

[illegible]

THIS CONTRACT is entered into on this 18th day of July, 2018, by and between the **CITY OF MCKINNEY, TEXAS**, a municipal corporation located in Collin County, Texas, (hereinafter referred to as "CITY"), acting by and through its City Manager or his designee, and **McGriff, Seibels & Williams Inc.** ("hereinafter referred to as "CONSULTANT") whose address is 5080 Spectrum Drive, Suite 900E, Addison, TX 75001.

WITNESSETH:

WHEREAS, CITY desires to obtain professional services from CONSULTANT for Risk and Insurance Consultant Services identified as the Scope of Services of the City of McKinney's Request for Proposal ("RFP", Proposal No. 18-29RFP, attached hereto as Attachment "A" and incorporated herein by reference for all purposes allowed by law; and

WHEREAS, CONSULTANT is an accounting, professional planning, urban design, or Consulting firm qualified to provide such services and is willing to undertake the performance of such services for CITY in exchange for fees hereinafter specified; NOW, THEREFORE,

IN CONSIDERATION of the covenants and agreements hereinafter contained and subject to the terms and conditions hereinafter stated, the parties hereto do mutually agree as follows:

## **I. Employment of Consultant**

CONSULTANT will perform as an independent contractor all services under this Contract to the prevailing professional standards consistent with the level of care and skill ordinarily provided by competent members of the accounting, professional planning, urban design, or consulting professions, both public and private, currently practicing in the same or similar locality under the same or similar circumstances and professional license including but not limited to the exercise of reasonable, informed judgments and prompt, timely action considering the ordinary professional skill and care of a competent professional accountant, planning professional, urban design professional, or consulting professional. If CONSULTANT is representing that it has special expertise in one or more areas to be utilized in this Contract, then CONSULTANT agrees to perform those special expertise services to the appropriate local, regional and national professional standards.

## **II.**

### **Scope of Services**

CONSULTANT shall perform such services as are necessary to provide Consulting Services related to Risk and Insurance specifically including, but not necessarily limited to, the tasks enumerated more fully in Attachment "A" hereto entitled "Scope of Work" (hereafter referred to as the "Project"). Attachment "A" is hereby incorporated herein by reference and made a part hereof as if written word for word. However, in case of conflict in the language of Attachment "A" and this Contract, the terms and conditions of this Contract shall be final and binding upon both parties hereto.

## **III.**

### **Payment for Services**

Total payment for services described herein shall be a sum not to exceed THIRTY-TWO Thousand AND No/100 Dollars (\$32,000) ("Total Payment Amount"). CONSULTANT will also be compensated for the following reasonable and documented reimbursable expenses, if any, from the Total Payment Amount to the extent such expenses are directly related to CONSULTANT's performance of the Project, and to the extent the total amount of such reimbursable expenses do not exceed ZERO and No/100 Dollars (\$0.00): printing; photocopying; reproduction of drawings and specifications; postage; courier delivery services; long distance telephone calls; and, mileage at the allowable rate established by the Internal Revenue Service. Additional expenses, which are extraordinary in nature, shall be approved in advance by CITY in writing signed by the parties. Such extraordinary expenses may be paid as incurred and billed to the CITY pursuant to this Contract over and above the total payment amount identified in this provision. Any extraordinary expenses not approved in writing in advance by the CITY shall remain the sole responsibility of the CONSULTANT.

CONSULTANT will bill CITY on a quarterly complete basis in accordance with Attachment "A"; provided however that this Contract shall control in the event of any conflict between the language in Attachment "A" and the language in this Contract. If additional services, trips or expenses are requested, CONSULTANT will not provide such additional services until authorized by CITY in writing to proceed. The scope of services shall be strictly limited. CITY shall not be required to pay any amount in excess of the amount identified in the preceding paragraph unless CITY shall have approved in writing in advance (prior to the performance of additional work) the payment of additional amounts.

Each quarter CONSULTANT will submit to CITY an invoice supporting the percentage complete for which payment is sought. Each invoice shall also state the percentage of work completed on the Project through the end of the then

submitted billing period, the total of the current invoice amount and a running total balance for the Project to date.

Within thirty (30) days of receipt of each such monthly invoice CITY shall make monthly payments in the amount shown by CONSULTANT's approved monthly statements and other documentation submitted. Such payments shall be subject to the Texas Prompt Payment Act, Texas Government Code §§ 2251.001, *et seq.*

Nothing contained in this Contract shall require CITY to pay for any work that is unsatisfactory as determined by CITY or which is not submitted in compliance with the terms of this Contract, nor shall failure to withhold payment pursuant to the provisions of this section constitute a waiver of any right, at law or in equity, which CITY may have if CONSULTANT is in default, including the right to bring legal action for damages or for specific performance of this Contract. Waiver of any default under this Contract shall not be deemed a waiver of any subsequent default.

#### **IV.** **Revisions of the Scope of Services**

CITY reserves the right to revise or expand the scope of services after due approval by CITY as CITY may deem necessary, but in such event CITY shall pay CONSULTANT equitable compensation for such services. In any event, when CONSULTANT is directed to revise or expand the scope of services under this Section of the Contract, CONSULTANT shall provide CITY a written proposal for the entire costs involved in performing such additional services. Prior to CONSULTANT undertaking any revised or expanded services as directed by CITY under this Contract, CITY must authorize in writing the nature and scope of the services and accept the method and amount of compensation and the time involved in all phases of the Project.

It is expressly understood and agreed by CONSULTANT that any compensation not specified in Paragraph III herein above may require McKinney City Council approval and is subject to the current budget year limitations.

#### **V.** **Term**

This Contract shall begin on the date first written above and continue for a two (2) year period with option to renew or three (3) additional one (1) year periods or otherwise terminates this Contract as provided herein.

**VI.**  
**Contract Termination Provision**

This Contract may be terminated at any time by CITY for any cause by providing CONSULTANT thirty (30) days written notice of such termination. Upon receipt of such notice, CONSULTANT shall immediately terminate working on, placing orders or entering into contracts for supplies, assistance, facilities or materials in connection with this Contract and shall proceed to promptly cancel all existing contracts insofar as they are related to this Contract. CONSULTANT shall invoice CITY for all Services completed and shall be compensated in accordance with the terms of this Contract for all Services performed by CONSULTANT through the date such written notice of termination is received by CONSULTANT.

**VII.**  
**Ownership of Documents**

All materials and documents prepared or assembled by CONSULTANT under this Contract shall become the sole property of CITY and shall be delivered to CITY without restriction on future use. CONSULTANT may retain in its files copies of all drawings, specifications and all other pertinent information for the work. CONSULTANT shall have no liability for changes made to any materials or other documents by others subsequent to the completion of the Contract.

**VIII.**  
**Insurance Requirements**

- A. Before commencing work, the consultant shall, at its own expense, procure, pay for and maintain during the term of this Contract the following insurance written by companies approved by the state of Texas and acceptable to the City of McKinney. The consultant shall furnish to the City of McKinney Purchasing Manager certificates of insurance executed by the insurer or its authorized agent stating coverages, limits, expiration dates and compliance with all applicable required provisions. Certificates shall reference the project/contract number and be addressed as follows:

City of McKinney  
Attn: Lisa Littrell  
PO Box 517  
McKinney, Texas 75070  
Or email to:  
[llittrell@mckinneytexas.org](mailto:llittrell@mckinneytexas.org)



1. Commercial General Liability insurance, including, but not limited to Premises/Operations, Personal & Advertising Injury, Products/Completed Operations, Independent Contractors and Contractual Liability, with minimum combined single limits of \$1,000,000 per-occurrence, \$1,000,000 Products/Completed Operations Aggregate and \$1,000,000 general aggregate. Coverage must be written on an occurrence form. The General Aggregate shall apply on a per project basis.
2. Workers' Compensation insurance with statutory limits; and Employers' Liability coverage with minimum limits for bodily injury: a) by accident, \$100,000 each accident, b) by disease, \$100,000 per employee with a per policy aggregate of \$500,000.
3. Business Automobile Liability insurance covering owned, hired and non-owned vehicles, with a minimum combined bodily injury and property damage limit of \$1,000,000 per occurrence.
4. Professional Liability Insurance to provide coverage against any claim which the consultant and all consultants engaged or employed by the consultant become legally obligated to pay as damages arising out of the performance of professional services caused by error, omission or negligent act with minimum limits of \$2,000,000 per claim, \$2,000,000 annual aggregate.

**NOTE:** If the insurance is written on a claims-made form, coverage shall be continuous (by renewal or extended reporting period) for not less than *thirty-six (36) months* following completion of the contract and acceptance by the City of McKinney.

B. With reference to the foregoing required insurance, the consultant shall endorse applicable insurance policies as follows:

1. A waiver of subrogation in favor of City of McKinney, its officials, employees, and officers shall be contained in the Workers' Compensation insurance policy.
2. The City of McKinney, its officials, employees and officers shall be named as additional insureds on the Commercial General Liability policy, by using endorsement CG2026 or broader; and, the City of McKinney shall be provided a defense to any and all claims and causes of action arising out of or related to this Agreement as may be provided pursuant to CONSULTANT's general liability insurance policies.

Nothing contained in Section XII of this Agreement shall be interpreted or applied as limiting, reducing, or eliminating any obligation or duty that CONSULTANT's insurance carrier may owe to CITY as an additional insured, pursuant to endorsement CG2026 or broader under the CONSULTANT's general liability insurance policies required by this Agreement, to provide the CITY with a defense and/or indemnify the CITY for any claim or cause of action, whether one or more, regardless of the proportionate responsibility or liability of the CONSULTANT or the CITY. Neither shall anything contained in this Section VIII be interpreted or applied as providing or otherwise entitling either CONSULTANT, CONSULTANT's insurance carrier or any other party any right or ability to recover over against CITY any amounts of money attributable to damages, costs, expenses and/or attorneys' fees based on or arising out of a finding of comparative or proportionate responsibility or liability as against the CITY it being understood and agreed that CITY in no way intends by this Agreement to waive its sovereign immunity regarding any claim, suit or cause of action.

- 3.. All insurance policies shall be endorsed to the effect that City of McKinney will receive at least thirty (30) days' notice in advance of the cancellation effective date of any policy of insurance that is cancelled by the insurance company for any reason other than nonpayment of premium.
  4. All insurance policies shall be endorsed to the effect that City of McKinney will receive at least ten (10) days' notice in advance of the cancellation effective date of any policy of insurance that is cancelled by the insurance company for nonpayment of premium or by CONSULTANT for any reason.
- C. All insurance shall be purchased from an insurance company that meets a financial rating of B+VI or better as assigned by A.M. Best Company or equivalent.
- D. The CONSULTANT shall notify CITY in writing at least thirty (30) days prior to CONSULTANT cancelling or making any material change to any coverage(s) provided in, or through, the insurance policies required under this Section VIII. Failure by CONSULTANT to provide CITY the notice required hereunder may, in the sole discretion of CITY, be deemed a material breach of this Agreement.

**IX.**  
**Right to Inspect Records**

CONSULTANT agrees that CITY shall have access to and the right to examine any directly pertinent books, documents, papers and records of CONSULTANT involving transactions relating to this Contract. CONSULTANT agrees that CITY shall have access during normal working hours to all necessary CONSULTANT facilities and shall be provided adequate and appropriate work space in order to conduct audits in compliance with the provisions of this section. CITY shall give CONSULTANT reasonable advance notice of intended audits.

CONSULTANT further agrees to include in subcontract(s), if any, a provision that any subcontractor or engineer agrees that CITY shall have access to and the right to examine any directly pertinent books, documents, papers and records of such engineer or sub-contractor involving transactions to the subcontract, and further, that CITY shall have access during normal working hours to all such engineer or sub-contractor facilities and shall be provided adequate and appropriate work space, in order to conduct audits in compliance with the provisions of the paragraph. CITY shall give any such engineer or sub-contractor reasonable advance notice of intended audits.

**X.**  
**Successors and Assigns**

CITY and CONSULTANT each bind themselves and their successors, executors, administrators and assigns to the other party to this contract and to the successors, executors, administrators and assigns of such other party in respect to all covenants of this Contract. Neither CITY nor CONSULTANT shall assign or transfer its interest herein without the prior written consent of the other.

**XI.**  
**CONSULTANT's Liability**

Acceptance of the final plans by the CITY shall not constitute nor be deemed a release of the responsibility and liability of CONSULTANT, its employees, associates, agents or consultants for the accuracy and competency of their designs, working drawings, specifications or other documents and work; nor shall such acceptance be deemed an assumption of responsibility by CITY for any defect in the designs, working drawings, specifications or other documents and work; nor shall such acceptance be deemed an assumption of responsibility by CITY for any defect in the designs, working drawings, specifications or other documents and work prepared by said CONSULTANT, its employees, associates, agents or sub-consultants.

## **XII. INDEMNIFICATION**

**CONSULTANT DOES HEREBY COVENANT AND CONTRACT TO WAIVE ANY AND ALL CLAIMS, RELEASE, DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CITY, ITS CITY COUNCIL, OFFICERS, EMPLOYEES AND AGENTS, IN BOTH THEIR PUBLIC AND PRIVATE CAPACITIES, FROM AND AGAINST ALL LIABILITY, CAUSES OF ACTION, CITATIONS, CLAIMS, COSTS, DAMAGES, DEMANDS, EXPENSES, FINES, JUDGMENTS, LOSSES, PENALTIES OR SUITS, WHICH IN ANY WAY ARISE OUT OF, RELATE TO, OR RESULT FROM CONSULTANT'S PERFORMANCE UNDER THIS CONTRACT AND WHICH ARE CAUSED BY THE INTENTIONAL WRONGFUL ACTS OR NEGLIGENT ACTS OR OMISSIONS OF CONSULTANT, ITS SUBCONTRACTORS, ANY OFFICERS, AGENTS OR EMPLOYEES OF EITHER CONSULTANT OR ITS SUBCONTRACTORS, AND ANY OTHER THIRD PARTIES FOR WHOM OR WHICH CONSULTANT IS LEGALLY RESPONSIBLE (THE "INDEMNIFIED ITEMS") SUBJECT TO THE LIMITATIONS IN TEXAS LOCAL GOVERNMENT CODE § 271.904 AND TEXAS CIVIL PRACTICE AND REMEDIES CODE, § 130.002(B).**

**BY WAY OF EXAMPLE, THE INDEMNIFIED ITEMS MAY INCLUDE PERSONAL INJURY AND DEATH CLAIMS AND PROPERTY DAMAGE CLAIMS, INCLUDING THOSE FOR LOSS OF USE OF PROPERTY, AS WELL AS INTELLECTUAL PROPERTY INFRINGEMENT OR FAILURE TO PAY A SUBCONTRACTOR OR SUPPLIER.**

**INDEMNIFIED ITEMS SHALL INCLUDE REASONABLE ATTORNEYS' FEES IN PROPORTION TO THE CONSULTANT'S LIABILITY AND COSTS, COURT COSTS, AND SETTLEMENT COSTS. INDEMNIFIED ITEMS SHALL ALSO INCLUDE ANY EXPENSES, INCLUDING REASONABLE ATTORNEYS' FEES AND EXPENSES, INCURRED BY AN INDEMNIFIED INDIVIDUAL OR ENTITY IN ATTEMPTING TO ENFORCE THIS INDEMNITY IN PROPORTION TO THE CONSULTANT'S LIABILITY.**

In its sole discretion, the CITY shall have the right to approve counsel to be retained by CONSULTANT in fulfilling its obligation to defend and indemnify the CITY. CONSULTANT shall retain approved counsel for the CITY within seven (7) business days after receiving written notice from the CITY that it is invoking its right to indemnification under this Contract. If CONSULTANT does not retain counsel for the CITY within the required time, then the CITY shall have the right to retain counsel and the CONSULTANT shall pay these reasonable attorneys' fees in proportion to the CONSULTANT'S liability plus expenses. The CITY retains the right to provide and pay for any or all costs of defending indemnified items, but it shall not be required to take such action.

**XIII.**  
**Independent Contractor**

CONSULTANT's status shall be that of an Independent Contractor and not an agent, servant, employee or representative of CITY in the performance of this Contract. No term or provision of or act of CONSULTANT or CITY under this Contract shall be construed as changing that status. CONSULTANT will have exclusive control of and the exclusive right to control the details of the work performed hereunder, and shall be liable for the acts and omissions of its officers, agents, employees, contractors, subcontractors and engineers and the doctrine of respondeat superior shall not apply as between CITY and CONSULTANT, its officers, agents, employees, contractors, subcontractors and engineers, and nothing herein shall be construed as creating a partnership or joint enterprise between CITY and CONSULTANT.

**XIV.**  
**Default**

If at any time during the term of this Contract, CONSULTANT shall fail to commence the work in accordance with the provisions of this Contract or fail to diligently provide services in an efficient, timely and careful manner and in strict accordance with the provisions of this Contract or fail to use an adequate number or quality of personnel to complete the work or fail to perform any of its obligations under this Contract, then CITY shall have the right, if CONSULTANT shall not cure any such default after thirty (30) days written notice thereof, to terminate this Contract. Any such act by CITY shall not be deemed a waiver of any other right or remedy of CITY. If after exercising any such remedy due to CONSULTANT's nonperformance under this Contract, the cost to CITY to complete the work to be performed under this Contract is in excess of that part of the Contract sum which has not theretofore been paid to CONSULTANT hereunder, CONSULTANT shall be liable for and shall reimburse CITY for such excess. CONSULTANT'S liability under this provision shall be limited to the total dollar amount of this Contract.

CITY's remedies for CONSULTANT's default or breach under this Contract shall be limited to one or more of the following remedies which may be exercised separately or in combination at CITY's sole exclusive choice:

- (a) Specific performance of the Contract;
- (b) Re-performance of this Contract at no extra charge to CITY; or,
- (c) Monetary damages in an amount not to exceed the greater of:
  - (1) The amount of any applicable insurance coverage CONSULTANT is required to purchase and maintain under this

Contract plus any deductible amount to be paid by CONSULTANT in conjunction with said coverage regardless of whether CONSULTANT has actually purchased and maintained said coverage; or,

(2) The total dollar amount of this Contract.

The terms of Sections XII entitled Indemnification, and XVII entitled Confidential Information shall survive termination of this Contract.

#### **XV. Changes**

CITY may, from time to time, require changes in the scope of services to be performed under this Contract. Such changes as are mutually agreed upon by and between CITY and CONSULTANT shall be incorporated by written modification to this Contract.

#### **XVI. Conflict of Interest**

CONSULTANT covenants and agrees that CONSULTANT and its associates and employees will have no interest, and will acquire no interest, either direct or indirect, which will conflict in any manner with the performance of the services called for under this Contract. All activities, investigations and other efforts made by CONSULTANT pursuant to this Contract will be conducted by employees, associates or subcontractors of CONSULTANT.

