



REQUEST FOR PROPOSALS

INSURANCE AGENT SERVICES

- ATTENTION:** Read all instructions, terms, and conditions carefully and please note the deadline below. No proposal will be accepted after the specified submission deadline.
- IMPORTANT:** Proposals must be received no later than 4:30 p.m. Eastern Time (EST) on Wednesday, September 25, 2019
- DATE ISSUED:** August 29, 2019

**NORTHERN KENTUCKY WATER DISTRICT
REQUEST FOR PROPOSALS -
INSURANCE AGENT SERVICES**

The public and interested parties are hereby notified that the Northern Kentucky Water District (“NKWD”) will accept proposals for Insurance Agent Services at its facility at 2835 Crescent Springs Rd, Erlanger, KY 41018. Proposals, and any required copies, must be received by September 25, 2019 at 4:30 P.M. EST. No proposals will be accepted after that date/time unless such date or time is extended pursuant to an addendum issued by NKWD.

NKWD reserves the right to waive any error, informality or irregularity in any proposal, to reject any or all proposals for any reason, to award or refrain from awarding a contract for the services, and to negotiate with the apparent qualified responsible Respondent after the submission deadline to such extent as may be beneficial to NKWD.

Further information and copies of the Request for Proposals (RFP) may be downloaded from www.nkywater.org in the “Current Procurement Items” section.

NORTHERN KENTUCKY WATER DISTRICT

Ron Lovan, President/CEO

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SCHEDULE OF EVENTS*

- Aug. 29, 2019 RFP for Agent Services Issued
- Sept. 6, 2019 by 6 p.m. Deadline for questions to be submitted via email
- Sept.17, 2019 at 10 a.m. Pre-Proposal Meeting at NKWD Central Facility in Erlanger (2835 Crescent Springs Rd., Erlanger, KY 41018)
- Sept.17, 2019 Answers to questions provided verbally at Pre-Proposal Meeting
- Sept. 25, 2019 by 4:30 p.m. Proposals due.
- Oct. 1-4, 2019 Anticipated interviews with Respondent finalists.
- Mid Oct. 2019 Anticipated contract implementation.
- Late Oct./Early Nov. 2019 Agent to Acquire Quotes for NKWD Insurance Policies

NKWD reserves the right to modify or alter the schedule of events with or without notice to such extent as may be necessary or beneficial to NKWD.

*All deadline times are Eastern Standard Time (EST)

SECTION A - GENERAL INFORMATION & PROPOSAL INSTRUCTIONS

A.1 BACKGROUND AND SCOPE

The Water District:

The Northern Kentucky Water District (NKWD) provides water service to over 80,000 residential, commercial, and industrial customers in Campbell and Kenton Counties and portions of Boone County, as well as wholesale water sales to several neighboring water utilities. The NKWD owns and operates three water treatment plants: 44 MGD Fort Thomas Treatment Plant, 10 MGD Taylor Mill Treatment Plant, and 10 MGD Memorial Parkway Plant. In addition, NKWD has an office and maintenance facility in Erlanger and owns and operates 20 water tanks, 13 distribution pumping stations, and 3 raw water pumping stations. NKWD also has over 1,300 miles of water main in a 300 square mile area.

The Insurance Program:

Highlights of the insurance program:

- Total insured values in excess of \$285 million - approximately 78 properties.
- Workers' compensation coverage for approximately 164 employees (full, part-time, and temporary).
- Approximately 110 power units insured under the automobile policy.

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The Agent:

The successful Respondent (sometimes referenced in this RFP as “Agent”) shall provide comprehensive consultation services related to NKWD’s insurance programs; including, but not limited to, the marketing, coordination, and placement of all insurance policies maintained by NKWD (See Section B for current policies). The Agent is responsible for initial and ongoing recommendations with regard to the acquisition, modification, addition, or deletion of insurance policies, and other related services.

Following the initial evaluation of submittals, NKWD intends to invite selected Respondents for an interview as outlined in the Schedule of Events. NKWD will not provide policy limits, policy deductibles, loss runs or payroll dollars as part of the RFP process but may review with selected Respondent(s) at its discretion.

NKWD’s current Agent was selected as a result of a different competitive process completed in 2014.

A.2 SUBMISSION OF PROPOSALS

Complete responses to this RFP must be physically received at NKWD’s office at 2835 Crescent Springs Rd., Erlanger, KY 41018-0640 by the deadline date and time. Respondents should provide four copies of his/her/its proposal and ensure that the portion of the response containing their proposed compensation be in a separate sealed envelope (only one sealed copy of proposed compensation necessary).

