

Hidalgo County, Texas

REQUEST FOR PROPOSALS EXCESS WORKERS' COMPENSATION INSURANCE

I. INTRODUCTION

Hidalgo County (hereinafter referred to as "COUNTY") is soliciting proposals from organizations (hereinafter referred to as "PROPOSER") qualified to perform professional excess workers' compensation insurance for the COUNTY's self-funded Workers' Compensation Program. The scope of the work will encompass all aspects of COUNTY operations and requires extensive knowledge and experience across all lines of coverage. The information provided in the Request for Proposals (hereinafter referred to as "RFP") is only to be used for the purpose of preparing a proposal in the excess workers' compensation insurance.

II. GENERAL BACKGROUND

COUNTY is seeking a new contract for its workers' compensation program. COUNTY is seeking to purchase excess workers' compensation coverage with a **\$300,000** and a **\$350,000** per occurrence retention level with Statutory limits.

COUNTY's designated representative during the RFP process shall be COUNTY's Purchasing Agent, Martha L. Salazar, Hidalgo County Purchasing Department, Edinburg, Texas.

The COUNTY's fiscal year is from January 1, 2008 to December 31, 2008.

III. CONTRACT TERM

- a) **Initial Term:** Effective date is from **January 1, 2008 to January 1, 2009;**
- b) **Renewals & Extensions:** It shall be at the County's sole discretion to renew and extend for an additional two (2), one (1) year renewals/extensions at the same rates and under the same terms and conditions. Two (2), one year renewal/extensions are to be provided to Hidalgo County for consideration by no later than, **October 1, 2008** for the first renewal/extension and no later than **October 1, 2009** for the second renewal/extension.

IV. SCOPE OF SERVICES

- EXCESS WORKERS' COMPENSATION SPECIFICATIONS ARE AS FOLLOW:
 - A. PROPOSER will prepare and submit IRS form 1099 for all vendors and mail the forms to vendors. PROPOSER will prepare and submit IRS 1099 data in a magnetic tape format no later than January 15th of each year to COUNTY.
 - B. All costs and expenses with the preparation and submission of proposal shall be the responsibility of the proposer and no reimbursements for such charges or expenses shall be passed onto Hidalgo County.
 - C. This RFP provides the County's most recent Five (5) years of Summary Loss Information.
 - D. A Payroll History Exhibit is also included in the RFP.

V. PROPOSALS

The PROPOSER's completed Proposal pages of this RFP are the main source of evaluation for the Proposal. All PROPOSERS are encouraged to include any other information that they feel will enhance their opportunities to be awarded a Contract.

VI. PREPARATION OF PROPOSAL

- A. PROPOSER is expected to examine this Request for Proposal (RFP) carefully, understand the terms and conditions for providing the pertinent services, and respond completely. Failure to respond completely may result in disqualification.
- B. Failure to respond to all portions of this RFP may result in the PROPOSER's response being deemed non-responsive. If COUNTY deems a Proposal non-responsive, it will be disqualified. An officer or principal of the PROPOSER must sign proposals, however, an agent if accompanied by written evidence of authority may sign them.
- C. All Proposals should include the PROPOSER's federal tax identification number.

VII. SELECTION PROCESS

COUNTY will conduct a comprehensive evaluation of all Proposals received in response to this RFP. COUNTY will establish a Selection Committee comprised of staff members to perform such evaluation. Each Proposal received will be analyzed to determine overall responsiveness and qualifications under the RFP; further, the Selection Committee may select proposing organizations for "in person" presentation. Criteria to be evaluated, not necessarily in order of priority, may include the items listed below. Final approval of a selected PROPOSER is subject to the action of COUNTY's County Council.

- A. Economic evaluation of the Proposed Fee Schedule (20 Points)
- B. Responsiveness to the Request for Proposal (20 Points)
 - 1. Requested information included and thoroughness of response.
 - 2. Understanding and acceptance of the scope of services.
 - 3. Acceptance of the RFP and Contract requirements.
 - 4. Clarity and conciseness of the response.
- C. PROPOSER's capability to provide the services requested and information contained in Attachment "A". (60 Points)
 - 1. Background of PROPOSER and support personnel, including professional qualifications.
 - 2. Relevant experience of the PROPOSER.
 - 3. Specific experience with public entity clients.
 - 4. Other resources, including the total number of employees, number and location of offices.
 - 5. References and experience in the Texas public sector.