In addition, CONSULTANT shall comply with the requirements of Texas Government Code § 2252.908 by completing and submitting Form 1295 to the Texas Ethics Commission ("Commission") at the time CONSULTANT submits this signed Contract to CITY, and as follows:

Form 1295 Filing Process: The Commission has made available on its website a new filing application that must be used to file Form 1295. The CONTRACTOR must use the application to enter the required information on Form 1295 and print a copy of the completed form, which will include a certification of filing that will contain a unique certification number. An authorized agent of the CONTRACTOR must sign the printed copy of the form and complete the "unsworn declaration" which includes, among other things, the date of birth and address of the authorized representative signing the form. The completed Form 1295 with the certification of filing must be filed with the CITY.

The CITY must notify the Commission, using the Commission's filing application, of the receipt of the filed Form 1295 with the certification

of filing not later than the 30th day after the date the Contract binds all parties to the Contract. The Commission will post the completed Form 1295 to its website within seven business days after receiving notice from the CITY.

Form 1295 Availability: Certificate of Interested Parties Form is available from the Texas Ethics Commission website at the following address:

[https://www.ethics.state.tx.us/whatsnew/elf\\_info\\_form1295.htm](https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm)

For questions regarding and assistance in filling out Form 1295, please contact the Texas Ethics Commission at 512-463-5800.

## **XVII.**

### **Confidential Information**

CONSULTANT hereby acknowledges and agrees that its representatives may have access to or otherwise receive information during the furtherance of its obligations in accordance with this Contract, which is of a confidential, non-public or proprietary nature. CONSULTANT shall treat any such information received in full confidence and will not disclose or appropriate such Confidential Information for its own use or the use of any third party at any time during or subsequent to this Contract. As used herein, "Confidential Information" means all oral and written information concerning City of McKinney, its affiliates and subsidiaries, and all oral and written information concerning CITY or its activities, that is of a non-public, proprietary or confidential nature including, without limitation, information pertaining to customer lists, services, methods, processes and operating procedures, together with all analyses, compilation, studies or other documents, whether prepared by CONSULTANT or others, which contain or otherwise reflect such information. The term "Confidential Information" shall not include such materials that are or become generally available to the public other than as a result of disclosure of CONSULTANT, or are required to be disclosed by a governmental authority.

## **XVIII.**

### **Mailing Address**

All notices and communications under this CONTRACT to be mailed to CITY shall be sent to the address of CITY's agent as follows, unless and until CONSULTANT is otherwise notified:

Lisa Littrell, CPPO, CPPB  
Purchasing Manager  
City of McKinney  
Post Office Box 517

McKinney, Texas 75069.

Notices and communications to be mailed or delivered to CONSULTANT shall be sent to the address of CONSULTANT as follows, unless and until CITY is otherwise notified:

McGriff, Seibels & Williams  
Johnny Fontenot  
Executive Vice President  
5080 Spectrum Drive, Suite 900E  
Addison, Texas 75001

Any notices and communications required to be given in writing by one party to the other shall be considered as having been given to the addressee on the date the notice or communication is posted, faxed or personally delivered by the sending party.

**XIX.**  
**Applicable Law**

The CONTRACT is entered into subject to the McKinney City Charter and ordinances of CITY, as same may be amended from time to time, and is subject to and is to be construed, governed and enforced under all applicable State of Texas and federal laws. CONSULTANT will make any and all reports required per federal, state or local law including, but not limited to, proper reporting to the Internal Revenue Service, as required in accordance with CONSULTANT's income. Situs of this Contract is agreed to be Collin County, Texas, for all purposes, including performance and execution.

**XX.**  
**Severability**

If any of the terms, provisions, covenants, conditions or any other part of this Contract are for any reason held to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants, conditions or any other part of this Contract shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

**XXI.**  
**Remedies**

No right or remedy granted herein or reserved to the parties is exclusive of any other right or remedy herein by law or equity provided or permitted; but each shall be cumulative of every other right or remedy given hereunder. No covenant or condition of this Contract may be waived without written consent of



the parties. Forbearance or indulgence by either party shall not constitute a waiver of any covenant or condition to be performed pursuant to this Contract.

**XXII.**  
**Entire Agreement**

This Contract embodies the complete agreement of the parties hereto, superseding all oral or written previous and contemporaneous agreements between the parties relating to matters herein, and except as otherwise provided herein cannot be modified without written agreement of the parties.

**XXIII.**  
**Non-Waiver**

It is further agreed that one (1) or more instances of forbearance by CITY in the exercise of its rights herein shall in no way constitute a waiver thereof.

**XXIV.**  
**Headings**

The headings of this Contract are for the convenience of reference only and shall not affect any of the terms and conditions hereof in any manner.

**XXV.**  
**Venue**

The parties to this Contract agree and covenant that this Contract will be enforceable in McKinney, Texas; and that if legal action is necessary to enforce this Contract, exclusive venue will lie in Collin County, Texas.

**XXVI.**  
**No Third Party Beneficiary**

For purposes of this Contract, including its intended operation and effect, the parties (CITY and CONSULTANT) specifically agree and contract that: (1) the Contract only affects matters/disputes between the parties to this Contract, and is in no way intended by the parties to benefit or otherwise affect any third person or entity notwithstanding the fact that such third person or entity may be in contractual relationship with CITY or CONSULTANT or both; and (2) the terms of this Contract are not intended to release, either by contract or operation of law, any third person or entity from obligations owing by them to either CITY or CONSULTANT.

**XXVII.**  
**No Boycotting of Israel**

Pursuant to the requirements of Texas Government Code Chapter 2270, CONSULTANT hereby affirms and verifies by its signature on this Contract below that CONSULTANT:

- (a) does not boycott Israel; and
- (b) will not boycott Israel during the term of this Contract.

IN WITNESS WHEREOF, the parties hereto have set their hands by their representatives duly authorized on the day and year first written above.

***CITY OF MCKINNEY***

By: \_\_\_\_\_  
PAUL G. GRIMES  
City Manager

Date Signed: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
SANDY HART, TRMC, MMC  
City Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
MARK S. HOUSER  
City Attorney

\_\_\_\_\_  
(Consultant's Name)

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date Signed: \_\_\_\_\_

THE STATE OF TEXAS       §  
COUNTY OF COLLIN       §

BEFORE ME, the undersigned authority, in and for said County, Texas, on this day personally appeared PAUL G. GRIMES, City Manager of the **CITY OF MCKINNEY**, a Texas Municipal Corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he has executed the same on the City's behalf.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS THE \_\_\_\_\_  
DAY OF \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Notary Public Collin County, Texas  
My commission expires \_\_\_\_\_

THE STATE OF TEXAS       §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, by \_\_\_\_\_ in his capacity as \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ Corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged that he executed the same on behalf of and as the act of \_\_\_\_\_.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS THE \_\_\_\_\_  
DAY OF \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Notary Public \_\_\_\_\_ County, Texas  
My commission expires \_\_\_\_\_

**Attachment “A”**

*Scope of Work – City of McKinney’s RFP No. 18-29RFP Risk and Insurance  
Consultant Services*

*McGriff, Seibels & Williams RFP Response*

# CITY OF MCKINNEY



## REQUEST FOR PROPOSAL

The City of McKinney is soliciting proposals for the herein described services and/or commodities for the purpose defined in this document. By responding to this request, the offeror agrees to perform in accordance with the terms and conditions set forth in this document in the event that the response is selected for contract award.

TABLE OF CONTENTS

LEGAL NOTICE .....	3
GENERAL CONDITIONS OF BIDDING AND TERMS OF CONTRACT .....	4
INSURANCE REQUIREMENTS – CONSULTING SERVICES.....	10
CERTIFICATE OF INTERESTED PARTIES (FORM 1295).....	12
VERIFICATION REQUIRED BY TEXAS GOVERNMENT CODE SECTION 2270.001 .....	13
INTRODUCTION / INFORMATION.....	14
EVALUATION CRITERIA AND FACTORS.....	19
SIGNATURE PAGE .....	21

**LEGAL NOTICE**

**City of McKinney, Texas  
Advertisement for Proposals**

The City of McKinney is accepting proposals for a Risk and Insurance Consultant to provide professional services in relation to insurance, risk, claims, and safety services. Specifications may be obtained on our eBid system @ <https://mckinney.ionwave.net>.

Proposals will be publicly opened and Proposer's name only read aloud in the office of the Purchasing Manager, at the address below, shortly after the specified time for delivery. All proposals must be clearly addressed to the Purchasing Department and include the proposal name and number on the outside of the envelope/package.

Proposal Deliveries: The City of McKinney cannot guarantee, due to internal mail delivery procedures that any proposals sent priority mail will be picked up from the post office by City mail employees and delivered to the Purchasing Department by the closing date and time. It is recommended that proposal deliveries be made either in person or via an alternate delivery method ensuring delivery to the physical address. ***Proposer shall bear full responsibility for ensuring that the proposal is delivered to the specified location by due date and time.*** Late proposal will be rejected as non-responsive.

PROPOSAL NAME: Consulting Services: Risk and Insurance Consultant

PROPOSAL NO.: 18-29RFP

DUE DATE/TIME: 2:00 p.m., March 29, 2018

MAIL OR DELIVER TO: City of McKinney  
Purchasing Department  
PO Box 517  
Or:  
1550D South College  
McKinney, Texas 75069

The City reserves the right to reject any and all proposals and to waive any informality in proposals received, deemed to be in the best interest of the City. No officer or employee of the City of McKinney shall have a financial interest, direct or indirect, in any contract with the City of McKinney.

This publication can be made available upon request in alternative formats, such as, Braille, large print, audiotape or computer disk. Requests can be made by calling 972-547-2694 (Voice) or email [contact-adacompliance@mckinneytexas.org](mailto:contact-adacompliance@mckinneytexas.org). Please allow at least 48 hours for your request to be processed.

TO APPEAR IN THE MCKINNEY COURIER GAZETTE IN THE FOLLOWING EDITIONS:

First Publication: March 11, 2018  
Second Publication: March 18, 2018

**GENERAL CONDITIONS OF BIDDING AND TERMS OF CONTRACT**

By execution of this document, the vendor accepts all general and special conditions of the contract as outlined below and in the specifications and plans.

**I. BIDDING**

- A. PROPOSALS – Proposals submitted to the office of the Purchasing Manager shall be a minimum of one (1) original and one (1) copy which shall be submitted in a sealed envelope(s); as well as one (1) electronic copy in PDF format on CD or USB with signatures included. Copies are to be marked as such.
- B. AUTHORIZED SIGNATURES – The proposal must be executed personally by the vendor or duly authorized partner of the partnership or duly authorized officer of the corporation. If executed by an agent, a power of attorney or other evidence of authority to act on behalf of the vendor shall accompany the proposal to become a valid offer.
- C. LATE PROPOSALS – Proposals must be in the office of the City Purchasing Manager before or at the specified time and date proposals are due. Proposals received in the office of the Purchasing Manager after the submission deadline shall be rejected as non-responsive proposals.
- D. WITHDRAWAL OF PROPOSALS PRIOR TO OPENING – A proposal may be withdrawn before the opening date by submitting a written request for its withdrawal to the City Purchasing Manager.
- E. WITHDRAWAL OF PROPOSALS AFTER OPENING – A proposal may not be withdrawn or cancelled by the vendor for a period of sixty (60) days following the date and time designated for the receipt of proposals unless otherwise stated in the request for proposals and/or specifications.
- F. PROPOSAL AMOUNTS – Proposals should show net prices, extensions and net total where applicable. In case of conflict between unit price and extension, the unit price will govern.
- G. TAX EXEMPT STATUS – The City is exempt from federal excise tax and state sales tax. Unless specifications specifically indicate otherwise, the price proposal must be net exclusive of above-mentioned taxes and will be so construed. Therefore, the proposal price shall not include taxes.
- H. AWARDS – The City reserves the right to be the sole judge as to whether such items proposed will serve the purpose intended. The City reserves the right to accept or reject in part or in whole any proposal submitted, and to waive any technicalities or informalities for the best interest of the City. Award of contract shall be made to the most responsible, responsive offeror whose negotiated best and final offer is determined to be the best value offer, taking into consideration the relative importance of price and other factors set forth in the Request For Proposals.
- I. SILENCE OF SPECIFICATIONS FOR COMPLETE UNITS – All materials, equipment and/or parts that will become a portion of the completed work including items not specifically stated herein but necessary to render the service(s) complete and operational per the specifications are to be included in the proposal price. Vendor may be required to furnish evidence that the product or service, as proposed, will meet or exceed these requirements.



- J. ADDENDA - Any interpretations, corrections or changes to the specifications and plans will be made by addenda no later than seventy-two (72) prior to opening. Addenda will be distributed to all known recipients of proposal documents. Vendors shall acknowledge receipt of all addenda with submission of proposal.
- K. GENERAL BID BOND/SURETY REQUIREMENTS – Failure to furnish bid bond/surety, if requested, will result in proposal being declared non-responsive. Non-responsive proposals will not be considered for award.
- L. GENERAL INSURANCE REQUIREMENTS – Failure to furnish Affidavit of Insurance if, insurance coverage is required in these specifications, will result in proposal being declared non-responsive. Non-responsive proposals will not be considered for award.
- M. RESPONSIVENESS – A responsive proposal shall substantially conform to, or exceed, the minimum requirements of this Request for Proposal. Offers containing any clause that would limit contracting authority shall be considered non-responsive. Example of proposals that would limit contracting authority is one made contingent upon award of other offers currently under consideration.
- N. RESPONSIBLE STANDING OF OFFEROR – To be considered for award, offeror must at least: have the ability to obtain adequate financial resources; be able to comply with required or proposed delivery/completion schedule; have a satisfactory record of performance; have a satisfactory record of integrity and ethics; be otherwise qualified and eligible to receive award.
- O. PROPRIETARY DATA – Offeror may, by written request, indicate as confidential any portion(s) of a proposal that contain proprietary information, including manufacturing and/or design processes exclusive to the vendor. The City of McKinney will protect from public disclosure such portions of a proposal unless directed otherwise by legal authority including existing Open Records Acts.
- P. PUBLIC OPENING – Offerors are invited to be present for acknowledgement of proposals. Proposals duly received will be publicly acknowledged at an official public opening in such a manner so as to avoid disclosure of the contents to competing offerors through the negotiation process. After the official public opening, a period of not less than one week is necessary to evaluate proposals. The amount of time necessary for proposal evaluation may vary and is determined solely by the City. Following City Council action to award or reject, all proposals submitted are available for public review.
- Q. WAIVER OF CLAIMS - Each Offeror by submission of a response to this RFP waives any claims it has or may have against the City, and their respective employees, officers, members, directors and partners; The City's Representative and its employees, officers, members, directors and partners; and the City, its employees, officers and elected officials, agents, representatives, that are connected with or arising out of this RFP, including, the administration of the RFP, the RFP evaluation, and the selection of qualified Respondents. Submission of proposal indicates Respondent's acceptance of the evaluation technique. Without limiting the generality of the foregoing, each Respondent acknowledges that the basis of selection and that the evaluations shall be made public in accordance with applicable law and waives any claim it has or may have against the above-named persons, due to information contained in such evaluations.

## II. PERFORMANCE

- A. DESIGN, STRENGTH, AND QUALITY – Design, strength, and quality of materials and workmanship must conform to the highest standards of manufacturing and engineering practices.
- B. AGE AND MANUFACTURE – All tangible goods being proposed must be new and unused, unless otherwise specified, in first-class condition, of current manufacture, and furnished ready to use. All items not specifically mentioned that are required for a complete unit shall be furnished.
- C. DELIVERY LOCATION – All deliveries will be made to the address(es) specified on the purchase order during normal working hours of 8:00 a.m. to 4:00 p.m., Monday through Friday, unless otherwise authorized by the Purchasing Manager or designee.
- D. DELIVERY SCHEDULE – Delivery may be an important consideration in the evaluation of the proposal. The maximum number of days necessary for delivery ARO shall be stated in the proposal.
- E. DELIVERY CHARGES – All delivery and freight charges, F.O.B. destination shown on purchase order, as necessary to perform contract shall be included in the proposed price.
- F. INSTALLATION CHARGES – All charges for installation and set-up shall be included in the proposed price. Unless otherwise stated, at minimum, basic installation and set-up will be required.
- G. OPERATING INSTRUCTIONS AND TRAINING – Clear and concise operating instructions and descriptive literature will be provided in English if requested. On-site detailed training in the safe and efficient use and general maintenance of item(s) purchased shall be provided as needed at the request of the City. Instructions and training shall be at no additional cost to the City.
- H. STORAGE – Offeror agrees to provide storage of custom ordered materials, if requested, not to exceed 30 calendar days.
- I. COMPLIANCE WITH FEDERAL, STATE, COUNTY, AND LOCAL LAWS – Proposals must comply with all federal, state, county and local laws. Any vehicles or equipment shall contain all standard safety, emission, and noise control requirements required for the types and sizes of equipment at the time of their manufacture. The contractor agrees, during the performance of work or service, to comply with all applicable codes and ordinance of the City of McKinney, Collin County, or State of Texas as they may apply, as these laws may now read or as they may hereafter be changed or amended.
- J. PATENTS AND COPYRIGHTS – The successful vendor agrees to protect the City from claims involving infringements of patents and/or copyrights.

- K. **SAMPLES, DEMONSTRATIONS AND TESTING** – At the City's request and direction, offeror shall provide product samples and/or testing of proposed items. Samples, demonstrations and/or testing may be requested at any point prior to or following award. Samples, demonstrations and/or testing may be requested upon delivery and/or any point during the term of resulting contract. All samples (including return thereof), demonstrations and/or testing shall be at the expense of the offeror/vendor.
- L. **ACCEPTABILITY** – All articles enumerated in the proposal shall be subject to inspection by an officer designated for the purpose by the City of McKinney. If found inferior to the quality called for, or not equal in value to the contract specifications, deficient in workmanship or otherwise, this fact shall be certified to the Purchasing Manager who shall have the right to reject the whole or any part of the same. Items and/or work determined to be contrary to contract specifications must be replaced at the vendor's expense. Inferior items not retrieved by the vendor within thirty (30) calendar days, or an otherwise agreed upon time, shall become the property of the City. If disposal of such items warrants an expense, an amount equal to the disposal expense will be deducted from amounts payable to the vendor.

### III. PURCHASE ORDERS AND PAYMENT

- A. **PURCHASE ORDERS** – A purchase order(s) shall be generated by the City Purchasing Manager to the successful vendor. The purchase order number must appear on all itemized invoices and packing slips. The City will not be held responsible for any work orders placed and/or performed without a valid current purchase order number. Payment will be made for all services rendered and accepted by the contract administrator for which a valid invoice has been received.
- B. **INVOICES** – All invoices shall reference the Purchase Order number. Invoices shall provide a detailed description for each item invoiced. Payment will be made under terms of net thirty (30) days unless otherwise agreed upon by seller and the purchasing department.
- C. **FUNDING** – The City of McKinney is operated and funded on an October 1 to September 30 basis; accordingly, the City reserves the right to terminate, without liability to the City, any contract for which funding is not available.