Respondent is solely responsible to ensure its submission is received prior to the due date and time. NKWD will not accept submissions after the due date and time and is not responsible for any delays resulting missed deadlines caused by any source.

Individual submittals will not be read in public and will not be available for public inspection until after an award determination has been made.

A.3 RFP QUESTIONS

NKWD is not bound by, and Respondents may not request or rely on, any oral interpretation or clarification of this RFP unless it is given at the Pre-Proposal Meeting. Any entity submitting a proposal is strongly encouraged to have a representative present at this meeting. Any questions regarding this RFP are encouraged and should be submitted electronically by the proscribed deadline above to amattingly@nkywater.org.

Only verbal answers to questions will be provided at the Pre-Proposal Meeting. No written answers to submitted questions will be provided, unless NKWD determines such action is necessary.

All communications regarding this solicitation must only be through the District’s General Counsel & Manager of Legal, Compliance, and Regulatory Affairs (“General Counsel”). No communication is to be directed to any other NKWD personnel unless otherwise authorized by the General Counsel. Failure to comply may result in the disqualification of Respondent’s submittal.

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A.4 ADDENDA

In the event it becomes necessary to revise, change, modify or cancel this RFP or to provide additional information, addenda will be issued to all known recipients of this RFP. It is the responsibility of the Respondent to ensure that he/she/it acquired a copy of any addenda that was issued, and has complied with the applicable instructions or deadlines, prior to submitting a proposal.

A.5 SCOPE OF SERVICES

Agent shall provide expertise, personnel, and resources to ensure minimum professional services that include, but are not limited to:

A.5.1 Develop an understanding of NKWD's existing and emerging areas of exposure and consult with NKWD and its representatives regarding strategies to address such exposures on at least an annual basis;

A.5.2 Evaluate existing insurance policies, loss experience, and exposures, and recommend actions necessary to provide comprehensive protection to NKWD. Recommend necessary amendment, modification, or additional insurance policies to protect the interests of NKWD. Develop coverage or protection alternatives for consideration by NKWD and its representatives.

A.5.2.1 NKWD insurance policies and respective renewal dates are outlined in the Current Insurance Summary schedule included as Section B.

A.5.2.1.a Agent is responsible for the marketing and placement of the NKWD's insurance policy renewals or new policies by December 31, 2019. NKWD will provide the Agent with reasonable time to review current insurance policies, get quotes for coverage, and provide a summary of recommended action to NKWD.

A.5.2.2 Respondents are directed not to approach any market on behalf of NKWD during the RFP process.

A.5.3 Develop an understanding of NKWD's risk financing objectives, strategic plan, and risk tolerance. Analyze and evaluate various risk financing solutions to determine risk retention and risk transfer levels that align with NKWD's objectives;

A.5.4 Identify appropriate insurers, insurance programs, and products. Develop complete, accurate, and creative submissions. Structure and negotiate programs to achieve the most appropriate coverage and limits within reasonable marketplace pricing available. Obtain proposals or quotes for renewal of existing and/or new insurance policies as directed by NKWD or its representatives;

A.5.5 Attend meetings as needed to present results of policy renewal marketing with an analysis of proposals, pertinent financial analysis, and recommendation for placement;

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- A.5.6 Negotiate details of current or new policies and/or renewals of policies. Place required coverages with satisfactory insurance carriers as directed by NKWD or its representatives and ensuring that there is no lapse in coverage. Deliver binders or similar information packet to NKWD prior to the expiration of the current policy period. Verify that resulting policies, when issued, are accurate, complete, and in compliance with the directives of NKWD or its representatives;
- A.5.7 Provide, or coordinate the issuance of, certification of coverage as needed/requested by NKWD to satisfy requirements in contracts, leases, bond resolutions, or other agreement within 24-hours of request (unless another deadline has been established);
- A.5.8 Service or assist with NKWD's loss reporting, adjustment, and collection efforts. Assist in the development of exposure information for insurers, including statements of value and similar reports. Provide oversight and advice relative to insurance carrier claims management and loss control, where appropriate. If requested, provide NKWD with support in the areas of loss control and claims management, including filing or assisting with filing claims with the applicable insurance carrier, assisting with resolving claims valued at less than NKWD's deductible, contacting claimants on behalf of NKWD, evaluation of existing processes, and providing recommendations related to the procurement of systems to address claims or certificate of insurance tracking;
- A.5.9 Monitor the security of insurance companies and provide NKWD with advice on dealing with sudden ratings downgrades. Apprise NKWD of relevant changes in the insurance marketplace and provide an annual forecast of market conditions to align with NKWD's annual budgeting process;
- A.5.10 Provide advice and consultation regarding risk and insurance issues in contractual arrangements involving NKWD. If requested, review all standard NKWD form contract provisions relating to indemnity, insurance and bonding and, on an ongoing basis, assist NKWD in developing and monitoring requirements of various contracts entered into by NKWD;
- A.5.11 If necessary, obtain and provide to NKWD withholding certificates such as Forms W-8 or W-9 from insurance companies pursuant to the U.S. Foreign Account Tax Compliance Act, commonly known as "FATCA";
- A.5.12 Provide appropriate advisory services and reporting; and,
- A.5.13 Coordinate with insurance carriers to:
- A.5.13.1 Perform loss control inspections, if requested by NKWD;
 - A.5.13.2 Periodically review and analyze the frequency and severity of claims;
 - A.5.13.3 Recommend and analyze alternative financing mechanisms;

