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# Lincoln Electric System District Energy Corporation Request for Proposal

For Risk Management and Insurance Broker Services

**Submission deadline: 3/23/18; 2:00 PM Central**

**Proposal No. 048-18**

Lincoln Electric System (LES) and District Energy Corporation (DEC) are issuing this Request for Proposal to select a qualified firm to provide risk management and insurance broker services for the protection of LES and DEC plant assets and general liability.

Written questions are due no later than 3/9/2018 and must be submitted via the eBid system.

Respondents must submit proposals and responses to the questionnaire via the eBid system by the proposal due date and time (3/23/2018; 2:00 PM Central) to be considered. Emphasis should be placed on the Request for Proposal instructions, responsiveness to requirements and questions, completeness and clarity of content.

## I. COMPANY OVERVIEW

### *Lincoln Electric System*

Lincoln Electric System (LES) is a municipal electric generation, transmission and distribution utility owned by the City of Lincoln and governed by the LES Administrative Board. The LES service area includes the corporate area of the City and area outside the City's corporate limits. The service area covers approximately 200 square miles, of which approximately 91 square miles are within the City limits. Additional relevant information including copies of prior years' annual reports is available at the LES website, [www.les.com](http://www.les.com).

LES employs approximately 485 employees and currently insures approximately \$750M in plant assets including generating facilities, substations and office buildings.

### *District Energy Corporation*

District Energy Corporation (DEC) is a nonprofit inter-local corporation between the City of Lincoln and Lancaster County. The purpose of the corporation is to provide low-cost, reliable and efficient thermal energy services to the City and County and others that the City and County are authorized to serve.

DEC has no employees, therefore has entered into a management agreement with LES to provide administrative, financial, engineering, operations, and general corporate functions. DEC currently insures approximately \$42M in thermal energy plant assets.

## II. PROJECT DESCRIPTION & SCOPE OF SERVICES

### *Project Description*

LES and DEC are requesting proposals from qualified firms to provide risk management and insurance broker services for the protection of LES and DEC plant assets and general liability, hereafter referred to as "Client." Successful respondent will be required to

- (1) Complete the LES Service/Consulting Agreement;
- (2) Furnish a certificate of insurance listing Client as additional insured for general liability and proving a waiver of subrogation; and
- (3) Complete the LES Confidentiality and Security Agreement (Form 790).

The duration of the initial service contract shall be for three years with the intent to extend the contract beyond the initial three-year term, if mutually agreed upon by both parties, with two additional one-year extensions.

LES SAMPLE RFP

### *Description of Current Insurance Coverage*

A summary of LES and DEC coverages is provided in the tables below. Policy information is current as of 2/9/18.

#### Lincoln Electric System Stand Alone Policies

#### Policies Shared with the City of Lincoln

Coverage	Policy Term	Underwriter	Limits	Deductible/SIR
List current Policies				

#### District Energy Corporation

Coverage	Policy Term	Underwriter	Limits	Deductible/SIR
List current Policies				

### *Scope of Services Requested*

It is Client's current strategy to interact on an indirect basis with all carriers insuring LES and DEC property and liability coverage. Client reserves the option to amend and/or broaden the scope of its working relationship with any carrier eligible on a direct basis during the terms of the broker service agreement.

With the above as a stated objective, respondents should address how they would assist in implementing this strategy while providing the following expected services:

#### General Services

- (1) Evaluate the overall competitiveness of existing insurance programs regarding coverage type and limits provided.
- (2) Lead strategy meetings to communicate industry trends and comparisons for current and future policy timelines.
- (3) Obtain competitive proposals when requested by LES and where available within the current marketplace.
- (4) Review policies for accuracy, appropriateness and adherence to proposed terms.
- (5) Maintain a depository of Client policies, coverage applications and other relevant documents accessible via an online portal.
- (6) Serve as a mentor for LES staff to assist with policy understanding as requested.
- (7) Provide timely responses to requests.
- (8) Play a lead role at the time of a potential loss.
- (9) Conduct renewal process with existing insurance carriers.
- (10) Conduct monthly, or more frequent if needed, meetings to discuss open items, progress updates, etc.
- (11) Issue certificates of insurance.
- (12) Provide market updates for various lines of coverage.

- (13)File all Surplus Lines Taxes.
- (14)Provide evaluation of the financial strength of carriers utilized by Client.
- (15)Provide annual premium estimates for annual budget preparation.