### IV. CONTRACT

- A. **CONTRACT DEFINITION** – The General Conditions of Bidding and Terms of Contract, Specifications, Proposal, Addenda, Negotiated Changes and any other documents made a part of this proposal shall constitute the complete proposal. This proposal, when accepted by the City, shall constitute a contract equally binding between the successful offeror and the City of McKinney.
- B. **CONTRACT AGREEMENT** – Once a contract is awarded, agreed upon prices shall remain firm for the term of the contract. Contract shall commence on date of award and continue for a three (3) year period with option to renew for three (3) additional one (1) year periods.
- C. **CHANGE ORDER** – No different or additional terms will become part of this contract with the exception of a change order. No oral statement of any person shall modify or otherwise change, or affect the terms, conditions or specifications stated in the resulting contract. All change orders to the contract will be made in writing and at the discretion and approval of the City. No change order will be binding unless signed by an authorized representative of the City and the vendor.

- D. **NEGOTIATION** – The City of McKinney may elect to negotiate a contract with the selected offeror(s). Any and all verbal communications and/or commitments made during the negotiation process that are deemed agreeable to both the City and selected offeror shall be submitted in written form and made part of the resulting contract. Although the City of McKinney reserves the right to negotiate, contract award may be made on the basis of initial proposals received without discussions. Therefore, initial proposals will contain the offeror's best terms.
- E. **PRICE REDETERMINATION** – A price redetermination may be considered by the City of McKinney only at the anniversary dates of multiple year contracts. Request for price redetermination shall be in written form and include written documentation from third party source of increase, substantiating cost increase. City of McKinney reserves the right to approve or disapprove any request as it deems to be in the best interest of the City. A vendor's history of honoring contracts at the awarded price will be an important consideration in evaluating lowest and best value proposal.
- F. **TERMINATION FOR DEFAULT** – The City of McKinney reserves the right to enforce the performance of this contract in any manner prescribed by law or deemed to be in the best interest of the City in the event of breach or default of this contract. The City reserves the right to terminate the contract immediately in the event the vendor fails to perform to the terms of specifications or fails to comply with the terms of this contract. Breach of contract or default authorizes the City to award to another vendor, purchase elsewhere and charge the full increase in cost and handling to the defaulting party.
- G. **TRANSITIONAL PERIOD** – Upon normal completion of this contract, not to include termination for default, and in the event that no new contract has been awarded by the original expiration date of the existing contract including any extension thereof, it shall be incumbent upon the Vendor to continue the contract under the same terms and conditions until a new contract can be completely operational. At no time shall this transition period extend more than ninety (90) days beyond the original expiration date of the existing contract and any extension thereof.
- H. **INVALID, ILLEGAL, OR UNENFORCEABLE PROVISIONS** – In case any one or more of the provisions contained in the Contract shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not effect any other provision thereof and this contract shall be considered as if such invalid, illegal, or unenforceable provision had never been contained herein.
- I. **INJURIES OR DAMAGES RESULTING FROM NEGLIGENCE** – Successful vendor shall defend, indemnify and save harmless the City of McKinney and all its officers, agents and employees from all suits, actions, or other claims of any character, name and description brought for or on account of any injuries or damages received or sustained by any person, persons, or property on account of any negligent act or fault of the successful vendor, or of any agent, employee, subcontractor or supplier in the execution of, or performance under, any contract which may result from award. Successful vendor shall pay any judgment with cost which may be obtained against the City of McKinney growing out of such injury or damages.
- J. **INTEREST BY PUBLIC OFFICIALS** – No public official shall have interest in this contract, in accordance with Texas local government code.

- K. DISCLOSURE OF CERTAIN RELATIONSHIPS – Chapter 176 of the Texas Local Government Code requires that any vendor or person considering doing business with the City of McKinney disclose in the Questionnaire Form CIQ, the vendor or person's affiliation or business relationship that may cause a conflict of interest with the City of McKinney. By law, this questionnaire must be filed with the City Secretary, City of McKinney, PO Box 517, McKinney, Texas 75070, not later than the seventh business day after the date the person becomes aware of facts that require the statement to be filed. Go to [www.mckinneytexas.org](http://www.mckinneytexas.org) to view Section 176, Local Government Code and for Questionnaire CIQ. A person commits a Class C misdemeanor offense if the person violates Section 176.006, Local Government Code. By submitting a response to this request, bidder represents that it is in compliance with the requirements of Chapter 176 of the Texas Local Government Code.
- L. ETHICAL BEHAVIOR - The City of McKinney requires ethical behavior and compliance with the law from all individuals and companies with whom it does business.
- M. WARRANTY – The successful vendor shall warrant that all materials utilized in the performance of this contract shall conform to the proposed specifications and/or all warranties as stated in the Uniform Commercial Code and be free from all defects in material, workmanship and title.
- N. UNIFORM COMMERCIAL CODE – The successful vendor and the City of McKinney agree that both parties have all rights, duties, and remedies available as stated in the Uniform Commercial Code.
- O. VENUE – This agreement will be governed and construed according to the laws of the State of Texas. This agreement is performable in the County of Collin, Texas.
- P. SALE, ASSIGNMENT, OR TRANSFER OF CONTRACT – The successful vendor shall not sell, assign, transfer or convey this contract, in whole or in part, without the prior written consent of the City of McKinney.
- Q. SILENCE OF SPECIFICATIONS – The apparent silence of specifications as to any detailed description concerning any point, shall be regarded as meaning that only the best commercial practices are to prevail. All interpretations of these specifications shall be made on the basis of this statement.
- R. CONTRACT TERMINATION – The City reserves the right to cancel and terminate this contract, without cause, upon thirty (30) days written notice to the other party.

INSURANCE REQUIREMENTS – Consulting Services

- A. Before commencing work, the vendor shall, at its own expense, procure, pay for and maintain the following insurance written by companies approved by the state of Texas and acceptable to the City of McKinney. The vendor shall furnish to the City of McKinney Purchasing Manager certificates of insurance executed by the insurer or its authorized agent stating coverages, limits, expiration dates and compliance with all applicable required provisions. Certificates shall reference the project/contract number and be addressed as follows:

18-29RFP - Risk and Insurance Consultant  
City of McKinney  
Attn: Rosanne Lemus, CPPB  
P O Box 517  
McKinney, Texas 75070  
Or email to: [rlemus@mckinneytexas.org](mailto:rlemus@mckinneytexas.org)

1. Commercial General Liability insurance, including, but not limited to Premises/Operations, Personal & Advertising Injury, Products/Completed Operations, Independent Contractors and Contractual Liability, with minimum combined single limits of \$1,000,000 per-occurrence, \$1,000,000 Products/Completed Operations Aggregate and \$1,000,000 general aggregate. Coverage must be written on an occurrence form. The General Aggregate shall apply on a per project basis.
2. Workers' Compensation insurance with statutory limits; and Employers' Liability coverage with minimum limits for bodily injury: a) by accident, \$100,000 each accident, b) by disease, \$100,000 per employee with a per policy aggregate of \$500,000.
3. Business Automobile Liability insurance covering owned, hired and non-owned vehicles, with a minimum combined bodily injury and property damage limit of \$1,000,000 per occurrence.
4. Professional Liability Insurance to provide coverage against any claim which the consultant and all consultants engaged or employed by the consultant become legally obligated to pay as damages arising out of the performance of professional services caused by error, omission or negligent act with minimum limits of \$2,000,000 per claim, \$2,000,000 annual aggregate.

**NOTE:** If the insurance is written on a claims-made form, coverage shall be continuous (by renewal or extended reporting period) for not less than *thirty-six (36) months* following completion of the contract and acceptance by the City of McKinney.

- B. With reference to the foregoing required insurance, the vendor shall endorse applicable insurance policies as follows:

1. A waiver of subrogation in favor of City of McKinney, its officials, employees, and officers shall be contained in the Workers' Compensation insurance policy.
  2. The City of McKinney, its officials, employees and officers shall be named as additional insureds on the Commercial General Liability policy, by using endorsement CG2026 or broader .
  - 3.. All insurance policies shall be endorsed to the effect that City of McKinney will receive at least thirty (30) days notice prior to cancellation, non-renewal, termination, or material change of the policies.
- C. All insurance shall be purchased from an insurance company that meets a financial rating of B+VI or better as assigned by A.M. Best Company or equivalent.

Bid No.18-29RFP  
Certificate of Interested Parties (Form 1295)  
**(Required by Awarded Vendor(s) Only)**

In 2015, the Texas Legislature adopted [House Bill 1295](#), which added section 2252.908 of the Government Code. The law states that a governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The disclosure requirement applies to a contract entered into on or after January 1, 2016.

**Filing Process:**

The commission has made available on its website a new filing application that must be used to file Form 1295. A business entity must use the application to enter the required information on Form 1295 and print a copy of the completed form, which will include a certification of filing that will contain a unique certification number. An authorized agent of the business entity must sign the printed copy of the form. The completed Form 1295 with the certification of filing must be filed with the City of McKinney.

The City of McKinney must notify the commission, using the commission's filing application, of the receipt of the filed Form 1295 with the certification of filing not later than the 30th day after the date the contract binds all parties to the contract. The commission will post the completed Form 1295 to its website within seven business days after receiving notice from the City of McKinney.

**Form Availability:**

Certificate of Interested Parties Form is available from the Texas Ethics Commission website at the following address:

[https://www.ethics.state.tx.us/whatsnew/elf\\_info\\_form1295.htm](https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm)

For questions regarding and assistance in filling out this form, please contact the Texas Ethics Commission at 512-463-5800.



**VERIFICATION REQUIRED BY TEXAS GOVERNMENT CODE SECTION 2270.001**

**(Required by Awarded Vendor(s) Only)**

\_\_\_\_\_ (the "Company") hereby verifies that the Company:

1. Does not boycott Israel; and
2. Will not boycott Israel during the term of this contract.

**COMPANY NAME:** \_\_\_\_\_

**SIGNED BY:** \_\_\_\_\_

**Print Name & Title:** \_\_\_\_\_

**Date Signed:** \_\_\_\_\_

For purposes of this Verification, the following definitions apply:

(1) The phrase "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes; and

(2) The word "Company" means a for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations that exists to make a profit.

## **I. INTRODUCTION / INFORMATION**

### **PURPOSE**

The City of McKinney Human Resources and Risk Management Department is seeking a Risk and Insurance Consultant to provide professional services in relation to insurance, risk, claims, and safety services. Primary objectives for the Consultant include:

- Identify and evaluate our insurable exposures and recommend professional methods to reduce, assume or transfer the risk of loss.
- Review and market if necessary the City's insurance needs, collecting information about the premiums for each (e.g., workers compensation, property and casualty, general liability, etc.) and presenting the carrier's quotes to the City.
- Provide a 5 year strategic timeline that aligns with the City of McKinney's goals and expected growth to best financially mitigate future losses.
- Provide an annual review meeting and report.
- Provide actuarial services and assist in developing future allocation methodology.
- Provide and/or evaluate and recommend risk management information systems along with methods we can use to best gather and distribute necessary loss trends, financial impacts, etc.
- Provide safety resources to assist in our City wide safety program. This is to include a safety advocate and training resources.

**It is the City's intention to hire a consultant who will act independently of any company that might bid to provide services and/or insurance products to the City of McKinney. The Risk and Insurance Consultant will be compensated on a fee-for-service basis only. No other compensation (commissions, overrides, etc.) are to be paid or accepted in relation to any services the Consultant provides to the City. Respondents must provide a copy of a valid Texas Property and Casualty Broker license to be considered.**

## **BACKGROUND**

The City of McKinney's insurance program is currently underwritten and provided through the Texas Municipal League Intergovernmental Risk Pool (TMLIRP). The only exception being our aviation coverage which is through Starr. The City of McKinney is one of the fastest growing cities of its size in the country. With this explosion of growth comes the need for the City to evaluate its insurance program to ensure it is keeping pace with the increased complexities that are a fundamental component of growth. A summary of our current coverages are provided below:

Type	Carrier	Coverage	Limit	Deductible	Notes	Contribution
Workers Compensation	TML	Workers Compensation	Statutory	\$100,000	Annual Aggregate \$800,000	\$238,388
General Liability	TML	Domestic General Liability	2,000,000 per occ. 4,000,000 Aggregate	\$10,000		\$47,272
Law Enforcement Liability	TML	Law Enforcment Liability	2,000,000 per occ. 4,000,000 Aggregate	\$10,000		\$88,636
Errors and Omissions Liability	TML	Errors and Omissions	2,000,000 per occ. 4,000,000 Aggregate	\$100,000		\$45,519
Automobile Liability	TML	Auto Liability	1,000,000 Medical Payments 25,000	\$50,000	per schedule	\$80,179
Automobile Physical Damage	TML	Auto Physical Damage	Per Schedule	\$250		\$238,102
Automobile Catastrophe	TML	Automobile Catastrophe	10,000,000	\$10,000		\$22,000
Property	TML	Special Form Replacement Cost	218,352,605	\$25,000  Valuable Papers/Records 25,000 Accounts Receivable 100,000 Loss or Revenue 500,000 Personal Property Emp. 5,000 Leashold Interest 5,000 Outdoor Trees/shrubs 10,000 Newly Acquired Property 1,000,000 Pollutant Cleanup 20,000 each premise	\$285,966,595	\$249,187
Boiler and Machinery	TML		2,000,000	\$25,000		\$0
Mobile Equipment	TML	Replacement Cost	6,869,161	\$5,000	\$12,804,005.00	\$44,788
Public Employee Dishonesty	TML	Public Employee Dishonesty	1,000,000	\$25,000	Includes Faithful Performance	\$4,970
Forgery or Aleration	TML	Forgery	500,000	\$5,000		\$573
Theft Dissapearance of Destruction	TML	Theft Dissapearance of Destruction	250,000	\$5,000		\$535
Computer Fraud	TML	Computer Fraud	100,000	\$5,000		\$307
Cyber	TML	Cyber	Aggregate 1,000,000 Notified Individuals 5,000 Legal Services/Crisis Management 25,000	Notified Individuals - 50 individuals Legal Services/Crisis Management 1,250		\$0
Aviation	Starr	Aviation	Products and Completed Ops 100,000,000 Hangarkeepers Liability 100,000,000 Fire Legal 250,000 Personal Injury and Advertising 25,000,000 Medical Payments each person 25,000	\$10,000		\$35,839
Pollution	Great American	Pollution Airport and Public Safety	1,000,000 occurrence 2,000,000 aggregate			\$970
Bond						\$400
Notary Bonds		Notarys				\$3,905

## **SCOPE OF SERVICES**

The City of McKinney is seeking a Risk and Insurance Consultant to provide the following services as needed:

### **1. Portfolio Management**

- a. Identify and evaluate our insurable exposures and recommend professional methods to reduce, assume or transfer the risk of loss.
- b. Thoroughly review all existing coverages and make written recommendations to the City of McKinney regarding changes in coverage based on such things as unintentional self-insurance gaps in coverage, restrictive limits, and cost of coverage.
- c. Participate in the negotiation of policy renewals for the City's coverages if needed.
- d. Develop underwriting submission and present final draft of market submissions to City of McKinney for approval prior to marketing the program. This includes, but is not limited to, all types of property, liability, and miscellaneous casualty coverage. Fidelity, Surety and Notary Public Bonds are also included.
- e. Research and assist in defining, developing and organizing underwriting criteria necessary to complete a market submission package that projects the City as an insurable risk to procure coverage.
- f. Review all data placed into the market submission package.
- g. Make all Agent resources available.
- h. Provide the City a summary of market solicitations and underwriter responses.
- i. Service the insurance policies and bonds, including issuance of binders and processing of changes, endorsements, premium billings and carrier remittance. Consultant should pay carriers within 10 days of receipt of payment from City for premiums.
- j. Facilitate negotiations with insurance carriers who submit the most favorable quotes to maximize City of McKinney's coverage and to minimize City of McKinney's cost. Consultant should maintain complete records of the quote solicitation process and should provide copies of such records to City of McKinney.
- k. Coordinate the premium and deductible billing and internal audit for the insurance.
- l. Verify the accuracy of any bills, audits, and other premium adjustments.

### **2. Risk Management**

- a. Provide a 5 year strategic timeline that aligns with the City of McKinney's goals and expected growth to best financially mitigate future losses to include viability and cost effectiveness of a City's self-insurance program.
- b. Provide an annual review meeting and report.
- c. Provide day to day service on all risk and insurance matters.
- d. Provide review and analysis of contract documents for the City of McKinney.
- e. Provide recommendations with regard to contractual risk transfer, changes in Authority, wording and forms.
- f. Provide best practices in certificate of insurance monitoring and compliance including the variety and types of software applications (off the shelf solution and home grown solutions) available in industry. Assist City in developing specification for a solution to aid the City in management certificates of insurance compliance.

- g. City desires successful proposer to provide various risk management maturity models and conduct a survey of the City including its executive management and produce a report summarizing its findings. Efforts to implement and further this risk ownership philosophy City-wide will be expected of the selected Consultant.
- h. Provide and/or evaluate and recommend risk management information systems along with methods we can use to best gather and distribute necessary loss trends, financial impacts, etc.

### **3. Claims and Actuary Services**

- a. Provide claim audits: annual claims audits consisting of one year of open claims of Property/Casualty claims actions to evaluate claims practices, procedures, and timeliness, adequacy of reserves, litigated claims monitored, rehabilitation expenses controlled, and coverage disputes resolved. The City prefers to have a quarterly claims audit consisting of at least 25% of all files for any specific audit period in addition to an annual claims audit of all claim files open at the time the audit takes place.
- b. Provide annual quality control audits of the workers' compensation claims handling and compliance with the Texas Workers Compensation Act, including timeliness and adequacy of reserves.
- c. Provide recommendations for medical cost containment and other methods for reducing claims costs.
- d. Consultant should provide the services of a certified actuary to review the City's claims and Loss Fund and the study will be stamped certified by the Actuary.
- e. Provide monthly, quarterly and annual detailed analytics and reports on loss exposure and other expenses that bring forth trends and provide actionable items in a timely manner. Report structure and format is open to recommendation of consultant selected.

### **4. Loss Control**

- a. Provide safety resources to assist in our City wide safety program. This is to include a dedicated safety advocate and training resources.
- b. Consultant shall review loss reports for the City and shall assist the Safety Committee in its loss containment objectives.
- c. Schedule quarterly meetings with the City to discuss loss control issues, exposure changes, and general administrative matters.
- d. The Consultant shall attend and actively participate in the City's Safety Committee activities and meetings, and shall present information to the Safety Committee on Safety related topics if requested.

### **RESPONSE FORMAT**

Proposer must comply with the requirements and specifications contained in this RFP. Your proposal shall include the information in the format outlined below and be limited to no more than fifty (50) pages including the Risk and Insurance Consulting Services Questionnaire labeled as Attachment A. Address each item below in order. Include concise, complete, information about your firm emphasizing why you believe your firm to be uniquely qualified to provide the required services. A page shall be defined as 8-1/2"x11, single sided with a minimum font size of 10. Responses must be organized and include the required forms identified below.

**1. Statement Affirming Independence**

The City's Risk and Insurance Consultant and affiliates shall receive no compensation for services provided to the City other than fees paid by the City of McKinney. This section should include a signed statement on company letterhead affirming that the respondent is a Licensed P&C Broker and may provide services independently from any insurance companies and service providers which may bid to provide products or services to the City of McKinney. The statement should further affirm that the respondent and his affiliates will receive no compensation, directly or indirectly, from any insurance company or service provider for services or insurance products placed with the City of McKinney in connection with the consulting services the respondent may provide. Respondents with insurance carrier appointments or corporate affiliations with the insurance industry and related service providers should fully disclose potential conflicts of interest.