COUNTY may accept, within the time specified herein, any Proposal in whole or in part, whether or not there are negotiations subsequent to its receipt. If subsequent negotiations are conducted, they shall not constitute a rejection or alternate RFP on the part of COUNTY.

The Contract will be awarded to the respondent whose Proposal will be most advantageous to COUNTY, as determined by the evaluation factor's listed herein and by the recommendation of the Selection Committee with approval of the County Council.

VIII. TERMS AND CONDITIONS

Submission of Proposals: One (1) original and ten typed and bound copies of the Proposal shall be enclosed in a sealed envelope with the notation "Excess Workers' Compensation Insurance" clearly marked on the envelope. **All Proposals are due in the Purchasing at Hidalgo County no later than 9:30 AM CST on Wednesday, November 14, 2007. Any Proposal received at the location below after that time shall not be considered.**

Please mail or deliver your Proposal to:

Physical Address
Martha L. Salazar, CPPB, Purchasing Agent
Hidalgo County Purchasing Department
2812 S. Hwy. 281
Hidalgo County New Administration Building
Edinburg, TX 78539
(956) 318-2626

All provisions in PROPOSER's Proposal, including any estimated or projected costs, shall remain valid for ninety (90) days following the deadline date for submissions or if a Proposal is selected, throughout the entire term of the Contract.

All Proposals become property of COUNTY upon receipt and will not be returned. Proposals submitted will clearly identify trade secrets or information deemed confidential by the PROPOSER by typing the word "**CONFIDENTIAL**" in bold fourteen (14) point font on the bottom margin and indicate what information is protected. However, all PROPOSERS are hereby notified that any Proposals submitted to COUNTY may be subject to disclosure, either in whole or part, under the Texas Public Information Act.

Independent Contractor - It is expressly understood and agreed that PROPOSER and all persons designated by it to provide services in connection with this RFP, is and shall be deemed to be an independent contractor, responsible for its respective acts or omissions, and that COUNTY shall in no way be responsible for any acts or omissions by the PROPOSER. Neither party hereto has authority neither to bind the other nor to hold out to third party that it has the authority to bind the other.

IX. INSURANCE & INDEMNITY PROVISIONS

- A. Prior to the commencement of any work under this CONTRACT, CONTRACTOR shall furnish an original completed certificate(s) of insurance to the COUNTY's DEPARTMENT OF BUDGET & MANAGEMENT, which shall be completed by an agent authorized to bind the named underwriter(s) and their company to the coverage, limits, and termination provisions shown thereon, and which shall furnish and contain all required information referenced or indicated thereon.
- B. The COUNTY reserves the right to review the insurance requirements of this section during the effective period of this CONTRACT and any extension or renewal hereof and to modify insurance coverage and their limits when deemed necessary and prudent by the COUNTY's DEPARTMENT OF BUDGET & MANAGEMENT based upon changes in statutory law, court decisions, or circumstances surrounding this Contract, but in no instance will the COUNTY allow modification whereupon the COUNTY may incur increased risk.
- C. The COUNTY shall be entitled, upon request and without expense, to receive copies of the policies and all endorsements thereto as they apply to the limits required by the COUNTY, and may make a reasonable request for deletion, revision, or modification of particular policy terms, conditions, limitations or exclusions (except where policy provisions are established by law or regulation binding upon either of the parties hereto or the underwriter of any such policies). Upon such request by the COUNTY, the CONTRACTOR shall exercise reasonable efforts to accomplish such changes in policy coverage, and shall pay the cost thereof.
- D. CONTRACTOR agrees that with respect to the above required insurance, all insurance contracts and certificate(s) of insurance will contain the following required provisions.
- Name the COUNTY and its directors, officers, employees, agents and elected officials as additional insureds with respects to the operations and activities of, or on behalf of, the named insured performed under contract with the COUNTY, with the exception of the workers' compensation/employers' liability and the professional liability policies.
 - The CONTRACTOR's insurance shall be deemed primary with respect to any insurance or self-insurance carried by the COUNTY for liability arising out of operations under the contract with the COUNTY.
 - Provide for an endorsement that the "other insurance" clause shall not apply to the COUNTY where the COUNTY is an additional insured on the policy.
 - Workers' Compensation/Employers' liability policy will provide a waiver of Subrogation in favor of the COUNTY.
- E. CONTRACTOR shall notify the COUNTY in the event of any notice of cancellation, nonrenewal or material change in coverage and shall give such notices not less than ten (10) days prior to the change, or ten (10) days for nonpayment of premium, which notice must be accompanied by a replacement Certificate of Insurance. All notices shall be given to the COUNTY, by Certified mail, at the following address:

Hidalgo County Department Of Budget & Management
Attention: Flora Vazquez
2802 S. Hwy. 281
Hidalgo County New Administration Building
Edinburg, Texas 78539

- F. CONTRACTOR covenants and agrees to FULLY INDEMNIFY and HOLD HARMLESS, the COUNTY and its elected officials, employees, officers, directors, and representatives, individually or collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to, personal or bodily injury, death and property damage, made upon the COUNTY directly or indirectly arising out of, resulting from or related to CONTRACTOR's activities under this CONTRACT, including any acts or omissions of CONTRACTOR, any agent, officer, director, representative, employee, consultant or subcontractor of CONTRACTOR, and their respective officers, agents, employees, directors and representatives while in the exercise of performance of the rights or duties under this CONTRACT. The indemnity provided for in this paragraph shall not apply to any liability resulting from the negligence of COUNTY, its officers or employees, in instances where such negligence causes personal injury, death, or property damage. IN THE EVENT CONTRACTOR AND COUNTY ARE FOUND JOINTLY LIABLE BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE COUNTY UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW.
- G. The provisions of this INDEMNIFICATION are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity.
- H. CONTRACTOR shall promptly advise the COUNTY, in writing of any claim or demand against the COUNTY or CONTRACTOR known to CONTRACTOR related to or arising out of CONTRACTOR'S activities under this CONTRACT.

X. SCHEDULE OF EVENTS

RFP Mailouts
Proposals Due

Monday, October 22, 2007
Wednesday, November 14, 2007-9:30 a.m.

Contract Award

Possible Award On: Tuesday, November 20, 2007

Start Date

January 1, 2008

XI. RESERVATION OF RIGHTS

COUNTY 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
- Accept the written Proposal as an offer
- Waive informalities and irregularities
- Accept one or more Proposals

This RFP does not commit COUNTY to enter into a Contract, nor does it obligate it to pay any costs incurred in preparation and submission of Proposals or in anticipation of a Contract.

WRITTEN QUESTIONS WILL BE ACCEPTED NO LATER THAN Wednesday, November 7, 2007 at 5:00 p.m.. Res-ponses will be sent to all respondents via facsimile by Friday, November 7, 2007. TELEPHONE INQUIRIES WILL NOT BE ACCEPTED.

All questions must be transmitted via facsimile to:

Martha L. Salazar, CPPB, Purchasing Agent
Hidalgo County Purchasing Department
Fax No.: 956-292-7612

DRAFT

HIDALGO COUNTY, TEXAS

EXCESS WORKERS' COMPENSATION INSURANCE

Primary Program Options -

Limits:

WC: Statutory
EL: \$1,000,000/ \$1,000,000/ \$1,000,000

SIR Options:

WC & EL: a) \$300,000 Per Occurrence
b) \$350,000 Per Occurrence

**Policies- All
Options/Coverages:**

To Be Determined

Payment Terms:

Insurer's Best Rating: Please include the insurer's Best's Rating in your proposal.

Accepted Declined

Requested Coverages, Limits, and Deductibles

Workers Compensation: Statutory

Employers Liability:

\$1,000,000 Bodily injury by accident, each accident (\$100,000 min.)

