companies, claims administrators, claims auditors, actuaries, loss control specialists, and other professionals whom provide services to VIPJPA;

- Develop, prepare and maintain the guidelines and standards for accepting new members. Review and make a recommendation for all new applications for membership to the Board.

C. Meeting, Planning and Board Relations

- Make arrangements for and attend Board of Directors and Committee meetings;
- Prepare, provide, post and distribute descriptive agendas and materials for Board and Committee meetings in accordance with the governing documents and the Ralph M. Brown Act;
- Within ten working days after the meeting, prepare and distribute minutes of all Board and Committee meetings;
- Act as a filing officer for Annual Statements of Economic Interest (Conflict of Interest filings) to ensure compliance with FPPC requirements. Disseminate, collect, and maintained required statements;
- Maintain an up-to-date mailing lists of all members, primary contacts, Committee and Board members;
- Maintain a general file of all VIPJPA documents including, but not limited to, correspondence, reports, insurance policies (and Memorandums of Coverage), notices, agendas, minutes and all governing documents;
- Keep members informed of the affairs of VIPJPA, including the preparation and distribution of an annual report to the Board of Directors on the general condition of VIPJPA;
- Market VIPJPA to other interested homogeneous community college districts, if requested. Develop, prepare and maintain the guidelines and standards for accepting new members;
- Review applications for membership and make recommendations to the Board regarding the acceptability of such new applicants;
- Arrange, coordinate and prepare necessary documents for an annual strategic planning meeting.

D. Insurance Program Management

- Annually, perform an analysis of self-insurance compared to primary insurance. Conduct any other necessary studies on such items as loss trends and alternative methods for reducing costs and appropriate retention levels;
- Negotiate fees for services and insurance coverages on behalf of VIPJPA to minimize costs and obtain the best possible services. Coordinate with broker in the underwriting process;
- Prepare and distribute a Memorandum of Coverage for the self-insured programs. Prepare changes to the Memorandums as necessary;
- Apprise the Board of any new development of insurance products or programs.

E. Accounting, Finance and Reporting

- Maintain financial records in accordance with generally accepted accounting principles, including detailed records of all income, expenditures, deposits and withdrawals;
- Submit demands for payments to the fiscal agent/bank for payment. Submit payments to authorized signatories for approval and signing;
- Perform monthly bank reconciliation of all accounts;
- Prepare interim financial statements to correspond with bi-monthly Board meetings;

- Oversee financial reporting and coordinate services with financial audit, including preparation of the Management Discussion and Analysis;
- Maintain an investment policy and submit annually to the Board for its review, pursuant to Government Code requirements;
- Maintain investment records;
- Make quarterly reports to the Board on the status of the investments pursuant to Government Code Section 53445;
- Arrange for an annual financial audit by a qualified CPA firm acceptable to the Board;
- Keep the Board informed regarding the need for and timing of actuarial studies and claims audits;
- Oversee and work with VIPJA's actuary in preparing the actuarial study and provide observations on results. Assist assigned actuary in their review and analysis of self-funded reserve levels, deposit premium computations, plan design, and utilization of benefits with the objective of obtaining the best coverage and benefits with the minimum cost to the members;
- Prepare for adoption of the annual budgets and recommend mid-year revisions as necessary;
- Annually calculate program year accounting;
- Invoice accordingly for the various VIPJPA programs.

F. Workers' Compensation Program Management

- Administer the workers' compensation program, which includes coordinate and managing the program;
- Prepare and maintain governing documents of the program;
- Attend all meetings as necessary and provide the Board with legislative updates;
- Coordinate selection of a TPA as needed;
- Prepare and negotiate the contract for claims administration which is to include the claims administration performance standards set forth by the Board and the workers' compensation excess provider;
- Communicate with members regarding workers' compensation claims issues;
- Conduct quarterly file reviews. Provide a report including findings and recommendations as well as a response from the TPA to the Board addressing contract and performance standards compliance as well as claims handling for the TPA;
- Communicate with the TPA as required to address claims handling;
- Prepare and maintain the workers' compensation claims procedures manual;
- Review and amend performance standards on an annual basis for Board approval;
- Coordinate the selection of the claims auditor as needed. Review and comment on the audit findings;
- Annually, ensure the preparation and timely filing of the updated California Department of Industrial Relations, Self-Insurance Plans Annual Report of claims form for VIPJPA and its members, and comply with other reporting requirements of the State of California.