**2. Fee Structure**

Describe in detail the compensation structure you are proposing for the services you would provide. The description should detail what is covered by any retainer fee along with when hourly rates will occur or any other specific costs, including travel, lodging, printing, etc., that may apply. Fee quoted should be broken out by a) Portfolio and Risk Management b) Claims and Actuary Services c) Loss Control d) any additional non risk and insurance services i.e. Technology, systems, resources. This necessary in order to appropriately develop funding sources for each group of services.

**3. Membership/Activity**

Outline membership/activity in the following National/State Associations:

- RIMS— Risk & Insurance Management Society
- PRIMA— Public Risk Management Association
- NSC— National Safety Council
- ASSE— American Society of Safety Engineers
- Other— Please specify

**4. Supporting Materials and Samples of Work Product**

Supporting materials and samples of work products should be clearly marked and organized by subject.

**5. Required Forms**

Include the following forms in your submission:

- Completed Attachment A – Risk and Insurance Consulting Services Questionnaire
- A copy of valid Texas Property and Casualty Broker license
- Signature Page

**PROPOSALS**

Proposals submitted to the office of the Purchasing Manager shall be a minimum of one (1) original and one (1) copy which shall be submitted in a sealed envelope(s); as well as one (1) electronic copy in PDF format on CD or USB with signatures included. Copies are to be marked as such.

## **TIME FRAME**

The tentative timeline for this project is noted below.

RFP Released:	March 11, 2018
Questions Cutoff:	March 23, 2018
<b>Proposal due:</b>	<b>March 29, 2018, 2:00 p.m. C.S.T.</b>
Proposal Review/Analysis:	Week of April 2, 2018
Finalists Presentation, if necessary	April 2018
Recommendation to award	May 2018

This timeline is subject to change by the City.

## **II. EVALUATION CRITERIA AND FACTORS**

### **CONTRACT AWARD**

Award of contract shall be made to the most responsible, responsive offeror whose proposal is determined to be the best value offer resulting from negotiation, taking into consideration the relative importance of price and other factors set forth in the Request for Proposals below.

The evaluation criteria will be grouped into factors as follows:

- 40 points** - Firm's proposed services meet the objectives of this RFP and the needs and requirements of the City.
- 25 points** - Firm's & proposed project team/staff's qualifications and experience.
- 20 points** - Cost of Services
- 10 points** - References & recent proven success
- 5 points** - Additional services and support provided

### **SELECTION PROCESS**

The City shall evaluate the information submitted by the respondents on the basis of the selection criteria stated in this RFP and the results of an interview, if desired. The City may request additional information regarding demonstrated competence and qualifications, the ability of the respondent to meet schedules, costing methodology, or other factors as appropriate. Consideration may also be given to any additional information and comments at the selection phase if it reflects on the Respondent's qualifications to perform the project. The City shall select the firm that submits the response offering the best value for the City on the basis of the published selection criteria and on its ranking evaluations. Unless the City rejects all submittals, the City will authorize negotiations with the top-ranked Respondents. If the parties cannot negotiate a successful agreement, the City will terminate negotiations with the first-ranked Respondent, and commence negotiations with the second-ranked Respondent in the same manner. If an agreement is not reached, the City will proceed with this process, in order of ranking, until an agreement is reached or all submittals are rejected. The City reserves the right to reject any and all submittals.

### **CONTRACT**

Awarded Firm will be expected to execute the City's standard professional services contract and to comply with the requirements outlined therein (see Attachment (B) for a sample of the City's standard professional services contract).

**QUESTIONS**

All questions regarding the meaning or intent of these documents shall be submitted by email to, Contract Administrator, Rosanne Lemus at [rlemus@mckinneytexas.org](mailto:rlemus@mckinneytexas.org). The City of McKinney, as it determines necessary for interpretation or clarification, will respond to such questions through written addenda. Formal written addenda will be published and made available through the City's eBid system at <https://mckinney.ionwave.net>. No other interpretations or clarifications shall have legal effect.



**PROPOSAL FORM**  
**SIGNATURE PAGE**

As permitted under Chapter 791 of the Texas Government Code, other governmental entities may wish to participate under the same terms and conditions contained in this contract (i.e. piggyback). In the event any other entity participates, all purchase orders will be issued directly from and shipped directly to the entity requiring supplies/services. The City of McKinney shall not be held responsible for any orders placed, deliveries made or payment for supplies/services ordered by another entity. Each entity reserves the right to determine their participation in this contract. Would bidder be willing to allow other governmental entities to piggyback off this contract, if awarded, under the same terms and conditions?

Yes \_\_\_\_\_ No \_\_\_\_\_

The undersigned agrees, if the best and final proposal is accepted, to furnish any and all items upon which prices are offered, at the price and upon the terms and conditions contained in the Request for Proposals, General Conditions, Terms of Contract, and Specifications and all other items made a part of the accepted contract.

The undersigned affirms that they are duly authorized to execute the contract, that this company, corporation, firm, partnership or individual has not prepared this proposal in collusion with any other offeror, and that the contents of this proposal as to prices, terms or conditions of said proposal have not been communicated by the undersigned nor by any employee or agent to any other offeror or to any other person(s) engaged in this type of business prior to the official opening of this proposal. And further, that neither the offeror nor their employees nor agents have been for the past six (6) months directly nor indirectly concerned in any pool or agreement or combination to control the price of goods or services on, nor to influence any person to propose or not to propose thereon.

_____	_____
Offeror (Entity Name)	Signature
_____	_____
Street & Mailing Address	Print Name of Signator
_____	_____
City, State and Zip	Title of Signator
_____	_____
Telephone No.	Tax I.D. No.
_____	_____
E-mail Address	Fax No.
_____	_____
Date Signed	Mobile No.

If not the same as above, indicate the city and state that your principal place of business is located:

_____	_____
Addendum 1 _____	Date Received _____
Addendum 2 _____	Date Received _____
Addendum 3 _____	Date Received _____

Bid No.18-29RFP

ATTACHMENT A

*CONSULTANT QUESTIONNAIRE*

# ATTACHMENT A



## City of McKinney 18-29RFP Consulting Services Questionnaire

*Organization Name:*

*Address:*

<b><u>RFP Respondent Information</u></b>		<b><u>RFP Respondent Information</u></b>	
<i>Questions:</i>		<i>Responses:</i>	
1	Person Who prepared RFP	1	
2	Contact title	2	
3	Contact address	3	
4	Contact state	4	
5	Contact zip code	5	
6	Contact phone number and extension	6	
7	Contact email address	7	
8	Company Home page address	8	
<b><u>Consultant Assigned to City</u></b>		<b><u>Consultant Assigned to City</u></b>	
<i>Questions:</i>		<i>Responses:</i>	
9	<b>Primary Consultant Name (include Resume)</b>	9	
10	Contact title	10	
11	Primary areas of responsibility (as related to interacting w/City)	11	
12	Contact phone number	12	
13	Contact email address	13	
14	<b>Secondary Consultant (include resume)</b>	14	
15	Primary areas of responsibility (as related to interacting w/City)	15	
16	Contact title	16	
17	Contact phone number	17	
18	Contact email address	18	
19	<b>Expert Resources available to the City (include resume)</b>	19	
20	Area of expertise/responsibility (as related to interacting w/City)	20	
21	Contact title	21	
22	Contact phone number	22	
23	Contact email address	23	

# ATTACHMENT A



## City of McKinney 18-29RFP Consulting Services Questionnaire

*Organization Name:*

*Address:*

<u>Background Information</u>		<u>Background Information</u>	
24	How long has your organization been in business?	24	
25	How long has the Primary Consultant been with your company?	25	
26	How long has the Secondary Consultant been with your company?	26	
27	Where is your firm headquartered?	27	
28	Do you anticipate any mergers, transfers of company ownership, or departures of key personnel during the contract period of 2018-2019 that would impact your commitment and ability to carry out your contract with the City?	28	
<u>References</u>		<u>References</u>	
<i>Questions:</i>		<i>Responses:</i>	
29	<b>List THREE (3) Active Clients</b> <ol style="list-style-type: none"> <li>Organization name</li> <li>Size of organization (by number of employees)</li> <li>Contact name and title</li> <li>Phone number</li> <li>Effective date of contract</li> <li>Description of services provided</li> </ol>	29	
30	<b>List three (3) City clients</b> <ol style="list-style-type: none"> <li>Organization name</li> <li>Size of organization (by number of employees)</li> <li>Contact name and title</li> <li>Phone number</li> <li>Effective date of contract</li> <li>Description of services provided</li> </ol>	30	

# ATTACHMENT A



City of McKinney  
18-29RFP

## Consulting Services Questionnaire

*Organization Name:*

*Address:*

31	<b>Former Clients (list three)</b> <ol style="list-style-type: none"> <li>Organization name</li> <li>Size of organization (by number of employees)</li> <li>Contact name and title</li> <li>Phone number</li> <li>Effective date of contract</li> <li>Description of services provided</li> </ol>	31	
<b><u>Experience – Portfolio Management</u></b>		<b><u>Experience – Portfolio Management</u></b> <i>Responses:</i>	
32	How do you help an employer set its strategic direction? Provide example of innovative and sound approaches to insurance cost challenges that your firm has implemented for a client in the last three years.	32	
33	Describe what you focus on with clients in review of portfolio performance, effectiveness and how you determine what changes to recommend.	33	
34	Describe a successfully completed transition by your firm where your client moved from fully funded to self-insured.	34	
35	Describe the consultant's experience with Texas Municipal Risk Pool and percentage of clients currently insured through TML.	35	
36	Describe your agency resources available locally or nationally working in that specialty and years of experience: <ol style="list-style-type: none"> <li>Workers Compensation</li> <li>General Liability</li> <li>Law Enforcement Liability</li> <li>Auto Liability</li> <li>Property/ Boiler and Machinery</li> <li>Financial Products</li> </ol>	36	

# ATTACHMENT A



**City of McKinney  
18-29RFP**

## **Consulting Services Questionnaire**

***Organization Name:***

***Address:***

	g) Airport Liability h) Cyber Liability		
37	List your top ten markets selections and 2017 Premium Volume.	37	
38	Describe how you will assist the City with annual renewal analysis and negotiations. Provide samples of typical reports you would provide with renewal analysis.	38	
39	Describe how your firm collects and compiles responses to an RFP questionnaire. Please provide a sample compilation of your analysis from proposers.	39	
40	Have you developed an experienced rated premium allocation program for your municipality clients? Describe the allocation method and process of evaluation.	40	
41	What trends have you seen in insurance that may be a consideration point for the City's portfolio to make them more competitive?	41	
<b><u>Experience – Risk Management</u></b>		<b><u>Experience – Risk Management</u></b>	
		<i>Responses:</i>	
42	Describe access to a RIMS system that can be utilized by the City of McKinney. If one is not available the City may opt to advertise a separate RFP for RMIS of which would be facilitated by the proposer. This will be an optional selection based on price and budgetary constraints. The desired system(s) will facilitate the consolidation of a wide variety of risk, insurance and operational data and will provide tracking and management reporting capabilities to enable the user to monitor and better control the overall cost of risk. Ideally, this system will serve as the central warehouse for risk related data. It will provide a platform for	42	

# ATTACHMENT A



City of McKinney  
18-29RFP

## Consulting Services Questionnaire

*Organization Name:*

*Address:*

	managing risk and for efficiently communicating risk issues across the organization. The City prefers a cloud/web based program that will provide secure, reliable access, and improve the efficiency and quality of its risk analysis. System must have the ability to upload and download reports in Excel, PDF and other formats. The City will look to the RMIS provider(s) to develop and recommend ways for the software to improve City processes and to better understand and address the City's risk issues. Please provide details of RMIS systems provided and examples of reports and or examples solutions provided for past clients in obtaining such system through RFP.		
43	Provide examples of annual stewardship reports.	43	
44	The City seeks an efficient method of tracking incoming certificates of insurance. The desired system will provide a portal for entry of certificate data, and serve as a central repository for certificates with automated workflow and notifications. Provide systems and solutions available and provide examples of reporting and maintenance.	44	
45	Describe your formalized risk identification method or best practice you use in evaluating the exposures of your clients? If yes, what is the program? Provide examples.	45	
46	Describe your contract analysis for your clients? Provide an example.	46	
47	Describe your experience in developing contractual insurance language for your clients? Please provide example.	47	
48	What types of risk and insurance training have you performed in the past? Who was the audience? Please provide examples.	48	

# ATTACHMENT A



## City of McKinney 18-29RFP Consulting Services Questionnaire

*Organization Name:*

*Address:*

<b><u>Experience – Claims and Actuarial Services</u></b>		<b><u>Experience – Claims and Actuarial Services</u></b>	
<i>Questions:</i>		<i>Responses:</i>	
49	Describe your firm's experience and time frame for performing an IBNR Actuarial analysis, including the credentials of the actuary. Provide a timeline for completing the study.	49	
50	Describe your experience providing claims auditing services to public entities. Provide methodology and examples of final reports.	50	
51	Describe what your firm has done with a client in recent years to address rising medical and pharmacy costs and what changes you recommended to help mitigate within Workers Compensation.	51	
52	Provide examples of monthly and quarterly trending reports.	52	
<b><u>Experience – Loss Control</u></b>		<b><u>Experience – Loss Control</u></b>	
<i>Questions:</i>		<i>Responses:</i>	
53	Does your firm have staff loss control consultants? What are the minimum credentials for these individuals?	53	
54	Give examples of the types of services your loss control personnel provide to your clients.	54	
55	What experience do you have in developing a safety incentive program for municipalities? Provide examples and ROI of a successfully implemented program.	55	
56	What training resources are available? Please provide examples.	56	
57	Do you provide a claims advocate? Please provide resume of individual who would be fulfilling that role.	57	
58	Describe your participation and facilitation of a Safety Review Committee and the extent of your success in working with such a committee.	58	



# ATTACHMENT A



## City of McKinney 18-29RFP Consulting Services Questionnaire

*Organization Name:*

*Address:*

<b><u>Experience – Interpersonal Skills</u></b>		<b><u>Experience – Interpersonal Skills</u></b>	
<i>Questions:</i>		<i>Responses:</i>	
59	Please describe the methods you use to keep your clients informed of changes occurring in the insurance industry.	59	
60	How do you and your staff maintain a pro-active approach to client service?	60	
61	Give two significant examples where you have instituted solutions for your clients before they were sought.	61	
62	What are the interpersonal skills or qualities you consider important in service personnel?	62	
<b><u>Experience – Managerial and Service Skills</u></b>		<b><u>Experience – Managerial and Service Skills</u></b>	
<i>Questions:</i>		<i>Responses:</i>	
63	Please describe the internal service standards you have established for servicing your clients?	63	
64	What methods will you use to assure that you are providing the highest level of service to the City? What quality controls does your company have in place to monitor customer satisfaction?	64	
<b><u>Experience – Performance Briefings and Presentations</u></b>		<b><u>Experience – Performance Briefings and Presentations</u></b>	
<i>Questions:</i>		<i>Responses:</i>	
65	Describe the availability and response time for City requests (.e.g., sudden unexpected meetings, etc.) that can happen at any time to address City management needs	65	
66	Describe or list sample work product or presentations given at professional conferences, in books, articles, publications, and participation in national or regional initiatives.	66	

Bid No.18-29RFP

ATTACHMENT B

*STANDARD PROFESSIONAL SERVICES CONTRACT*

THE STATE OF TEXAS §  
COUNTY OF COLLIN § **Professional Services Contract**  
with \_\_\_\_\_

THIS CONTRACT is entered into on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between the **CITY OF MCKINNEY, TEXAS**, a municipal corporation located in Collin County, Texas, (hereinafter referred to as "CITY"), acting by and through its City Manager or his designee, and \_\_\_\_\_ ("hereinafter referred to as "CONSULTANT") whose address is \_\_\_\_\_.

W I T N E S S E T H:

WHEREAS, CITY desires to obtain professional services from CONSULTANT for \_\_\_\_\_; and

WHEREAS, CONSULTANT is an accounting, professional planning, urban design, or \_\_\_\_\_ firm qualified to provide such services and is willing to undertake the performance of such services for CITY in exchange for fees hereinafter specified; NOW, THEREFORE,

IN CONSIDERATION of the covenants and agreements hereinafter contained and subject to the terms and conditions hereinafter stated, the parties hereto do mutually agree as follows:

I.

**Employment of Consultant**

CONSULTANT will perform as an independent contractor all services under this Contract to the prevailing professional standards consistent with the level of care and skill ordinarily provided by competent members of the accounting, professional planning, urban design, or \_\_\_\_\_ professions, both public and private, currently practicing in the same or similar locality under the same or similar circumstances and professional license including but not limited to the exercise of reasonable, informed judgments and prompt, timely action considering the ordinary professional skill and care of a competent professional accountant, planning professional, urban design professional, or \_\_\_\_\_ professional. If CONSULTANT is representing that it has special expertise in one or more areas to be utilized in this Contract, then CONSULTANT agrees to perform those special expertise services to the appropriate local, regional and national professional standards.

**II.**  
**Scope of Services**

CONSULTANT shall perform such services as are necessary to \_\_\_\_\_ specifically including, but not necessarily limited to, the tasks enumerated more fully in Attachment "A" hereto entitled "Scope of Work" (hereafter referred to as the "Project"). Attachment "A" is hereby incorporated herein by reference and made a part hereof as if written word for word. However, in case of conflict in the language of Attachment "A" and this Contract, the terms and conditions of this Contract shall be final and binding upon both parties hereto.

**III.**  
**Payment for Services**

Total payment for services described herein shall be a sum not to exceed \_\_\_\_\_ Thousand \_\_\_\_\_ and \_\_\_\_\_ No/100 Dollars (\$\_\_\_\_\_) ("Total Payment Amount"). CONSULTANT will also be compensated for the following reasonable and documented reimbursable expenses, if any, from the Total Payment Amount to the extent such expenses are directly related to CONSULTANT's performance of the Project, and to the extent the total amount of such reimbursable expenses do not exceed \_\_\_\_\_ and No/100 Dollars (\$\_\_\_\_\_): printing; photocopying; reproduction of drawings and specifications; postage; courier delivery services; long distance telephone calls; and, mileage at the allowable rate established by the Internal Revenue Service. Additional expenses, which are extraordinary in nature, shall be approved in advance by CITY in writing signed by the parties. Such extraordinary expenses may be paid as incurred and billed to the CITY pursuant to this Contract over and above the total payment amount identified in this provision. Any extraordinary expenses not approved in writing in advance by the CITY shall remain the sole responsibility of the CONSULTANT. .

CONSULTANT will bill CITY on an hourly basis at the hourly rates described in Attachment "B"; provided however that this Contract shall control in the event of any conflict between the language in Attachment "B" and the language in this Contract. If additional services, trips or expenses are requested, CONSULTANT will not provide such additional services until authorized by CITY in writing to proceed. The scope of services shall be strictly limited. CITY shall not be required to pay any amount in excess of the amount identified in the preceding paragraph unless CITY shall have approved in writing in advance (prior to the performance of additional work) the payment of additional amounts.