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- A.5.13.4 Conduct actuarial analysis of claims and recommend funding levels; and,
- A.5.13.5 Solicit and recommend third party administrator services if self-funding is pursued by NKWD.

A.6 MINIMUM QUALIFICATIONS

The successful Respondent/Agent is required to meet the following minimum qualifications and must successfully demonstrate that the minimum qualifications are met in all other Section(s):

- A.6.1 Maintains current license as an insurance agent in the Commonwealth of Kentucky;
- A.6.2 Has at least five years of continuous operation as an insurance agency in Kentucky;
- A.6.3 Maintains or has the ability to obtain \$1M professional liability/errors and omissions insurance, \$1M per occurrence commercial general liability insurance, \$1M per accident automobile liability insurance and Kentucky statutory workers' compensation insurance;
- A.6.4 Has at least five years of experience in providing insurance services to a public entity and/or a utility entity with combined insurance premiums in excess of \$500,000;
- A.6.5 A designated account executive or agent with significant years of experience in property, casualty, liability, auto, and workers compensation insurance for public entities; and,
- A.6.6 Has a physical office in the Commonwealth of Kentucky or within 50 miles of the District's Erlanger facility.

A.7 PROPOSAL REQUIREMENTS

The proposal must include the following written information in the following order and be no longer than 32 single-sided pages, formatted on standard 8 ½ inch by 11 inch paper with a minimum font size of "12." Please remember to submit four copies of the proposal and one copy of the proposed compensation in a separate sealed envelope. Applicable team member resumes and a current annual report and audited financial statement, if available for the entity, may be provided in two (2) appendices attached to the proposal (Appendix A- Resumes; Appendix B- Annual Report & Financial Statement, if applicable). Appendix items are not included in the proposal page limit.

- A.7.1 A cover letter that introduces the proposing agent or firm (or team) and any other pertinent information. The letter must designate the Account Executive/Agent and Team Leader/Supervisor who will be responsible for the Agent's activities on behalf of NKWD. It should also identify the members of the team, including all backup and alternative personnel who would be designated to work on NKWD's account. Please provide a description of how the team will be organized and where each team member is located.

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The letter should summarize the relevant experience of your agency and the team members in handling accounts of this nature. The proposed responsibilities of each team member and the portion of his/her available time to be dedicated to this account should be detailed.

The cover letter should be followed by the following tabbed information:

A.7.1.a. Proposed Fee and Term – THIS ITEM MUST BE IN A SEPARATE SEALED ENVELOPE, and does not need to be tabbed. Please provide:

1. Your firm's proposed flat annual fee for the initial one-year term and the three one-year extension options, for a total of four years.
2. Any alternative or creative compensation structure that your firm wishes to propose. Examples may include performance based options, commission, etc.

A.7.1.b. Agent Questionnaire Responses

Respond to the following questions in your written submission:

A.7.1.b.1. Indicate the accounts with comparable exposures similar to NKWD which are serviced by your office (preferably other public agencies). Your answer should be specific as to the line of coverage(s) placed for such clients. Include only those which your service office(s) places most of the coverage. Briefly explain the size and nature of each of these organizations and length of time each has been a client of your firm. The name of a person who may be contacted for a reference should be indicated for three of these accounts.

A.7.1.b.2. Indicate the specific experience your office and team personnel have in the marketing, negotiation, servicing, and placement of the policies outlined in NKWD's Current Insurance Summary.