G. Safety and Loss Control

- Needed services for safety and loss control shall be approved by the Board on an annual basis;
- Conduct a Safety and Loss Control Committee Strategic Planning Session to identify three elements from the accountability Standard to focus during the 2010/2011 program year;
- Develop an action plan for 2010/2011 (based on the outcome of the strategic planning session referenced above) to recommend to the Board;

- Refine and customize existing model guidelines in the two areas of focus and develop, coordinate, and conduct supervision training at two regional locations to address these areas. The sessions will be aimed at providing supervisors the necessary information and tools to implement VIPJPA recommended controls. After the tools are provided, on-going assistance will be provided to help VIPJPA establish manage and supervisor accountability measures;
- Provide technical support at all scheduled Safety and Loss Control Committee Meetings;
- Provide staff reports and attend all scheduled Board Meetings and all scheduled Committee Meetings;
- Manage safety content of the website and issue safety alerts;
- Monitor loss trends, coordinate loss runs with outside third party administrators. Report activity and recommend action to address loss issues;
- Provide e-mail and telephone safety program support to members;
- Coordinate Special Projects Fund distribution;
- Conduct two biennial inspections focusing on providing guidelines for implementing internal workplace inspection procedures;
- Monitor implementation of two selected accountability standard elements in which guidelines and training were developed and provided on an annual basis (this involves monitoring training documentation and loss information in each of the three specific areas). This information will then be reported to the Safety & Loss Control Committee and Board providing a method to establish accountability for implementation of controls in these areas.

H. Litigation Management (Claims Administration Oversight)

- Develop Litigation Management Guidelines to serve the particular needs of the members of VIPJPA;
- Provide copies of the Claims Procedure Manual to all members in electronic format and hard copy;
- Work closely with the Third Party Administrator (TPA) to provide general oversight of all matters, including a review of the initial government tort claim, investigation, coverage, setting of reserves, assignment of defense counsel, and monitoring of the file at all stage of the litigation;
- Assure timely reporting of the higher profile cases to any excess pool or insurer or reinsurer;
- Prepare and negotiate the contract for claims administration, which is to include the claims administration performance standards set forth by the Board;
- Review and amend performance standards on an annual basis for Board approval;
- Provide recommendations for early alternative dispute resolution methods, when appropriate;
- Provide immediate notification and appropriate recommendations to the Board of offers "and demands" to settle, and keep the Board up-to-date on the status of all litigated files that could affect pool funds;
- Coordinate and update approved attorney panel, including hourly rates;
- Maintain an evaluation file on each defense firm with respect to each reported case;
- Monitor defense counsel practices in accordance with litigation management policies and procedures. The litigation manager is responsible for reporting deficient practices to the Board for consideration of action or possible removal from the approved panel. Monitor the billing of defense counsel to assure fairness and compliance with the Litigation Management Guidelines. As appropriate, attend meditations and settlement conferences to resolve litigation, if possible, and within authority. Keep the Board of VIPJPA up-to-date on the status of all litigated files that could affect pool funds;

- As necessary, provide advice and assistance to the members;
- Assure vigilant availability during normal business hours by telephone, fax and e-mail.
- TWO RISK TRANSFER AND CLAIMS WORKSHOPS:
 - Arrange for regional workshops on all facets of Claims Procedures and Litigation Management;
 - Alternate locations of workshop every year to encourage members to communicate best practices utilized at individual Districts.
- CONTRACT REVIEW:
 - Provide Transfer of Risk Manual to the members in electronic format and/or hard copy;
 - Provide training to the members on all facets of contract review, insurance requirements, transfer of risk and Special Events insurance;
 - Assure vigilant availability by telephone, fax, and e-mail to service the requests of the members;
 - Assist the member districts on developing a standard set of contract and insurance requirements to minimize conflict in the bidding process or the awarding of contracts to vendors;
 - Keep member apprised of new court cases that affect liability.

I. Additional Services

In the event that additional services or extra work, not covered by this RFP, are desired by VIPJPA, such services will be negotiated and agreed to by contract amendment. Prior to the commencing of any additional services or extra work, Administrator shall prepare a task order describing the scope of work and costs for the extra services. VIPJPA shall have no obligation to pay until after the approval of the task order by the Chairperson of the Board and the contract amended accordingly.

III. PROPOSAL REQUIREMENTS

Proposals should address how the prospective JPA/Pool Administrator will provide the requested services. All proposals should include, at a minimum, specific information in the following categories, in this order:

1. **Technical Proposal:** A section entitled "Technical Proposal" shall include the following information:
 - A. **Background of the Firm:** Provide an overview of the firm's background, staff and experience performing work as requested by this RFP and a summary of the organizational structure and management approach that will be used to fulfill the RFP's Scope of Work provisions.
 - B. **Detailed Work Plan:** Describe the approach, methodology, and processes that will be employed to accomplish the various tasks proposed. Firm should discuss any value added services and resources it can provide.
 - C. **Professional Qualifications:** Provide a detailed description of the relevant experience of both your organization and personnel who will be assigned to VIPJPA (clerical staff need not be individually named). Detail the roles and responsibilities of each person proposed and the tasks they will generally perform. Also, provide an estimate of the number of hours per year and each individual that will be dedicated exclusively to VIPJPA. Provide an organizational chart depicting the hierarchy of the firm's approach to managing VIPJPA's contract. Resumes for each individual named (except clerical) in the proposal shall be included.