Each month CONSULTANT will submit to CITY an invoice for actual services performed and reimbursable expenses incurred by CONSULTANT during the previous month. Each invoice shall be itemized to show the amount

of work performed during that month broken down by the identity of the person(s) performing such work, the amount of time expended by such person(s) in performing that work, the billing rate for each such person, and a brief summary of the work performed by each such person. Each invoice shall also state the percentage of work completed on the Project, the total of the current invoice amount and a running total balance for the Project to date.

Within thirty (30) days of receipt of each such monthly invoice CITY shall make monthly payments in the amount shown by CONSULTANT's approved monthly statements and other documentation submitted. Such payments shall be subject to the Texas Prompt Payment Act, Texas Government Code §§ 2251.001, et seq.

Nothing contained in this Contract shall require CITY to pay for any work that is unsatisfactory as determined by CITY or which is not submitted in compliance with the terms of this Contract, nor shall failure to withhold payment pursuant to the provisions of this section constitute a waiver of any right, at law or in equity, which CITY may have if CONSULTANT is in default, including the right to bring legal action for damages or for specific performance of this Contract. Waiver of any default under this Contract shall not be deemed a waiver of any subsequent default.

#### **IV.** **Revisions of the Scope of Services**

CITY reserves the right to revise or expand the scope of services after due approval by CITY as CITY may deem necessary, but in such event CITY shall pay CONSULTANT equitable compensation for such services. In any event, when CONSULTANT is directed to revise or expand the scope of services under this Section of the Contract, CONSULTANT shall provide CITY a written proposal for the entire costs involved in performing such additional services. Prior to CONSULTANT undertaking any revised or expanded services as directed by CITY under this Contract, CITY must authorize in writing the nature and scope of the services and accept the method and amount of compensation and the time involved in all phases of the Project.

It is expressly understood and agreed by CONSULTANT that any compensation not specified in Paragraph III herein above may require McKinney City Council approval and is subject to the current budget year limitations.

#### **V.** **Term**

This Contract shall begin on the date first written above, and shall terminate when CITY has approved the Project as being final or otherwise terminates this Contract as provided herein.

**VI.**  
**Contract Termination Provision**

This Contract may be terminated at any time by CITY for any cause by providing CONSULTANT thirty (30) days written notice of such termination. Upon receipt of such notice, CONSULTANT shall immediately terminate working on, placing orders or entering into contracts for supplies, assistance, facilities or materials in connection with this Contract and shall proceed to promptly cancel all existing contracts insofar as they are related to this Contract. CONSULTANT shall invoice CITY for all Services completed and shall be compensated in accordance with the terms of this Contract for all Services performed by CONSULTANT through the date such written notice of termination is received by CONSULTANT.

**VII.**  
**Ownership of Documents**

All materials and documents prepared or assembled by CONSULTANT under this Contract shall become the sole property of CITY and shall be delivered to CITY without restriction on future use. CONSULTANT may retain in its files copies of all drawings, specifications and all other pertinent information for the work. CONSULTANT shall have no liability for changes made to any materials or other documents by others subsequent to the completion of the Contract.

**VIII.**  
**Insurance Requirements**

- A. Before commencing work, the consultant shall, at its own expense, procure, pay for and maintain during the term of this Contract the following insurance written by companies approved by the state of Texas and acceptable to the City of McKinney. The consultant shall furnish to the City of McKinney Purchasing Manager certificates of insurance executed by the insurer or its authorized agent stating coverages, limits, expiration dates and compliance with all applicable required provisions. Certificates shall reference the project/contract number and be addressed as follows:

City of McKinney  
Attn: Lisa Littrell  
PO Box 517  
McKinney, Texas 75070  
Or email to:  
[llittrell@mckinneytexas.org](mailto:llittrell@mckinneytexas.org)

1. Commercial General Liability insurance, including, but not limited to Premises/Operations, Personal & Advertising Injury, Products/Completed Operations, Independent Contractors and Contractual Liability, with minimum combined single limits of \$1,000,000 per-occurrence, \$1,000,000 Products/Completed Operations Aggregate and \$1,000,000 general aggregate. Coverage must be written on an occurrence form. The General Aggregate shall apply on a per project basis.
2. Workers' Compensation insurance with statutory limits; and Employers' Liability coverage with minimum limits for bodily injury: a) by accident, \$100,000 each accident, b) by disease, \$100,000 per employee with a per policy aggregate of \$500,000.
3. Business Automobile Liability insurance covering owned, hired and non-owned vehicles, with a minimum combined bodily injury and property damage limit of \$1,000,000 per occurrence.
4. Professional Liability Insurance to provide coverage against any claim which the consultant and all consultants engaged or employed by the consultant become legally obligated to pay as damages arising out of the performance of professional services caused by error, omission or negligent act with minimum limits of \$2,000,000 per claim, \$2,000,000 annual aggregate.

**NOTE:** If the insurance is written on a claims-made form, coverage shall be continuous (by renewal or extended reporting period) for not less than *thirty-six (36) months* following completion of the contract and acceptance by the City of McKinney.

B. With reference to the foregoing required insurance, the consultant shall endorse applicable insurance policies as follows:

1. A waiver of subrogation in favor of City of McKinney, its officials, employees, and officers shall be contained in the Workers' Compensation insurance policy.
2. The City of McKinney, its officials, employees and officers shall be named as additional insureds on the Commercial General Liability policy, by using endorsement CG2026 or broader; and, the City of McKinney shall be provided a defense to any and all claims and causes of action arising out of or related to this Agreement as may be provided pursuant to CONSULTANT's general liability insurance policies.

Nothing contained in Section XII of this Agreement shall be interpreted or applied as limiting, reducing, or eliminating any obligation or duty that CONSULTANT's insurance carrier may owe to CITY as an additional insured, pursuant to endorsement CG2026 or broader under the CONSULTANT's general liability insurance policies required by this Agreement, to provide the CITY with a defense and/or indemnify the CITY for any claim or cause of action, whether one or more, regardless of the proportionate responsibility or liability of the CONSULTANT or the CITY. Neither shall anything contained in this Section VIII be interpreted or applied as providing or otherwise entitling either CONSULTANT, CONSULTANT's insurance carrier or any other party any right or ability to recover over against CITY any amounts of money attributable to damages, costs, expenses and/or attorneys' fees based on or arising out of a finding of comparative or proportionate responsibility or liability as against the CITY it being understood and agreed that CITY in no way intends by this Agreement to waive its sovereign immunity regarding any claim, suit or cause of action.

- 3.. All insurance policies shall be endorsed to the effect that City of McKinney will receive at least thirty (30) days' notice in advance of the cancellation effective date of any policy of insurance that is cancelled by the insurance company for any reason other than nonpayment of premium.
  4. All insurance policies shall be endorsed to the effect that City of McKinney will receive at least ten (10) days' notice in advance of the cancellation effective date of any policy of insurance that is cancelled by the insurance company for nonpayment of premium or by CONSULTANT for any reason.
- C. All insurance shall be purchased from an insurance company that meets a financial rating of B+VI or better as assigned by A.M. Best Company or equivalent.
- D. The CONSULTANT shall notify CITY in writing at least thirty (30) days prior to CONSULTANT cancelling or making any material change to any coverage(s) provided in, or through, the insurance policies required under this Section VIII. Failure by CONSULTANT to provide CITY the notice required hereunder may, in the sole discretion of CITY, be deemed a material breach of this Agreement.



**IX.**  
**Right to Inspect Records**

CONSULTANT agrees that CITY shall have access to and the right to examine any directly pertinent books, documents, papers and records of CONSULTANT involving transactions relating to this Contract. CONSULTANT agrees that CITY shall have access during normal working hours to all necessary CONSULTANT facilities and shall be provided adequate and appropriate work space in order to conduct audits in compliance with the provisions of this section. CITY shall give CONSULTANT reasonable advance notice of intended audits.

CONSULTANT further agrees to include in subcontract(s), if any, a provision that any subcontractor or engineer agrees that CITY shall have access to and the right to examine any directly pertinent books, documents, papers and records of such engineer or sub-contractor involving transactions to the subcontract, and further, that CITY shall have access during normal working hours to all such engineer or sub-contractor facilities and shall be provided adequate and appropriate work space, in order to conduct audits in compliance with the provisions of the paragraph. CITY shall give any such engineer or sub-contractor reasonable advance notice of intended audits.

**X.**  
**Successors and Assigns**

CITY and CONSULTANT each bind themselves and their successors, executors, administrators and assigns to the other party to this contract and to the successors, executors, administrators and assigns of such other party in respect to all covenants of this Contract. Neither CITY nor CONSULTANT shall assign or transfer its interest herein without the prior written consent of the other.

**XI.**  
**CONSULTANT's Liability**

Acceptance of the final plans by the CITY shall not constitute nor be deemed a release of the responsibility and liability of CONSULTANT, its employees, associates, agents or consultants for the accuracy and competency of their designs, working drawings, specifications or other documents and work; nor shall such acceptance be deemed an assumption of responsibility by CITY for any defect in the designs, working drawings, specifications or other documents and work; nor shall such acceptance be deemed an assumption of responsibility by CITY for any defect in the designs, working drawings, specifications or other documents and work prepared by said CONSULTANT, its employees, associates, agents or sub-consultants.

## **XII. INDEMNIFICATION**

**CONSULTANT DOES HEREBY COVENANT AND CONTRACT TO WAIVE ANY AND ALL CLAIMS, RELEASE, DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CITY, ITS CITY COUNCIL, OFFICERS, EMPLOYEES, AND AGENTS, IN BOTH THEIR PUBLIC AND PRIVATE CAPACITIES, FROM AND AGAINST ALL LIABILITY, CAUSES OF ACTION, CITATIONS, CLAIMS, COSTS, DAMAGES, DEMANDS, EXPENSES, FINES, JUDGMENTS, LOSSES, PENALTIES OR SUITS, WHICH IN ANY WAY ARISE OUT OF, RELATE TO, OR RESULT FROM CONSULTANT'S PERFORMANCE UNDER THIS CONTRACT AND WHICH ARE CAUSED BY THE INTENTIONAL WRONGFUL ACTS OR NEGLIGENT ACTS OR OMISSIONS OF CONSULTANT, ITS SUBCONTRACTORS, ANY OFFICERS, AGENTS OR EMPLOYEES OF EITHER CONSULTANT OR ITS SUBCONTRACTORS, AND ANY OTHER THIRD PARTIES FOR WHOM OR WHICH CONSULTANT IS LEGALLY RESPONSIBLE (THE "INDEMNIFIED ITEMS") SUBJECT TO THE LIMITATIONS IN TEXAS LOCAL GOVERNMENT CODE § 271.904 AND TEXAS CIVIL PRACTICE AND REMEDIES CODE, § 130.002(B).**

**BY WAY OF EXAMPLE, THE INDEMNIFIED ITEMS MAY INCLUDE PERSONAL INJURY AND DEATH CLAIMS AND PROPERTY DAMAGE CLAIMS, INCLUDING THOSE FOR LOSS OF USE OF PROPERTY, AS WELL AS INTELLECTUAL PROPERTY INFRINGEMENT OR FAILURE TO PAY A SUBCONTRACTOR OR SUPPLIER.**

**INDEMNIFIED ITEMS SHALL INCLUDE REASONABLE ATTORNEYS' FEES IN PROPORTION TO THE CONSULTANT'S LIABILITY AND COSTS, COURT COSTS, AND SETTLEMENT COSTS. INDEMNIFIED ITEMS SHALL ALSO INCLUDE ANY EXPENSES, INCLUDING REASONABLE ATTORNEYS' FEES AND EXPENSES, INCURRED BY AN INDEMNIFIED INDIVIDUAL OR ENTITY IN ATTEMPTING TO ENFORCE THIS INDEMNITY IN PROPORTION TO THE CONSULTANT'S LIABILITY.**

In its sole discretion, the CITY shall have the right to approve counsel to be retained by CONSULTANT in fulfilling its obligation to defend and indemnify the CITY. CONSULTANT shall retain approved counsel for the CITY within seven (7) business days after receiving written notice from the CITY that it is invoking its right to indemnification under this Contract. If CONSULTANT does not retain counsel for the CITY within the required time, then the CITY shall have the right to retain counsel and the CONSULTANT shall pay these reasonable attorneys' fees in proportion to the CONSULTANT'S liability plus expenses. The CITY retains the right to provide and pay for any or all costs of defending indemnified items, but it shall not be required to take such action.

**XIII.**  
**Independent Contractor**

CONSULTANT's status shall be that of an Independent Contractor and not an agent, servant, employee or representative of CITY in the performance of this Contract. No term or provision of or act of CONSULTANT or CITY under this Contract shall be construed as changing that status. CONSULTANT will have exclusive control of and the exclusive right to control the details of the work performed hereunder, and shall be liable for the acts and omissions of its officers, agents, employees, contractors, subcontractors and engineers and the doctrine of respondeat superior shall not apply as between CITY and CONSULTANT, its officers, agents, employees, contractors, subcontractors and engineers, and nothing herein shall be construed as creating a partnership or joint enterprise between CITY and CONSULTANT.

**XIV.**  
**Default**

If at any time during the term of this Contract, CONSULTANT shall fail to commence the work in accordance with the provisions of this Contract or fail to diligently provide services in an efficient, timely and careful manner and in strict accordance with the provisions of this Contract or fail to use an adequate number or quality of personnel to complete the work or fail to perform any of its obligations under this Contract, then CITY shall have the right, if CONSULTANT shall not cure any such default after thirty (30) days written notice thereof, to terminate this Contract. Any such act by CITY shall not be deemed a waiver of any other right or remedy of CITY. If after exercising any such remedy due to CONSULTANT's nonperformance under this Contract, the cost to CITY to complete the work to be performed under this Contract is in excess of that part of the Contract sum which has not theretofore been paid to CONSULTANT hereunder, CONSULTANT shall be liable for and shall reimburse CITY for such excess. CONSULTANT'S liability under this provision shall be limited to the total dollar amount of this Contract.

CITY's remedies for CONSULTANT's default or breach under this Contract shall be limited to one or more of the following remedies which may be exercised separately or in combination at CITY's sole exclusive choice:

- (a) Specific performance of the Contract;
- (b) Re-performance of this Contract at no extra charge to CITY; or,
- (c) Monetary damages in an amount not to exceed the greater of:
  - (1) The amount of any applicable insurance coverageCONSULTANT is required to purchase and maintain under this

Contract plus any deductible amount to be paid by CONSULTANT in conjunction with said coverage regardless of whether CONSULTANT has actually purchased and maintained said coverage; or,

(2) The total dollar amount of this Contract.

The terms of Sections XII entitled Indemnification, and XVII entitled Confidential Information shall survive termination of this Contract.

#### **XV. Changes**

CITY may, from time to time, require changes in the scope of services to be performed under this Contract. Such changes as are mutually agreed upon by and between CITY and CONSULTANT shall be incorporated by written modification to this Contract.

#### **XVI. Conflict of Interest**

CONSULTANT covenants and agrees that CONSULTANT and its associates and employees will have no interest, and will acquire no interest, either direct or indirect, which will conflict in any manner with the performance of the services called for under this Contract. All activities, investigations and other efforts made by CONSULTANT pursuant to this Contract will be conducted by employees, associates or subcontractors of CONSULTANT.

In addition, CONSULTANT shall comply with the requirements of Texas Government Code § 2252.908 by completing and submitting Form 1295 to the Texas Ethics Commission ("Commission") at the time CONSULTANT submits this signed Contract to CITY, and as follows:

Form 1295 Filing Process: The Commission has made available on its website a new filing application that must be used to file Form 1295. The CONTRACTOR must use the application to enter the required information on Form 1295 and print a copy of the completed form, which will include a certification of filing that will contain a unique certification number. An authorized agent of the CONTRACTOR must sign the printed copy of the form and have the form notarized. The completed Form 1295 with the certification of filing must be filed with the CITY.

The CITY must notify the Commission, using the Commission's filing application, of the receipt of the filed Form 1295 with the certification of filing not later than the 30th day after the date the Contract binds all parties to the Contract. The Commission will post the completed Form

1295 to its website within seven business days after receiving notice from the CITY.

Form 1295 Availability: Certificate of Interested Parties Form is available from the Texas Ethics Commission website at the following address:

[https://www.ethics.state.tx.us/whatsnew/elf\\_info\\_form1295.htm](https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm)

For questions regarding and assistance in filling out Form 1295, please contact the Texas Ethics Commission at 512-463-5800.

## **XVII.**

### **Confidential Information**

CONSULTANT hereby acknowledges and agrees that its representatives may have access to or otherwise receive information during the furtherance of its obligations in accordance with this Contract, which is of a confidential, non-public or proprietary nature. CONSULTANT shall treat any such information received in full confidence and will not disclose or appropriate such Confidential Information for its own use or the use of any third party at any time during or subsequent to this Contract. As used herein, "Confidential Information" means all oral and written information concerning City of McKinney, its affiliates and subsidiaries, and all oral and written information concerning CITY or its activities, that is of a non-public, proprietary or confidential nature including, without limitation, information pertaining to customer lists, services, methods, processes and operating procedures, together with all analyses, compilation, studies or other documents, whether prepared by CONSULTANT or others, which contain or otherwise reflect such information. The term "Confidential Information" shall not include such materials that are or become generally available to the public other than as a result of disclosure of CONSULTANT, or are required to be disclosed by a governmental authority.

## **XVIII.**

### **Mailing Address**

All notices and communications under this CONTRACT to be mailed to CITY shall be sent to the address of CITY's agent as follows, unless and until CONSULTANT is otherwise notified:

-----  
-----  
City of McKinney  
Post Office Box 517  
McKinney, Texas 75069.

Notices and communications to be mailed or delivered to CONSULTANT shall be sent to the address of CONSULTANT as follows, unless and until CITY is otherwise notified:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Any notices and communications required to be given in writing by one party to the other shall be considered as having been given to the addressee on the date the notice or communication is posted, faxed or personally delivered by the sending party.

**XIX.**  
**Applicable Law**

The CONTRACT is entered into subject to the McKinney City Charter and ordinances of CITY, as same may be amended from time to time, and is subject to and is to be construed, governed and enforced under all applicable State of Texas and federal laws. CONSULTANT will make any and all reports required per federal, state or local law including, but not limited to, proper reporting to the Internal Revenue Service, as required in accordance with CONSULTANT's income. Situs of this Contract is agreed to be Collin County, Texas, for all purposes, including performance and execution.

**XX.**  
**Severability**

If any of the terms, provisions, covenants, conditions or any other part of this Contract are for any reason held to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants, conditions or any other part of this Contract shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

**XXI.**  
**Remedies**

No right or remedy granted herein or reserved to the parties is exclusive of any other right or remedy herein by law or equity provided or permitted; but each shall be cumulative of every other right or remedy given hereunder. No covenant or condition of this Contract may be waived without written consent of the parties. Forbearance or indulgence by either party shall not constitute a waiver of any covenant or condition to be performed pursuant to this Contract.

**XXII.**  
**Entire Agreement**

This Contract embodies the complete agreement of the parties hereto, superseding all oral or written previous and contemporaneous agreements between the parties relating to matters herein, and except as otherwise provided herein cannot be modified without written agreement of the parties.