**Risk Management Services**

- (16)Identify, analyze and evaluate Client property and casualty loss exposures.
- (17)Assist in the coordination of carrier inspections.
- (18)Review property loss prevention programs and services.
- (19)Review all insurance company inspection reports and provide engineering support when appropriate.
- (20)Provide updates on relevant emerging industry trends and/or access to industry-related articles, webinars, conferences, etc.
- (21)Provide review of insurance and risk management conditions in vendor contracts.
- (22)Provide claims advocacy when requested.

**Key Dates**

Request for Proposal issued	February 26, 2018
Written questions due date	March 9, 2018
Response to questions	March 16, 2018
Proposals (including questionnaire) due	March 23, 2018 at 2:00 pm Central
Proposal evaluation period	March 23 - 28, 2018
Notification to finalists	March 28, 2018
Finalist Interviews	April 9 - 13, 2018
Successful proposer selected	April 16, 2018
Targeted implementation date	May 1, 2018

Client reserves the right to modify the schedule above if it is deemed to be in the best interest of Client.

**III. PROPOSAL CONTENTS**

*Proposal Instructions*

Respondents are expected to examine the entire Request for Proposal, including all specifications, standard provisions and instructions. Failure to do so will be at the respondent’s risk. The response should be no more than 10 pages (excluding transmittal letter, references, and cost proposal). Only provide information requested in the Request for Proposal. Marketing materials will not be considered.

Format for Proposal:

- (1) Transmittal Letter
- (2) Table of Contents
- (3) Organizational Profile
- (4) Responses to Request for Proposal Questionnaire
- (5) Cost Proposal

### *Transmittal Letter*

The transmittal letter should indicate the intention of the respondent to adhere to the provisions described in the Request for Proposal without modification. The letter of transmittal should be submitted with the following:

- (1) Identify the submitting organization, and any partners or subcontracting organizations that will complete the proposed services with mailing addresses.
- (2) Include the person authorized to contractually obligate the submitting organization. Specify name, title, phone and fax numbers, and mailing and email addresses.
- (3) Identify the contact person responsible for this response. Specify name, title, phone number, email and mailing address.
- (4) Explicitly indicate the review and acceptance of the LES Standard Service Agreement and the LES Confidentiality and Security Agreement (if required) listed in the Request for Proposal and identify exceptions.

### *Organizational Profile*

The respondent will provide a profile of its organization and all other companies that will be providing risk management and broker services through a subcontracting arrangement with the respondent. Additionally, describe the services, stability, background, and qualifications of all companies that may provide subcontracted services. Describe the experience in working with the subcontractor(s) for similar work.

If the respondent is a subsidiary or affiliate of another company, the respondent will give full disclosure of all direct or indirect ownership and type of relationship with affiliate companies. Provide an organization chart reflecting the parent and affiliate related companies.

The respondent may provide a brief description of all other projects the bidder may want LES to consider in its evaluation of the respondent's qualifications.

### *Cost Proposal*

Client wishes to consider a fee structure where Client reserves the option to work directly with any direct writing insurance carrier on specific policies if we so choose. Please identify how the fees would vary (if at all) should the Client work directly with the insurance carrier.

Please specify what your company's fees will be to the Client providing risk management and broker services for the first three (3) years with two (2) additional one-year extensions. You should include all fee and commission-based services and describe how these fees will be charged throughout the term of the contract.

Identify any one-time or ongoing client training, seminars, or other education services provided by your company and whether they are included in the retained service fees.

Please list all other ancillary fees the Client may be responsible for to utilize any of the services mentioned in the Request for Proposal not yet identified.

#### IV. SELECTION PROCESS

LES may conclude after the completion of the proposal evaluation that interviews, presentations and/or demonstrations are required to determine the successful respondent. All such sessions shall be conducted in Lincoln, Nebraska.

Any cost incidental to the interviews, presentation and/or demonstrations shall be borne entirely by the respondent and will not be compensated by LES.

#### V. GENERAL REQUIREMENTS

During the selection process, respondents to this Request for Proposal are prohibited from contacting any representative of LES other than LES Procurement Department. An exception to this rule applies to individuals or respondents that currently do business with LES and should be limited to that business and should not relate to this Request for Proposal. Failure to observe this rule may result in disqualification. Furthermore, no LES representative is authorized to provide any information or respond to any questions or inquiry concerning this Request for Proposal other than the LES Procurement Department.

LES SAMPLE RFP