- D. Firm and Staff Experience: Provide a detailed description of projects that the firm and/or key staff have worked on that are similar in size, scope and complexity to the services required under this RFP. Include at least four (4) client or employer references (including the name of a contact person, street and e-mail address as well as a telephone number) that may be used in contacting the individual for information concerning qualifications of your firm or staff assigned to this RFP. These references should be able to directly assess you or your staff's ability to provide administrative and technical support to a California public agency insurance risk pool.
- E. Eligibility Requirements: Prospective service providers must meet all of the following eligibility requirements:
- i. Must be incorporated and qualified to operate as a business in the State of California and principal staff members servicing the account must be housed in a California office;
 - ii. Must have a minimum of five years' experience in providing pool administration services, preferably with experience in managing risks of public school district JPAs. In addition, the firm must demonstrate management experience working with a California Public Agency Insurance Pool providing risk shared and/or excess insurance coverage and related services. Management experience can be gained as a direct employee or through contract with the public agency insurance risk pool;
 - iii. Must demonstrate a minimum of three years' experience providing services to public agency insurance pools and possess a familiarity with, and experience applying, California laws and regulations related to Joint Power Authorities and public agency insurance risk pools, the California Government Code and other applicable statutes, and general risk and insurance practices;
 - iv. Must be capable of providing full range of services outlined in the Scope of Services, and;
 - v. Must warrant there is no conflict of interest that would conflict in any manner with the performance of services required in this proposal. For prospective service providers who also provide broker services, describe the name and type of such services, and describe how you intend to avoid real or perceived financial conflicts of interest in providing both administrative and broker services to the Authority.
- F. Cost Proposal: This section should contain a complete breakdown of all costs relating to the contents of the proposal, including the maximum total costs, as well as an itemized breakdown of the compensation required to accomplish the full performance of all tasks outlined in this RFP.

IV. INSURANCE REQUIREMENTS

Proposers shall take out and maintain during the entire term of the agreement insurance pertaining to the activities associated with the agreement. Proposers will be required to obtain, at their own costs and expense; all insurance required below and shall provide a certificate of insurance as evidence of insurance upon signing of the agreement for services.

Insurance:

Workers' Compensation	-Statutory Limits
Employers Liability	-\$1,000,000 per occurrence limit
Commercial General Liability and Property Damage	-\$1,000,000 CSL per occurrence
Professional Liability	-\$1,000,000 per claim limit
Fidelity Bond (Employee Dishonesty)	-\$1,000,000 per occurrence limit

V. SELECTION PROCESS

Upon receipt of the proposal, each firm's response will be reviewed by the Consultant and a Board Member of VIPJPA. Failure to properly address all the items set forth above may disqualify the prospective responder's proposal. Consultant and VIPJPA reserve the right to reject any or all proposals at their sole discretion. At their discretion, Consultant and VIPJPA may interview one or more firms to further assist in the review and selection process. Consultant and VIPJPA reserve the right to award the contract to the successful candidate at their discretion depending upon multiple areas of criteria.

A. **DEADLINE:** Please send four (4) copies of your proposal and correspondence to: Carol Wells at 9437 Cross Fox Way, Elk Grove, California 95758 by Friday, February 26, 2010, no later than 5:00 p.m. (late proposals will be rejected).

B. **INQUIRIES:** Question regarding this RFP should be directed to: Carol Wells via e-mail at carol_wells@specialtyrisksolutions.com.

Consultant and VIPJPA will provide the question and responses to all firms who receive this RFP.

V. SELECTION TIMELINE

February 26, 2010	-	Proposals due by 5:00 pm
March 2-9, 2010	-	Review of proposals by Consultant & Board
March 9-12, 2010	-	Notify selected firms for interviews
To Be Determined	-	Interview day of selected firms
May 26, 2010	-	Board approves selection of firm. Selected Firm Notified. Non-selected firms also notified
July 8-9, 2010	-	You may be asked to participate in the Retreat
October 1, 2010	-	Contract start date

*VIPJPA and Consultant reserve the right to cancel and/or modify the above dates at anytime or to make a dual appointment.