**XXIII.**  
**Non-Waiver**

It is further agreed that one (1) or more instances of forbearance by CITY in the exercise of its rights herein shall in no way constitute a waiver thereof.

**XXIV.**  
**Headings**

The headings of this Contract are for the convenience of reference only and shall not affect any of the terms and conditions hereof in any manner.

**XXV.**  
**Venue**

The parties to this Contract agree and covenant that this Contract will be enforceable in McKinney, Texas; and that if legal action is necessary to enforce this Contract, exclusive venue will lie in Collin County, Texas.

**XXVI.**  
**No Third Party Beneficiary**

For purposes of this Contract, including its intended operation and effect, the parties (CITY and CONSULTANT) specifically agree and contract that: (1) the Contract only affects matters/disputes between the parties to this Contract, and is in no way intended by the parties to benefit or otherwise affect any third person or entity notwithstanding the fact that such third person or entity may be in contractual relationship with CITY or CONSULTANT or both; and (2) the terms of this Contract are not intended to release, either by contract or operation of law, any third person or entity from obligations owing by them to either CITY or CONSULTANT.

**XXVII.**  
**No Boycotting of Israel**

Pursuant to the requirements of Texas Government Code Chapter 2270, CONSULTANT hereby affirms and verifies by its signature on this Contract below that CONSULTANT:

- (a) does not boycott Israel; and
- (b) will not boycott Israel during the term of this Contract.

IN WITNESS WHEREOF, the parties hereto have set their hands by their representatives duly authorized on the day and year first written above.

***CITY OF MCKINNEY***

By: \_\_\_\_\_  
PAUL G. GRIMES  
City Manager

Date Signed: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
SANDY HART, TRMC, MMC  
City Secretary  
DENISE VICE, TRMC  
Assistant City Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
MARK S. HOUSER  
City Attorney

\_\_\_\_\_  
(Consultant's Name)

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date Signed: \_\_\_\_\_



THE STATE OF TEXAS           §  
COUNTY OF COLLIN           §

BEFORE ME, the undersigned authority, in and for said County, Texas, on this day personally appeared PAUL G. GRIMES, City Manager of the **CITY OF MCKINNEY**, a Texas Municipal Corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he has executed the same on the City's behalf.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS THE \_\_\_\_\_  
DAY OF \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Notary Public Collin County, Texas  
My commission expires \_\_\_\_\_

THE STATE OF TEXAS           §  
COUNTY OF \_\_\_\_\_       §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, by \_\_\_\_\_ in his capacity as \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ Corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged that he executed the same on behalf of and as the act of \_\_\_\_\_.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS THE \_\_\_\_\_  
DAY OF \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Notary Public \_\_\_\_\_ County, Texas  
My commission expires \_\_\_\_\_

**Attachment “A”**

*Scope of Work*



**Consulting Services: Risk and  
Insurance Consultant**

**RFP 18-29RFP**

**Due: March 29, 2018 at 2:00 PM**



**McGriff, Seibels, & Williams**

**JOHNNY FONTENOT  
EXECUTIVE VICE PRESIDENT**

**5080 SPECTRUM DRIVE, SUITE 900E  
ADDISON, TX 75001  
PHONE: (866) 624-7433  
WWW.IMCGRIFF.COM**



# *Table of Contents*

- A. Statement Affirming Independence
- B. Fee Structure
- C. Membership/Activity
- D. Supporting Materials and Samples of Work Product
  - 1. Client Experience
  - 2. Sample Coverage Analysis
  - 3. Sample RFP Analysis
  - 4. MyWave/ZyWave
  - 5. SharePoint
  - 6. Sample Stewardship Report Table
  - 7. Sample Claims Audit Report
  - 8. Safety Incentive Programs
  - 9. Service Plan
  - 10. Service Team
- E. Required Forms
  - 1. Attachment A – Risk and Insurance Consulting Services Questionnaire
  - 2. Texas Property & Casualty Broker License
  - 3. Signature Page
  - 4. Non-Boycott of Israel Document





**MCGRIFF, SEIBELS & WILLIAMS OF TEXAS, INC.**

5080 Spectrum Drive, Suite 900E • Addison, TX 75001 • TEL – (469) 232-2100 • FAX – (469) 232-2101

---

**March 28, 2018**

Purchasing Department  
City of McKinney  
1550 D South College  
McKinney, TX 75069

**Re: Request for Proposals – Consulting Services: Risk and Insurance Consultant  
RFP No. 18-29RFP**

Dear Purchasing:

McGriff, Seibels, and Williams, Inc. is pleased to submit this proposal to the City of McKinney for Risk and Insurance Consultant. In reviewing our proposal we hope you find McGriff to be the leader in public entity insurance brokerage and consulting.

Founded in 1886, McGriff, Seibels & Williams, Inc. (McGriff) is one of the leading risk consulting and insurance brokerage firms in the country. In 2004 MSW joined the BB&T family of companies. With an industry-wide reputation for technical expertise and creative solutions, BB&T/MSW has tripled its revenue over the last ten years. According to the insurance industry's annual "Best Practices Study", McGriff has been one of the highest performing insurance sales organizations in the country.

McGriff, Seibels, and Williams, Inc. has a Strong Public Entity Practice Group – We focus on distinct business sectors in order to bring the benefit of specialization to our clients, and to insure that there is no learning curve at your expense. This is especially true of the Public Entity Group. Key leaders of the Public Entity group will be managing and servicing the City of McKinney's account. We are a licensed P&C Broker in the State of Texas and may provide services independently from any insurance companies and service provider for services or insurance products placed with the City of McKinney in connection with services McGriff may provide.

We are certain that given the chance, we can redefine your expectations in the field of insurance broker services. Thank you for this opportunity and for considering McGriff, Seibels, and Williams for the exciting challenges that lie ahead.

Sincerely,

Johnny Fontenot, CPCU, AIC, AAI  
Executive Vice President

JF; tkh



## *Fee Structure*

Fee Schedule	
Portfolio and Risk Management	\$24,000
Claims and Actuary Services	\$8,000
Loss Control	Included
Additional Non-Risk and Insurance Services	Included if in Service Plan
<b>Total</b>	<b>\$32,000</b>



MSW

## *Membership/Activity*

McGriff, Seibels & Williams of Texas, Inc. is a member in good standing in the following organizations:

RIMS  
PRIMA – National  
PRIMA – Texas, Florida, Louisiana  
NSC  
ASSE  
SALGBA  
URMIA  
AIC





## Experience

**The City of Houston** was founded in 1826. The Allen brothers paid \$9,428 for 6,642 acres of and a year later, General Sam Houston, the first president of the Republic of Texas, authorized Houston to incorporate. For the next four years Houston was the capital of the Republic. Energy is still the king but the area's economy is now also supported by other major drivers, including the Port of Houston, the Texas Medical Center and NASA's Johnson Space Center. Houston also has a number fine colleges and universities.

The City is the seat of a burgeoning metropolitan area encompassing six counties with a total population approaching 6 million. The City of Houston employs over 22,000 people and has property values in excess of \$10 billion all situated in Tier 1 Named Storm area.

BB&T/MSW took over as the Broker of Record for the City of Houston in 2014. During the first renewal process in 2015, BB&T/MSW accomplished the following goals:

- Increased Flood Zone A, Debris Removal, Errors & Omissions, and Unnamed Locations sub-limits, among others, significantly.
- Decreased the All Other Perils deductible from \$2,500,000 per occurrence to \$500,000 per occurrence. This had an immediate impact. 22 Days after the 2015 property coverage was bound, the City suffered a \$2 Million dollar loss at one of their locations that would not have been covered under the expired program.
- Decreased the flood deductible from 5% to 3% and decreased the minimum per occurrence from \$5 Million to \$2.5 Million. In May, the City suffered a flood loss in excess of \$20 Million. The change in deductibles has made a significant impact on the loss payment expected from the carriers.
- Reduced the City of Houston's Property Program premium by \$1.3 Million.
- Increased the City's Terrorism coverage from \$100 Million to \$250 Million.
- Reduced the City's Terrorism deductible from \$1 Million to \$500,000.
- Reduced the City's Annual Terrorism premium by \$139,845.
- Marketing of the 2016 renewal produced an increase in Flood limits, additional 2.3% rate reduction in the property program and a 2.8% reduction on the Terrorism coverage in spite of the large losses sustained in 2015.

**City of Tampa** McGriff, Seibels & Williams, Inc. took over as the City's Broker of Record in 2008. MSW does complete Administration which includes; data collection from the City, Flood Determination from FEMA, property program, including named windstorm and flood limits, design, policy service, claims reporting and process oversight, loss prevention program design, implementation and training, manuscript policy form maintenance, marketing, coordination and oversight of vendors to include contract review.

Since the MSW Team took over the administration of the City of Tampa we have;

- Increased their Property Loss Limit by 34%
- Restructured their Quota Share Insurance Program
- Increased Property Sub-limits to better reflect the City's needs
- Increased the City's Named Windstorm and Flood Limits by 43%
- Extensively increased the City's primary Flood coverage with the National Flood Insurance Program by 68% while reducing the premiums for these policies by 42%
- Establish a Bridge Insurance Program for 42 of the City's Bridges
- Reduced the Premium for the City's Aviation coverage by 51%
- Provide Terrorism Coverage on the City's Water & Sewer Property and City Property
- Helped City designate a property claims adjusting firm to provide immediate claims services following a catastrophe or property loss.
- Overall reduced the City's expiring insurance by \$987,204 in the first year
- Continued rate reductions in 2015 and 2016 with a 5% 1<sup>st</sup> year and 2.5% 2<sup>nd</sup> year reduction on the current 2 year policy and increasing Named Storm coverage
- Additional rate reduction with 2 year agreement for 2017 and 2018 of 5% and 5% while increasing loss limits.





## Experience

**DFW International Airport** is the world's third busiest airport, offering 1,900 flights a day and serving 60 million passengers a year. The Airport purchases Excess Insurance over various self-insured retentions for multiple coverage lines including Public Liability, Public Officials Liability, Employment Practices, and Workers' Compensation. The Airports total insured property values exceed \$7 billion. The Property program includes a wide range of exposures including large amounts of infrastructure, underground storage tanks and a light rail system.

McGriff, Seibels & Williams, Inc. provided a complete Broker of Record services including: global marketing and placement of insurance, policy service, loss prevention and claim services, risk management exposure analysis, and contractor and vendor insurance program review.

### MSW Broker of Record Services to DFW Airport:

- Providing Broker of Record Services since 1998, beginning with placement of Excess Workers' Compensation
- Awarded Broker of Record Contract to include all lines of coverage in 2003
- Restructured Insurance Placement and Operation Risk exposure for the addition of \$1.1 billion newly constructed terminal and hotel.
- Expanded coverage to include the addition of a \$500 million light rail system.
- 2008 marketing efforts produced a 27% reduction in Property premium, over \$900,000 in savings.
- 2010 Marketing Efforts resulted in a 25% premium reduction on Airport Liability and 40% premium reduction on Public Officials Liability.
- In 2015/2016 the Airport added almost \$1 Billion in additional property values. Property Marketing produced a 7.5% rate decrease per year on a 2 year policy.

**The Port of Houston Authority ("PHA")** of Harris County, Texas is an independent political subdivision created under the Constitution of the State of Texas. The PHA owns and operates the public facilities located on the Houston Ship Channel.

Bayport also includes a 140-acre "state of the art" cruise complex with currently a vacant cruise terminal and one 1000-foot berth. This facility is capable of handling cruise ships with capacities in excess of 5,000 passengers on a weekly basis. The cruise terminal hosted several cruise ships over a six-week period after Hurricane Ike severely damaged facilities in Galveston in September 2008.

MSW became the broker of record for the Port of Houston in 2009. During the first renewal process in 2010, MSW accomplished the following goals:

- Revamped the property and casualty coverage forms and limits provided:
  - Changed casualty program from large Deductible to Self Insured with retentions.
  - Increased property limits and enhanced coverage.
  - Did a complete evaluation of property values and exposure information (providing better underwriting information for marketing efforts).
  - Reduced overall annual premiums in excess of \$1,000,000 savings.
  - Assisted with large hurricane claim that had previously been in dispute.
  - 2011 Renewal process resulting in an additional overall premium savings of \$250,000.
- 2012 Renewal process was during a "hardening" market phase. MSW teamed with the Port staff to proactively address underwriter concerns to obtain the best coverage and rates available while maintaining coverage limits, terms and conditions including coastal property.



5080 Spectrum Drive, Suite 900E • Addison, TX 75001 • TEL – (469) 232-2100 • FAX – (469) 232-2101

Risk Manager  
Human Resources  
City of [REDACTED]

**RE: Property and Casualty Insurance Renewal**

Thank you for the opportunity to work with the City of [REDACTED] on the City's [REDACTED] Property and Casualty Insurance program renewal. As it is always our goal to provide the best and most advantageous pricing and coverage terms available in the insurance marketplace, McGriff has closely examined market conditions and availability to ensure that renewal terms offered by the City's carriers remain the best available, and where appropriate, to determine if obtaining competitive proposals is needed.

**Property**

Property insurance market conditions were of greatest concern for the City's insurance renewals this year. Significant global catastrophic loss events this Spring, including large scale hail storm and flood events across Texas, has resulted in a hardening of this market with carriers increasing rates (20-30% for accounts that incurred losses) and making changes to coverage terms including increasing deductibles for renewals. These conditions along with the City's own loss experience estimated at \$2,000,000 from the March storms have had a direct impact on the City's renewal. McGriff marketed the City's Property insurance to multiple carriers to compare to the renewal terms offered by [REDACTED] to determine best terms available in these current conditions.

[REDACTED] has included a 25% rate increase for the City's renewal. Although this is consistent with current market conditions, it is important to note that:

- This 25% is based on the City's previous property rate of 0.04 being increased to 0.05. The previous 0.04 rate was not only the best available, it was competitively priced below market. A 0.05 rate in previous years prior to current changes in the market would still have been competitive and advantageous to the City. A 0.05 rate in current market conditions and with the City's loss experience remains the best available to the City in the market.
- Several carriers who previously offered Property Insurance for large Texas accounts are not currently quoting this coverage due to market conditions, reducing competitive carrier options.
- Two carriers ([REDACTED] and [REDACTED]) declined to quote the City of [REDACTED] due to not being able to offer pricing competitive with [REDACTED].
- [REDACTED] could not compete with coverage offered by [REDACTED], only indicating a \$25M policy limit could be quoted.
- [REDACTED] has historically been the most competitive carrier to [REDACTED], specifically for Texas Public Entity accounts. [REDACTED] has quoted an annual premium of [REDACTED], \$92,293 higher than the [REDACTED] renewal. Additionally, [REDACTED] has included unfavorable Wind/Hail deductible terms – 3% of TIV per location subject to a minimum of \$250,000 per occurrence.

Initial discussions with the [REDACTED] underwriter indicated that in addition to a rate increase, a significant increase and change to the City's deductible structure may be included upon renewal. [REDACTED]'s subsequent renewal included an increase to the Wind and Hail maximum per occurrence deductible from \$200,000 to \$1,000,000. McGriff has successfully negotiated this change down to \$500,000 per occurrence. Although the maximum per occurrence deductible is increased, maintaining the City's \$100,000 per location deductible for Wind and Hail is highly advantageous in current market conditions, with \$500,000 + per location or a % of location value used as the deductible becoming more common. All other terms and conditions for coverage remain as expiring.

With the next best quote option provided by [REDACTED] being \$92,293 higher in premium and other carriers declining due to not being able to compete with the renewal pricing and terms offered by [REDACTED], McGriff can confirm that the renewal offered by [REDACTED] remains the best available pricing and coverage for the City of [REDACTED] under current market conditions.

**McGriff recommends the City renew the Property Insurance policy with [REDACTED] for an annual premium of \$[REDACTED].**

**Excess Workers' Compensation**

[REDACTED] renewal premium for Excess Workers' Compensation is an increase of 5.08% over expiring, primarily due to increases in City payroll. The current Excess Workers' Compensation marketplace remains a hard market with 10% rate increases common. The renewal offered by [REDACTED] remains the best available to the City in the current marketplace.

**McGriff recommends the City renew the Excess Workers' Compensation Insurance policy with [REDACTED] for a total annual premium of \$[REDACTED].**

**Inland Marine**



The Inland Marine policy placed with [REDACTED] included significant coverage improvements upon renewal last year. [REDACTED] has offered a renewal of the policy with the same terms and conditions as expiring with a nominal rate adjustment of 0.90%.

**McGriff recommends the City renew Inland Marine Insurance with [REDACTED] for an annual premium of \$[REDACTED].**

**Airport Liability**

[REDACTED] has offered a flat renewal of the Airport Liability insurance policy with the same terms and conditions as expiring for an annual premium of \$[REDACTED].

**McGriff recommends the City renew the Airport Liability policy with [REDACTED] for an annual premium of \$[REDACTED].**

**Aircraft Hull and Liability**

[REDACTED] has offered a flat renewal of the Aircraft Hull and Liability insurance policy with the same terms and conditions as expiring for an annual premium of \$[REDACTED].

**McGriff recommends the City renew the Aircraft Hull and Liability Insurance policy with [REDACTED] for an annual premium of \$[REDACTED].**

**General Liability/Liquor Liability/Excess General Liability & Liquor Liability**

McGriff solicited competitive proposals for the General Liability, Liquor Liability, and Excess General & Liquor Liability policies to confirm that current rates offered by the incumbent carriers remain best available, and this was confirmed. The incumbent carriers have offered flat rate renewals with coverage terms and conditions remaining as expiring. Slight decreases in the renewal premiums were due to decreases in receipts.

**McGriff recommends the City renew the General Liability policy with [REDACTED] for an annual premium of \$[REDACTED]. McGriff recommends the City renew the Liquor Liability policy with [REDACTED] for an annual premium of \$[REDACTED]. McGriff recommends the City renew the Excess General Liability and Liquor Liability policy with [REDACTED] for an annual premium of \$[REDACTED].**

**Commercial Crime**

The City's Commercial Crime policy provided by [REDACTED] was purchased and approved in [REDACTED] for a three year policy term. Premiums are paid in annual installments of \$[REDACTED]. The annual installment of \$[REDACTED] for the [REDACTED] period is the third and final year of the three year policy period.

**TULIP (Tenant and Users Liability Insurance Policy)**

The City purchases TULIP policies to provide a means for users of City owned facilities to access insurance coverage meeting City requirements. There is no premium cost to the City; premiums are paid by the users of the facilities.

**McGriff recommends the City renew the TULIP policies through [REDACTED] with \$1,000,000 limits at no deposit premium cost to the City.**

**Limited Law Enforcement Liability option**

Currently, the City self-insures a majority of its liability exposures as the caps on liability and protections afforded by the Texas Tort Claims Act allows these losses to be manageable within budgeted funds. However, certain claims arising from Law Enforcement activities could fall outside the Tort Claims Act and expose the City to unlimited liability. These claims include but are not limited to: Wrongful Arrest or Detention, Excessive Use of Force (Assault and Battery), and Unlawful Search and Seizure (Invasion of Privacy). Although Police Department operating procedures, policies, and training work to prevent these occurrences, the potential for these occurrences exist, and the current media and public perception climate has increased scrutiny of these types of issues across the nation.