\$1,000,000 Bodily injury by disease, each employee (\$100,000 min.)

\$1,000,000 Bodily injury by disease, policy limit (\$500,000 min.)

Requested Coverage Provisions

Requested Effective Date: January 1, 2008 to January 1, 2009

Accepted Declined

Named Insured: The named insured should read as follows: HIDALGO COUNTY

Accepted Declined

Other States Coverage: Please provide other states coverage for all states and U.S. territories and possessions, except the monopolistic state fund states.

Accepted Declined

Please include the following endorsements:

Voluntary Compensation (WC 00 03 11A): Please include this endorsement providing coverage for state workers compensation benefits for employees not otherwise entitled to workers compensation benefits under that state's law, provided that the injured employee releases the employer and the insurer from all other responsibility for the injury. Voluntary coverage should apply to ALL EMPLOYEES NOT SUBJECT TO THE WORKERS COMPENSATION OR OCCUPATIONAL DISEASE LAW OF ANY STATE, EMPLOYEES INJURED WHILE TEMPORARILY WORKING OUTSIDE OF THE UNITED STATES AND CANADA, VOLUNTEERS, AGRICULTURAL EMPLOYEES, DOMESTIC EMPLOYEES, OTHERS in all states where legally permissible. Benefits payable should be those established in the workers compensation law of THE STATE OF HIRE, THE STATE WHERE INJURY OCCURS, THE STATE OF.

Accepted Declined

Waiver of Our Right To Recover from Others Endorsement (WC 00 03 13): Please endorse the policy to provide *blanket* waivers of subrogation when required by written contract or agreement.

Accepted Declined

Ninety-Day Notice of Cancellation, Nonrenewal, or Material Change in Renewal. Please add the manuscript cancellation notice endorsement included with this submission.

Accepted Declined

Delayed Notice of Occurrence Endorsement

The duties in the Event of Occurrence, Claim, or Suit section of the policy is amended to include:

knowledge of any occurrence, claim, or suit by the agent, servant, or employee of the insured shall not in itself constitute knowledge of the insured unless notice of such injury, claim, or suit shall have been received by the Department Of Budget & Management or any executive officer.

Accepted Declined

Broad Named Insured Endorsement

It is agreed that:

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations and any business entity incorporated or organized under the laws of the United States of America (including any State thereof), its territories or possessions or Canada (including any Province thereof) in which the Named Insured

shown in the Declarations owns, during the policy period, an interest of more than 50 percent. If other valid and collectible insurance is available to any business entity covered by this policy solely by reason of ownership by the Named Insured shown in the Declarations in excess of 50 percent, this insurance is excess over the other insurance, whether collectible or not.

Accepted Declined

Unintentional Errors and Omissions

Coverage afforded by this policy shall not be invalidated or affected by any inadvertent errors, omissions or improper description of premises, existing hazards, or other descriptions mentioned in this policy or in related applications.

Accepted Declined

Notice of Occurrence

It is agreed that the failure of any agent, servant, or employee of the Named Insured to notify the company of any occurrence of which he has knowledge shall not invalidate the insurance afforded by the policy as respects the Named Insured.

Accepted Declined

Loss Control Services: Please describe the loss control services that will be provided.

Quoted Premium

Total Premium: \$ _____

Premium Computation Information: Please detail the premium computation, including scheduled credits used:

Premium Payment Plan: Please provide the details of any available premium payment plans: _____

Exposure and Rating Information

Description of Operations: Refer to enclosed UNDERWRITING INFORMATION.

Owned Aircraft: There are _____ owned aircraft, with a total of _____ passenger seats.

Volunteer Workers: There are approximately _____ volunteer workers performing DESCRIBE TYPES OF WORK.

Workers Compensation Codes and Projected Payrolls: Refer to enclosed "Workers Compensation Schedule."

Loss Control Programs: DESCRIBE

Loss History: Refer to attached LOSS SUMMARY, LARGE LOSS SUMMARY, INSURER LOSS RUNS, OTHER LOSS INFORMATION.