A.7.1.b.3. Briefly describe:

1. The extent to which the services outlined in the preceding Scope of Services are available from your firm;
2. Who will provide the services including which individual will be responsible for each function and the office in which they are located;
3. Your plan for their delivery; and
4. Any other services that may be available to NKWD from your agency at no additional cost.

A.7.1.b.4. Provide a profile of your insurance markets to assist NKWD in

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evaluating your presence in and understanding of the marketplace, including :

1. A listing of your principal commercial lines markets, the lines of insurance placed within them, and the premium volume of each line of coverage.
2. Specify those markets available to you that you feel would be the appropriate match for NKWD and briefly detail the reasons for this fit. Describe the brokerage arrangements necessary to reach these markets. Who do you use as a wholesaler if access is needed?
3. Do you have access to any specialty markets that, in your opinion, would be useful to NKWD? Describe these briefly. Is this access exclusive?
4. What criteria does your firm use in evaluating insurers' financial strength and what is your plan for informing NKWD of the financial integrity and stability of insurers you recommend?

A.7.1.b.5 Highlight anything that distinguishes your firm from others and summarize why your firm should be considered the proper choice to be NKWD's agent.

A.7.1.b.6 Describe how your firm will monitor quality control and client satisfaction if you are designated as NKWD's agent of record.

A.7.1.c. Additional References

Three references (preferably public entities) in support of your firm's ability to provide NKWD's insurance services, which may be the same three client references required above.

A.7.2. A resume for each individual of the proposed agent's team outlining academic background or degrees, work experience, length of service with firm, current responsibilities on existing accounts or on other accounts in which team member may become involved in, and any other pertinent information the individual wishes to convey (*Label as Appendix A in proposal*);

A.7.3 A current annual report and audited financial statements, if such items are issued by your agency (*Label as Appendix B in proposal*).

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A.8 KENTUCKY OPEN RECORDS ACT

Respondents are hereby notified that any documents submitted to NKWD in response to this RFP, including any emailed questions, are subject to the terms and requirements of the Kentucky Open Records Act.

A.9 EVALUATION CRITERIA

The selection of the Insurance Agent will be based on a judgment evaluation of several key elements in the proposals submitted. In alphabetical order, these include but are not limited to:

- Annual fee for insurance agent services and any alternative compensation proposal (must be in a separate sealed envelope)
- Approach to providing agent services including service capacity and capabilities
- Assigned team/agent qualifications
- Relevant experience

Following review of the proposals, NKWD will invite certain Respondents to formally meet with NKWD representatives as outlined in the Schedule of Events. If invited to participate in an interview, the designated Account Executive/Agent identified in your proposal must be in attendance.

A.10 ACCEPTANCE PERIOD

Proposals in response to this RFP must indicate it is valid for a period no less than 180 days from the closing date.

A.11 AWARD

- A.10.1 NKWD intends to award a contract or contracts resulting from this solicitation to the responsible Respondent(s) whose proposal represents the best value and fit for NKWD after evaluation in accordance with the criteria included in this RFP.
- A.10.2 NKWD reserves the right to waive any informality, irregularity, or error in any proposal, to reject any or all proposals, to award or refrain from awarding a contract for the work, and/or to negotiate with any Respondent for any reason to such extent as may be beneficial to NKWD.
- A.10.3 NKWD intends to evaluate proposals and may award a contract without discussions with Respondents. Therefore, the Respondent's initial proposal should contain the Respondent's best terms from a compensation and services standpoint.
- A.10.4 NKWD reserves the right to make a contract award for any compensation amount, even if that amount is not the lowest compensation offered from the field of Respondents.
- A.10.5 NKWD reserves the right to make multiple awards if, after considering the proposals submitted, it is in NKWD's best interest to take such an approach.

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A.10.6 The successful Respondent will be required to enter into a contract with NKWD. If an acceptable and timely agreement is not reached, NKWD reserves the right to disqualify the Respondent and to reevaluate the remaining proposals. NKWD reserves the right to refuse to negotiate with a successful Respondent on any item.

A.10.7 NKWD will have the right, at its sole election, to alter the specifications and/or frequencies of services required and tailor the contract price to said change (increase or decrease in compensation).

A.10.8 The term of the agreement will be for one year with three options to extend the contract for subsequent one year periods at NKWD's discretion, and will include a termination clause.

A.12 PERFORMANCE AND PAYMENT

The successful Respondent shall issue an invoice on a monthly or quarterly basis for work performed the previous month along with supporting data. NKWD will pay submitted invoices on a 30 day basis.