[REDACTED] offers a program that provides basic Law Enforcement Liability coverage that can be added to their Excess Workers' Compensation policy. The option offered for the City is for a \$1,000,000 per occurrence limit/ \$2,000,000 aggregate with a \$1,000,000 self-insured retention for the additional premium of \$[REDACTED].

We appreciate the opportunity to work with the City of [REDACTED] in the placement of the Property and Casualty Insurance Program. Please do not hesitate to call if you have any questions or need any additional information. Thank you.

Sincerely,  
Robert Waggoner, ARM, CGBA  
Senior Vice President – Public Entity  
McGriff, Seibels, & Williams of TX, Inc.

## Cyber Coverage Comparison

	Travelers Casualty & Surety Co. of America	ACE American Ins. Co.	AIG Specialty Ins. Co.
<b>Coverage</b>			
<b>Third Party:</b>			
Network & Information Security	\$1,000,000 Each Claim	\$1,000,000 Each Claim	\$1,000,000 Each Claim
Communications & Media Liability	\$1,000,000 Each Claim	\$1,000,000 Each Claim	\$1,000,000 Each Claim
Regulatory Defense Expenses	\$1,000,000 Each Regulatory Claim	\$1,000,000 Each Regulatory Claim	\$1,000,000 Each Claim
<b>First Party:</b>			
Crisis Management Event Expenses	\$1,000,000 Each Event	\$1,000,000* Side Car \$250,000	\$1,000,000 Each Event
Security Breach Remediation & Notification	\$1,000,000 Each Event	\$1,000,000 Each Event	\$1,000,000 Each Event
Computer Program & Electronic Data Restoration Expenses	\$1,000,000 Each Event	\$1,000,000 Each Event	\$1,000,000 Each Event
			Not Covered
Computer Fraud	\$1,000,000 Each Event	\$1,000,000 Each Event	Not Covered
E-Commerce Extortion	\$1,000,000 Each Event	\$1,000,000 Each Event	\$1,000,000 Each Event
Business Interruption & Additional Expense	\$1,000,000 Each Event	\$1,000,000 Each Event	Not Covered
Cyber Risk Policy Aggregate	\$1,000,000	\$1,000,000	\$1,000,000
<b>Deductibles:</b>	\$10,000 Each Claim/Event	\$10,000/10 Hours BI	\$10,000/10 Hours Network Interruption
Continuity Date	Inception	Full Prior Acts	Full Prior Acts
Prior & Pending Proceeding Date	Inception	1/1/2018	Policy Inception
Extended Reporting Period	75% for 12 Months	100% 12 Months	
Duty to Defend	Yes	Yes	Yes
Contingent Business Interruption	IT Provider - 10 Day Waiting Period	No	
BI Period of Restoration	180 Days	60 Days	Not Covered
Employee Personal Devices	Yes	Yes	Yes
Indemnified Independent Contractor	Yes	Yes	Yes
Expand E-Commerce Extortion	Include Employees	Include Employees	Include Employees
Business Interruption - System Failure	Yes	Yes	Not Covered
Social Engineering Fraud	Yes	Yes	Yes
Telecommunications Fraud	Yes	Yes	Yes
Reputational Harm	Yes	Yes	Yes
Pay on Behalf of Insured	Yes	Yes	Yes
Amend Claim to Include Civil Investigative Demands	Yes	Yes	Yes
Remove Specific Target Requirement for Computer Disruption	Yes	Yes	Yes
Virtual Currency Coverage	Yes	Yes	Yes
BI Wage & Overhead Coverage	Yes	Yes	Not Covered
Reputational Harm	\$100,000 Sublimit	No	\$250,000 Sublimit
Personal Identity - Employees \$25K	No Covered	Not Covered	Yes
<b>Premium:</b>	XXXX	XXXX	XXXX
Options: \$3,000,000 Limit	XXXX	XXXX	XXXX
\$5,000,000 Limit	Not Quoted	XXXX	XXXX





**McGRIFF, SEIBELS & WILLIAMS OF TEXAS, INC.**

5080 Spectrum Drive #900E, Addison, TX 75001 Tel (469) 232-2100 Fax (469) 232-2101

Risk Manager

RE: RFP [REDACTED] Workers' Compensation & Liability Third Party Claim Administration

Thank you for the opportunity to assist the [REDACTED] with the evaluation of proposals in response to [REDACTED]. The City received four (4) responses to the RFP. Proposals were received from the incumbent [REDACTED] Administration Inc., [REDACTED] Services Inc., [REDACTED], [REDACTED] companies, and [REDACTED] Claims. Proposals were evaluated according to criteria established by the City and published in the RFP as follows:

Economic evaluation of the Proposed Pricing/Fee Schedule (20%)

Responsiveness to the Request for Proposal (20%)

Proposer's capability to provide the services requested (60%)

Attached you will find detailed evaluation of the proposals according to the above criteria, breakdown and comparison of fees and proposed pricing, and ranking of the respondents.

[REDACTED] and [REDACTED] submitted lower cost proposals than the incumbent [REDACTED] with [REDACTED] submitting the highest cost proposal. Capability to provide the City's required services is a key factor in the evaluation of the responses. Factors having a negative impact on the respondents' capability to provide required services include:

- Staff assigned to City's account would be divided between four offices in four locations. (WC Adjuster in [REDACTED], Supervisor in [REDACTED], Liability Adjuster in [REDACTED], Account Manager in [REDACTED]). Proximity, local knowledge of area medical providers, supervisor daily involvement and oversight, communication, and coordination of account contacts are essential to effective and efficient claims administration.
- Failed to complete/submit required RFP documentation.
- Submitted company Service contract in lieu of City Standard Form of Agreement.

- Minimal Texas Public Entity Account experience – 1 municipality.
- Minimal Adjuster experience
- Service office located in [REDACTED] (proximity).
- Failed to complete/submit required RFP documentation.

- Minimal Liability Adjuster experience
- Service office located in [REDACTED] (proximity).
- High adjuster staff turnover.
- Submitted [REDACTED] Workers' Compensation Claims Procedures.
- Fee Schedule did not define additional costs.

After thorough evaluation, [REDACTED] is the recommended proposer for Third Party Claims Administration Services at an annual flat fee of [REDACTED] per year for three years due to the following reasons:

- Professional and highly qualified staff including superior service provided by adjuster currently assigned to the City's account,
- State of the art computer system and report writing capabilities with easy to access data,
- Proximity of service office ([REDACTED]),
- Most advantageous claims handling procedures,
- Strong security measures in place regarding administering City funds,
- Dedicated to a successful City contract.

McGriff, Seibels and Williams of Texas, Inc. is proud to serve the City of [REDACTED]. Please contact us if you have any questions regarding this evaluation and recommendation.

**Attachments -#1 Evaluation of Proposals**

**#2 WC Claims**

**#3 Medical Cost Containment**

**#4 GL-AL-POL-LEL Claims**

**#5 Combined Total Cost**

**#6 Fee Comparison**

**CITY OF XXXX**  
**REQUEST FOR PROPOSAL # XXXX**  
**WC CLAIMS - FEE PER FILE**

	# Claims	XXXX	XXXX	XXXX	XXXX
Incident Only	92	NOT QUOTED	\$ 35.00	\$ -	\$ 10.00
Medical Only	97		115.00	140.00	150.00
Indemnity Claims	8		725.00	895.00	700.00
<b>Total Claims Cost</b>			20,175.00	20,740.00	21,070.00
TDI Hearings			Included	Included	Included
On-Line Access			Included	Included	1 incl, \$125 per addnl*
Data Conversion			3,000.00	Included	5,000.00
Take Over Indemnity	9		375.00	Included	Included
Take Over Med Only	19		85.00	Included	Included
<b>Total Take Over</b>			4,990.00	Included	Included
Medicare Secondary Reporting		Included	\$10 per submission*	Included	\$1,500
Index Bureau Fee		\$7.50/filing	Included	\$8.20/filing	\$9.25/filing
Administration Fee			5,000.00	3,500.00	1,500.00
		NOT QUOTED	\$ 33,165.00	\$ 24,240.00	\$ 29,070.00
	<b>RANKING</b>		3	1	2

\* Additional fees not included in total      Year 3 cost increase approximately 3%      \* Additional fees not included in total

**CITY OF XXXX**  
**REQUEST FOR PROPOSAL #XXXX**  
**THIRD PARTY CLAIMS ADMINISTRATION SERVICES**  
**EVALUATION OF PROPOSALS**

	XXXX	XXXX	XXXX	XXXX
Economic Evaluation of Propose Fee Schedule (20%) (Detail Attached)	12	5	18	20
Responsiveness to the Request for Proposal (20%)  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.	20  Complete/Responsive	10  Fee Schedule incomplete/Additional Costs not defined/Submitted XXXXXX Workers' Compensation Claims procedures	12  Requested RFP documents incomplete/Lack of clarity/Contract Terms not accepted	15  Requested RFP documents incomplete/Lack of clarity
PROPOSER's capability to provide the services requested. (60%)  1. Background of PROPOSER and support personnel, including professional qualifications. 2. Relevant experience of the PROPOSER. 3. Specific experience with public entity clients, especially municipalities. 4. Other resources, including the total number of employees, number and location of offices. 5. References and experience in the Texas public sector.	60  Good Adjuster Qualifications, Texas Public Entity Accounts, XXXXXX Office, Good References	35  Minimal Liability Adjuster experience, XXXX Office, High adjuster turnover, Texas Public Entity Accounts Predominately School Districts	50  Good Adjuster Qualifications, Texas Public Entity Accounts, WC Adj. in XXXXX with Supervisor in XXXXX- Liability Adj. in XXXX - Account Manager in XXXX	35  Minimal Texas Public Entity Accounts - 1 municipality, XXXX Office, Minimal Adjuster Qualifications provided or defined - Service Capability Unknown
<b>TOTAL POINTS</b>	92	50	80	70
<b>RANKING</b>	1	4	2	3

**CITY OF XXXX  
REQUEST FOR PROPOSAL # XXXX  
WC CLAIMS - FEE PER FILE**

	# Claims	XXXX	XXXX	XXXX	XXXX
Incident Only	92	NOT QUOTED	\$ 35.00	\$ -	\$ 10.00
Medical Only	97		115.00	140.00	150.00
Indemnity Claims	8		725.00	895.00	700.00
<b>Total Claims Cost</b>			20,175.00	20,740.00	21,070.00
TDI Hearings			Included	Included	Included
On-Line Access			Included	Included	1 incl, \$125 per addtnl*
Data Conversion			3,000.00	Included	5,000.00
Take Over Indemnity	9		375.00	Included	Included
Take Over Med Only	19		85.00	Included	Included
<b>Total Take Over</b>			4,990.00	Included	Included
Medicare Secondary Reporting		Included	\$10 per submission*	Included	\$1,500
Index Bureau Fee		\$7.50/filing	Included	\$8.20/filing	\$9.25/filing
Administration Fee			5,000.00	3,500.00	1,500.00
		NOT QUOTED	\$ 33,165.00	\$ 24,240.00	\$ 29,070.00
	<b>RANKING</b>		<b>3</b>	<b>1</b>	<b>2</b>

\* Additional fees not included in total

Year 3 cost increase approximately 3%

\* Additional fees not included in total

**CITY OF XXXX  
REQUEST FOR PROPOSAL # XXXX  
GENERAL/ AUTO LIABILITY/PUBLIC OFFICIALS/LAW ENFORCEMENT  
CLAIMS ADMINISTRATION**

Type of Claim	#	XXXX	XXXX	XXXX	XXXX
GL/Property	19		365.00	522.00	400.00
GL/Bodily Injury	3		365.00	522.00	750.00
AL/Property	1		640.00	522.00	400.00
AL/Bodily Injury	3		640.00	522.00	750.00
Public Officials	2		365.00	522.00	700.00
Law Enforcement	2		365.00	522.00	700.00
Admin Fee					
<b>Total Fee For File Basis</b>		Not Quoted	\$ 12,050.00	\$ 15,660.00	\$ 15,300.00
<b>RANKING</b>			<b>1</b>	<b>3</b>	<b>2</b>



CITY OF XXXX  
REQUEST FOR PROPOSAL #XXXX  
COMBINED TOTAL COST incl Best and Final

		XXXX Option 1 w/XXXX	XXXX Option 2 w/XXXX	XXXX	XXXX	XXXX
FLAT ANNUAL FEE		\$45,600	\$44,600	Not Quoted	\$33,300	\$35,460
MCC Comparables		\$17,773.50	\$17,328.00	\$21,765.00	\$21,338.90	\$17,773.50
Est.Total Flat w/MCC		\$63,373.50	\$61,928.00	Not Quoted	\$54,638.90	\$53,233.50
WC Claims/File		Not Quoted	Not Quoted	\$ 33,165.00	\$ 24,240.00	\$ 29,070.00
GL/AL Claims/File		Not Quoted	Not Quoted	12,050.00	15,660.00	15,300.00
Total Annual/File				45,215.00	39,900.00	44,370.00
Total w/MCC				\$66,980.00	\$61,238.90	\$62,143.50
Notes		All fees included or defined as applicable	All fees included or defined as applicable	Quoted on per file basis only - Additional fees not included or defined	3% increase in year three	All fees included or defined as applicable
Rank		4	3	5	2	1

CITY OF XXXX  
REQUEST FOR PROPOSAL #XXXX  
Fee Comparison incl Best and Final

		XXXX Option 1 w/XXXX	XXXX Option 2 w/XXXX	XXXX	XXXX	XXXX
FLAT ANNUAL FEE		\$45,600	\$44,600	Not Quoted	\$33,300	\$35,460
MCC Comparables		\$17,773.50	\$17,328.00	\$21,765.00	\$21,338.90	\$17,773.50
Est.Total Flat w/MCC		\$63,373.50	\$61,928.00	Not Quoted	\$54,638.90	\$53,233.50
FEE PER FILE		Not Quoted	Not Quoted	\$45,215	\$39,900	\$44,370
MCC Comparables		\$17,773.50	\$17,328.00	\$21,765.00	\$21,338.90	\$17,773.50
Est.Total per File w/MCC		Not Quoted	Not Quoted	\$66,980	\$61,239	\$62,144
Notes		All fees included or defined as applicable	All fees included or defined as applicable	Quoted on per file basis only - Additional fees not included or defined	3% increase in year three	All fees included or defined as applicable
Rank		4	3	5	2	1





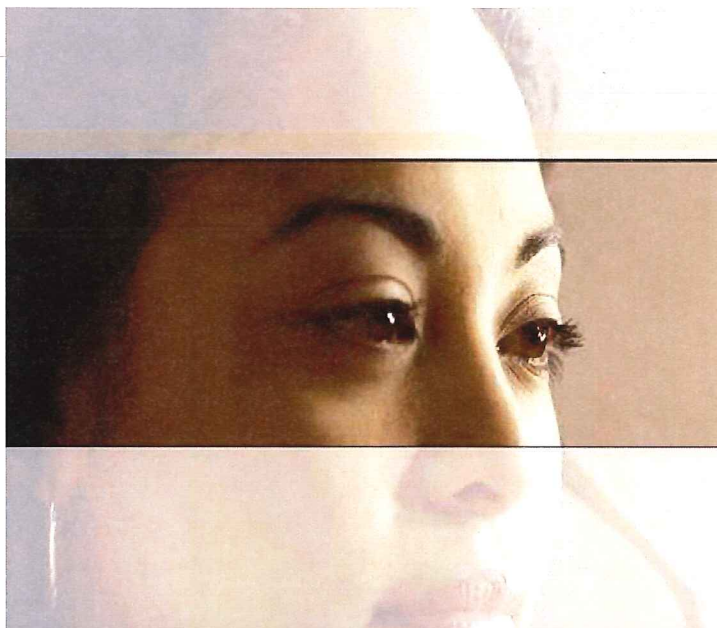
RMIS Services

# MyWave® Portal

Click+Connect+Communicate

Welcome to a whole new way of working — MyWave is your personalized Web site that allows you to effortlessly click, connect, and communicate with McGriff, Seibels & Williams.

It's designed to offer you time-saving tools and resources that build convenience into managing your everyday work tasks. Whether you want to collaborate with our agency online, quickly access timely news, information, and resources, or connect with over 100,000 peers in your industry, this is the place to be. It's easily accessible, hardworking, and just one of the many value-added services available to you when you partner with us.



"The Community section allows us to easily find out what other companies are doing in a variety of situations. I can get answers quickly from other colleagues in the industry; the Community has become my personal sounding board."

**Trevor**, MyWave Portal User, Northeast

## Collaboration Center

Our two-way document posting capabilities allow a seamless exchange of information sharing and collaboration

Users can download and share documents, make updates, and track a document's history — simplifying updates to reports, worksheets, questionnaires, and policies

Saves time by allowing you to manage team projects and streamline everyday work tasks

## **Survey Benchmarking**

Participate in benefit plan and/or P&C program surveys

Allows you to determine how your plans and programs compare to other employers across the U.S.

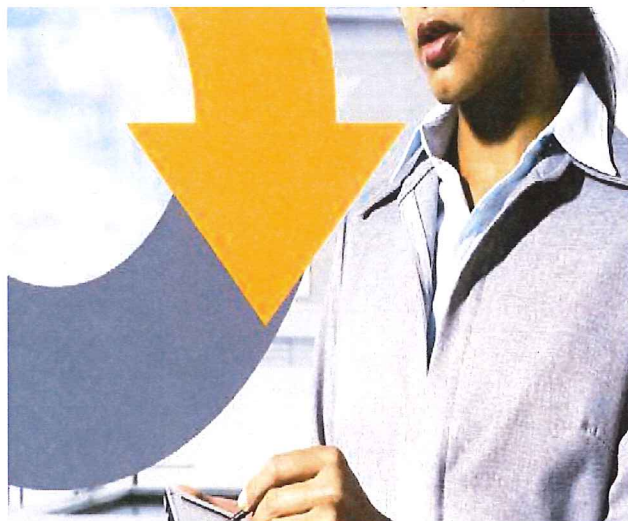
## **Community**

Through MyWave Community, you have access to a vast and knowledgeable network of colleagues from across the country

Share information and resources via the Community's interactive forum that allows you to post questions to your peers, provide insight into other users' questions, and allows you to track responses based on topics or individual questions

Community topics include Compensation, Employee Relations, HR Development, HR Management Topics, Recruitment, Risk Management, and Other





"MyWaveRM is the perfect vehicle to further enhance our Safety and Loss Control efforts. The information is absolutely tremendous!"

Scott, MyWaveRM Client User, Mid-Atlantic

## MyWave®RM: Efficiency meets Productivity

What's in your current Risk Manager's toolbox? Whether you're looking for flyers to help support your employee safety programs or searching for Workers' Compensation information, our Risk Management Center combines efficiency with user-friendly tools and resources you will use time and time again to streamline your everyday work tasks.