A.13 RECORDS/FINANCIALS

In submitting proposals on any item to be purchased by NKWD, the Respondent hereby agrees to make available any and all records, books of account, correspondence, or other information reasonably necessary to enable NKWD or its designated agents to investigate the responsibility of the Respondent in terms of its financial status, capacity to produce, sources of supply, performance record in the business or industry, and any other matter reasonably related to the Respondent's probable ability to perform adequately under a contract if it is awarded to the Respondent. NKWD reserves the right to take any action necessary or make inquiries to any entity to confirm the compensation arrangement with the agent.

A.14 NON-COLLUSIVE VENDOR CERTIFICATION

By the submission of this proposal, the Respondent certifies that:

A.14.1 The proposal has been arrived at by the Respondent independently and has been submitted without collusion with any other vendor.

A.14.2 The contents of the proposal have not been communicated by the Respondent, or, to its best knowledge and belief, by any of its employees or agents, to any person not an employee or agent of the Respondent or its surety on any bond furnished herewith, and will not be communicated to any such person prior to the official opening of the proposal.

A.14.3 No Respondent may submit more than one proposal for this purchase. It shall be the responsibility of each Respondent, prior to the proposal deadline, to obtain the written permission of NKWD to submit a proposal in such a situation where the Respondent, due to corporate association or other affiliation, may be found to be impermissibly associated with another vendor. Failure to observe this requirement could result in all such affiliated proposals being rejected.

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A.15 RFP CONDITIONS AND PROVISIONS

The terms and conditions of this request for proposal (RFP) include all general and special conditions as enumerated herein.

All participating Respondents agree to comply with all of the conditions, requirements and instructions of this RFP as stated or implied herein. Any alteration, erasure or interlineation by the Respondent in this proposal constitutes cause for rejection by NKWD. Should NKWD omit anything from this RFP which is necessary to a clear understanding of the work, or should it appear that various instructions are in conflict, then the Respondent shall notify the General Counsel prior to the deadline for question submissions as per the time and date shown in the Schedule of Events. NKWD reserves the right to take any action to make corrections or to take no action.

Typographical errors in entering quotations on this proposal may result in the disqualification of this proposal.

All Respondents are required to complete all information requested in this proposal. If information cannot be provided, the Respondent should submit an explanation of why the information is unavailable. Failure to do so may result in the disqualification of proposal.

Each Respondent shall fully acquaint and familiarize themselves with the conditions as they exist and the character of the operations to be carried on under the proposed contract, and make such investigations as the Respondent may see fit so that the Respondent shall fully understand the facilities, physical conditions and restrictions associated with the services.

The successful Respondent agrees to comply with all of the specifications, terms and conditions of this RFP.

NKWD is not liable for any costs incurred by Respondent in the preparation of proposals or for any work performed in connection therein.

By submitting a proposal, the Respondent agrees to indemnify and hold NKWD, its Board of Commissioners, employees, and agents harmless for any claims or disputes related to the RFP process.

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SECTION B – SUMMARY OF NKWD’S POLICIES

CURRENT INSURANCE SUMMARY*		
Policy	Renewal Date	Insurer(s)
Property Policy (including equipment breakdown, mobile equipment and equipment on file)	Jan. 1, 2020	Travelers
Crime	Jan. 1, 2020	Travelers
Inland Marine	Jan. 1, 2020	Travelers
General Liability	Jan. 1, 2020	Travelers/Charter Oak
Employee Benefits Liability	Jan. 1, 2020	Travelers/Charter Oak
Public Entity Management Liability	Jan. 1, 2020	Travelers/Charter Oak
Public Entity Employment – Related Practices Liability	Jan. 1, 2020	Travelers/Charter Oak
Cyber Risk	Jan. 1, 2020	Travelers
Umbrella Excess Liability	Jan. 1, 2020	Travelers
Pollution Liability	Jan. 1, 2020	Great American
Auto Liability & Physical Damage	Jan. 1, 2020	Travelers/Charter Oak
<i>Bonds</i>		
Public Officials Bonds (Board of Commissioners, President/CEO, Vice President of Finance and Support Services, Bonds Required for Construction Projects, etc.)	VARIOUS	Cincinnati Insurance, West Bend Mutual Insurance, Liberty Mutual Insurance
<i>Workers’ Compensation</i>		
Workers’ Compensation & Employer’s Liability Policy	July 1, 2020	KEMI

*The above is for informational purposes and may not include all of NKWD’s insurance policies or bonds.