### SafetyZone

Look to *SafetyZone* for a series of ready-to-print newsletters covering a variety of industry-related topics designed to support your key safety messages and programs. Content is organized by general category that includes Auto Safety, Employee Protection, Organizational Safety, and Personal Risk Management.

### Documents on Command

We speak your language and understand your needs.

When you need to access information fast, Documents on Command provides instant access to a library of downloadable articles, brochures, forms, and reports covering a variety of insurance-related topics — precisely when you need it. Content is grouped by general category such as Cost Containment, Loss Control, and Employee Communications. Or, search by keyword to locate related information. You'll also have access to up-to-date state Workers' Compensation Statutes and related links for quick reference.

### Resources

Just as its name implies, Resources offers you quick and easy access to useful, industry-related links and articles from the convenience of your MyWaveRM site. The links are grouped by general category, and you can search the entire library by

key word, or restrict your search to a specific category to find what additional resources are available — fast!

### Online Services

Online Services is your personal hotline to our agency, allowing you to instantly e-request often-asked-for information, such as claims report submissions, directly from your MyWave RM Client Center to our customer service department. Automated requests include:

- Motor Vehicle Record requests,
- Fleet Option requests,
- Certificate of Insurance requests,
- Auto Claim reports,
- General Liability reports, and
- Property Claim reports.

It's online, anytime!





"The MyWaveOSHA is so easy to use and has totally simplified my OSHA reporting process. I can easily keep my OSHA log updated and source information about record keeping guidelines. You have just jumped to the top of my Christmas list!"

**Carolyn**, MyWaveOSHA User,  
Southeast

## MyWave®OSHA: When it Comes to OSHA Compliance, We've Got You Covered

When it comes to OSHA, compliance is the name of the game. To help you simplify and manage your OSHA reporting, we've gathered the occupational safety resources you need into one easily-accessible spot, with functionality and content designed to help you efficiently meet your OSHA reporting needs.

### Logical and Resourceful

The site's intuitive, user-friendly format will allow you to:

- Set-up your reporting to reflect the groups or divisions within your company,
- Create accurate OSHA logs for each recordable accident,
- Generate accurate reports on demand and analyze related costs, and
- Compile your annual 300A Summary in seconds flat.

### OSHA Log Forms...Fast

When recordable accidents happen, you'll know exactly where to go to log your OSHA incidences. With online access

to log forms, you can easily locate and create OSHA forms at the click of a mouse, quickly logging new incidents as they occur. You can also easily edit, view, or delete log entries, which makes maintenance a snap and guarantees your records are always current. Also, with the Log's handy at-a-glance view, you can effortlessly stay up-to-date on your most current entries, viewing all the pertinent information entered into your OSHA Log Analysis at any time.

### Reports & Analysis

You'll be able to generate up-to-the-minute OSHA reports, drilling-down by injury type, body part, group or divisions, and time period to include. The system stores your information from year to year, and by tracking work hours, it automatically calculates your incident rate and allows you to make comparisons to national averages based on your SIC (Standard Industrial Classifications) code as reported

by the Bureau of Labor Statistics.

Best of all, with accurate reporting, we will be able to help you spot injury trends and work with you on the right corrective actions to take before they become serious problems.

### FAQs: Resources Right When You Need Them

We know you don't have time to hunt around for the OSHA information you need, so we included a link to FAQs, where you'll find useful information about OSHA record keeping guidelines and related resources. This includes:

- Basic OSHA recordkeeping concepts and guidelines,
- Legislative Updates to OSHA compliance,
- Guidelines to Determination of Recordability for OSHA 300, and
- Access to OSHA forms, along with explanations of the OSHA log and its use.



Zywave Products

## **Broker Briefcase® — P&C Edition**



*RMS Services*



### **What is Broker Briefcase?**

Broker Briefcase is an Internet-based application used by McGriff, Seibels & Williams of to provide our clients with the most up-to-date industry, legislative, workplace safety, and employee education and communication materials. The communication and information campaigns available to ABC Company through this valuable tool will help you develop safety programs that educate and safeguard your employees, and ultimately reduce overall claims costs.

### **Harnessing the power of the Web**

Broker Briefcase lets Clients of BB&T/MSW harness the power of the Web and place it in your hands. This tool allows us to give our clients access to hundreds of professionally developed insurance and safety-related materials. We can download documents that you otherwise may have to prepare on your own, customize them to your specific needs, and send them to you in hard copy or electronically — saving you time and increasing your productivity.

## **Available to You Exclusively from BB&T/MSW and Broker Briefcase...**

### **Cost Containment**

Human resources professionals and safety directors face an increasing demand to control claims costs. Our cost containment materials include reporting forms and cost containment programs and information designed to streamline claims administration processes. In addition, we have state workers' compensation statutes available at our fingertips, saving you valuable research time. With these tools we can help you set up post-accident procedures and return-to-work programs that will have a positive effect on your bottom line.

Some sample documents include:

- *Hazard Notification Form*
- *11 Warning Signs of Fraud*
- *Texas Workers' Compensation Statutes*

### **Loss Control**

MSW's loss control materials include discussions about safety and accident prevention for you and your employees. We also offer comprehensive summaries of OSHA policies and topics.

Examples of loss control materials include:

- *Employee Safety Responsibilities*
- *OSHA Hazard Assessment Form*
- *Safety Matters: Avoid Electrical Shock*

### **Employee Communications**

Educated employees are a vital part of any employer's cost Management strategy. Broker Briefcase comes complete with a variety of professionally developed materials designed to help you educate your employees about workplace safety and other important issues. We can provide you with informational payroll stuffers and many other easy-to-read employee communication pieces that help you educate your employees. And, we customize each piece for you and your unique needs.

Sample employee communication materials include:

- *Make Safety Your #1 Priority*
- *Frequently Asked Questions on Workers' Compensation*

### **Studies and Surveys**

The studies and surveys available to BB&T/MSW through Broker Briefcase include valuable industry trends and forecasts for educational and benchmarking purposes. The easy-to-read tables and graphs will help you identify problems, implement solutions, and support decisions.

Available studies and surveys include:

- *The Effects of Workplace Hazards on Female Reproductive Health*
- *Financial Impact of Prompt Claims Reporting*





## **Data Security**

Confidentiality is a major concern with any online system. Accordingly, several precautions have been taken to ensure that information is kept protected at all times.

### **Data Transmission**

All information sent to and from Zywave Internet applications is encrypted using a combination of 128-bit secured socket layer (SSL) technology, digital certificates, and multiple firewalls. These security features work together to provide users with a mutually authenticated communications path. Mutual authentication helps to ensure that only legitimate users can access the system, and that legitimate users see only the information they are intended to see.

### **Data Storage**

Zywave uses server security and sophisticated hashing algorithms to ensure all sensitive information is scrambled before it is uploaded to the Internet.

### **Server Facilities**

Zywave's servers are housed and maintained by Rackspace, a leading provider of managed Internet hosting services for small to medium sized enterprises worldwide. Rackspace recently received the Frost & Sullivan Market Engineering Award for Customer Service Innovation. This award is given to a company that demonstrates excellence in customer service innovation within their industry.

### **Security**

Physical: Rackspace is designed for the highest level of security, including round-the-clock security personnel, video surveillance, military-grade access cards, and biometric security systems.

Network: Rackspace's fully-switched Cisco-powered Network is built on hardened router configurations audited by Cisco for security. The network security team monitors and tests all networking equipment for potential vulnerabilities while their Intrusion Detection System (IDS) scans for unwanted events 24-hours-a-day. In addition, Rackspace continually monitors all networking devices in Zywave's hosting environment.

### **Backup**

Scheduled Backups: Rackspace schedules and conducts full daily backups and hourly incremental backups. These backups are completed using a high-performance private network to ensure server performance is not affected.



### **Client Web Portal (SharePoint Services)**

One of the many services McGriff provides to its clients is the delivery and sharing of information regarding the client's insurance program. The information we deliver to clients may include:

- Copies of a client's insurance policies, endorsements, audits, etc...;
- Lists of vehicles, locations or other exposure data;
- Copies of McGriff issued certificates of insurance (via Cert Exchange), auto ID cards
- Copies of loss runs and other claims data
- Copies of invoices and accounting information
- Contact information for members of the McGriff team assigned to the account

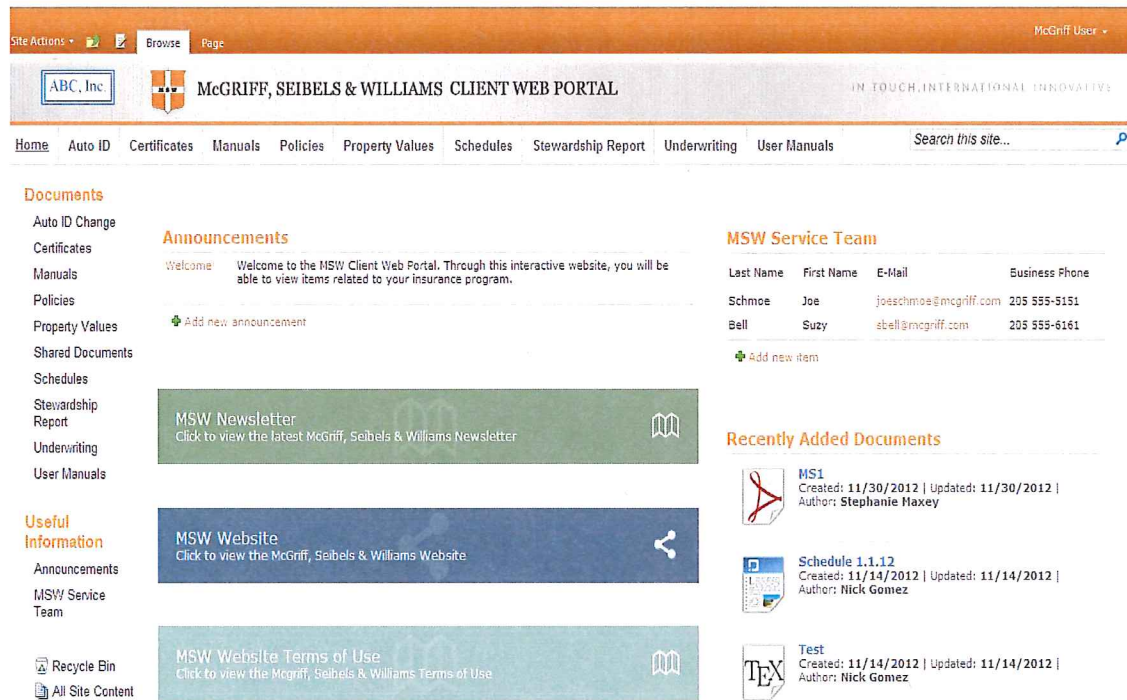
There are currently many ways that such information is being delivered to our clients (personal delivery, U.S. mail, courier services, email attachments, etc...) and the information is often delivered in either a hard copy or electronic format (Word documents, Excel documents, PDF documents, etc...)

As a way to provide a one-stop source of information for our clients and to improve the efficiency of information delivery to our clients, McGriff has recently added a new method for delivering client specific information – the MSW Client Web Portal (CWP). The MSW Client Web Portal is a secure, web-based, client portal which gives designated client representatives access to their client specific information anytime, anywhere they have access to an internet connection. The information posted can be any type of information we would normally provide to the client in the course of servicing their account including the information noted above.

The value of this site is that anyone who has access to the site can be given permissions to post information and it is as easy as saving a file or completing a form on a web site. Any team member with Internet access who is using Office 97 or higher can post documents to the shared document libraries. Users who have Microsoft Office 2003 have even greater functionality with the integration of Windows SharePoint Services and Office 2003. Anyone (with permissions) can participate in discussion groups and access the other shared SharePoint features.



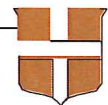
## MSW Client Web Portal Client User Guide



The screenshot displays the MSW Client Web Portal interface. At the top, there is a header with the ABC, Inc. logo and the text 'McGRIFF, SEIBELS & WILLIAMS CLIENT WEB PORTAL'. Below the header is a navigation bar with links: Home, Auto ID, Certificates, Manuals, Policies, Property Values, Schedules, Stewardship Report, Underwriting, and User Manuals. A search bar is also present. The main content area is divided into several sections:

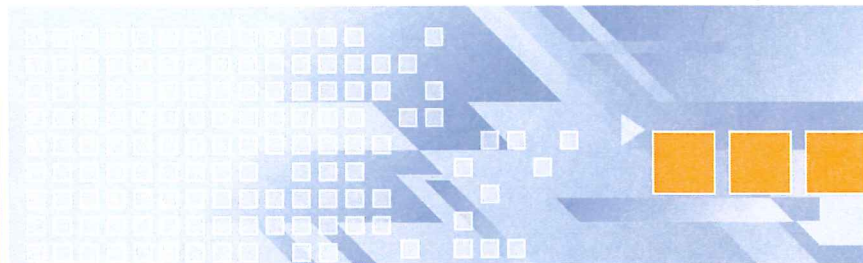
- Documents:** A sidebar menu on the left lists various document types: Auto ID Change, Certificates, Manuals, Policies, Property Values, Shared Documents, Schedules, Stewardship Report, Underwriting, and User Manuals.
- Announcements:** A section with a 'Welcome!' message and a link to view items related to the insurance program. It also includes an 'Add new announcement' button.
- MSW Service Team:** A table listing team members with columns for Last Name, First Name, E-Mail, and Business Phone. The table includes entries for Schmoie Joe and Bell Suzy, along with an 'Add new item' button.
- Recently Added Documents:** A list of documents with icons, titles, creation/updated dates, and authors. Examples include 'MS1', 'Schedule 1.1.12', and 'Test'.
- Useful Information:** A section with links to 'MSW Website', 'MSW Website Terms of Use', 'Recycle Bin', and 'All Site Content'.

- ☐ **Announcements** - notify other MSW CWP users of important news, information, and events on the home page of your MSW Client Web Portal.
- ☐ **Document Libraries** - are collections of files that have been posted to your MSW CWP by your MSW team. The document library is comprised of files and/or folders that are organized similarly to your computer's drive or a network file server. The MSW CWP can have one or more document libraries. Document Libraries may include: Policies, Auto ID cards and Schedules. You can access Document Libraries by utilizing Quick Launch or Tabs.
- ☐ **Quick Launch** - is a tool bar located on the left side of the web page containing the Document Libraries included on your MSW Client Web Portal.
- ☐ **Tabs** - are located at the top of the web page, and contain links to specified Document Libraries. To have specific Document Libraries with a "Tab" option, please contact a McGriff Team Member.
- ☐ **Recently Added Documents** - lists the 5 latest documents posted to your MSW CWP. Users may click on these open the Read-Only version of the document.
- ☐ **MSW Service Team** - A quick snapshot of your MSW Service Team, including emails and phone numbers, are shown on the first page of the MSW CWP.
- ☐ **Useful Information** - contains links to your complete MSW Service team, as well as Announcements.
- ☐ **Jumpers** - provide users with a direct link to the MSW Newsletter, MSW Website & MSW Terms of Use.





# [current\_year] Service Commitment & Performance Summary



Date: [Current\_date]

## Table of Contents

- I. Marketplace Overview
  - Our Value Proposition
  - Present Market Dynamics
  - Carrier Ratings by Financial Strength
- II. Review of Coverage Lines and Pricing
  - Property Coverage Review
  - General Liability Coverage Review
  - Automobile Coverage Review
  - Umbrella Coverage Review
  - Workers' Compensation Coverage Review
  - Miscellaneous Coverage Review
- III. Performance Review
  - Review of Loss Ratios by Line of Business
  - Cost Containment Strategies
- IV. Review of Services
  - Risk Management Goals
    - Total Cost of Risk Trending
  - Safety Program Goals
    - [C\_Portal\_Name] Client History
  - Loss Control Goals
    - Loss Control Evaluator
  - Claims Management Goals
    - RALLE® Warehouse Commercial Insurance Loss Summary
    - OSHA Analysis Reports
  - Carrier Goals
- V. Future Strategies and Solutions
  - Program Design Concepts
  - Characteristics of Evolving [C\_officialname] Programs
  - Program-Specific Strategies and Solutions for the Remainder of the Policy Contract
  - Employee Training Strategies and Solutions

McGriff, Seibels & Williams of Texas, Inc. audited a sample of 37 Workers Compensation claims out of a total of 37 claims with loss dates ranging from 1/24/2017 to 10/9/2017. Our sample consisted of both Medical Only and Lost Time claims. Medical Only: 30 claims audited out of 30 possible within that time frame. Lost Time: 7 claims audited out of 7 possible within that time frame. The review measured the third party administrator performance using the [REDACTED] Best Practices/ [REDACTED] Service Instructions for Handling WC Claims as a guide.

[REDACTED] has been handling claims for the [REDACTED] since 3/1/2010. There are a total of 15 open WC claims. The total incurred as of 12/31/2017 is [REDACTED].

### **Lost Time Claims<sup>1</sup>**

#### **First Contacts**

[REDACTED] requires adjusters to complete 3-point contact within 1 business day of receipt of the claim. The DCI date is the date the claim was entered. The average calendar date for contact of the employer was 1 day. The average number of days to contact the employee was 1 day. The number of days to contact the medical provider was also 1 day. [REDACTED]'s performance has improved substantially in all 3 contact points from the 2016 audit when the average was 4 days.

#### **Investigation**

##### **Recorded Statements**

[REDACTED] requires recorded statements be taken on all claims where there is an idiopathic injury, repetitive motion, recurrent history, prior illnesses, compensability issues and/or possible third-party liability. We found that 29% of the lost time claims reviewed had a recorded statement taken. This shows no change from the 2016 audit. One file did not have a recorded statement, when needed. When a statement was taken, it is well-documented and summarized in the file notes.

##### **Compensability**

Compensability was determined on 100% of all claims within 7 days. When a pre-existing condition was identified, adjusters filed a denial or partial denial within the appropriate time frame.

##### **Contribution / Subrogation**

Contribution and Subrogation were noted on 100% of all files.

##### **Modified Duty**

In 100% of all claims, modified duty was discussed with [REDACTED]. Light duty is only available for employees of [REDACTED] (non-union) and only if the supervisor agrees that the restrictions can be accommodated (case-by-case basis). [REDACTED] union workers never have light duty availability.

##### **Body Part / Symptoms**

Body parts and symptoms continue to be well documented in the [REDACTED] claim system 100% of the time.

##### **Employer communications**

Initial contact with [REDACTED] was present in 100% of the files, but after claim initial contact, ongoing communication was lacking in 29% of the files, a digression from 25% in the 2016 audit. All contacts were with [REDACTED] and were by e-mail. If other communication is taking place, it is not being documented in the claim file notes. We continue to recommend that ongoing updates should be provided to the employer to help facilitate early return to work.

##### **Surveillance**

Surveillance was needed and utilized appropriately on three files. Authority from [REDACTED] was not received or not documented in two of the three files.

##### **Timeliness of Benefit Payments**

No issues were noted in the timely payments of benefits. Initial payments were made timely 100% of the time.

##### **Wage Statements**

[REDACTED] secured wage statements on 100% of the indemnity files. This is an excellent result and is an improvement of 4% from the 2016 audit.

##### **Indexing System**

[REDACTED] is now consistently indexing claims at setup. 100% of the indemnity files and medical only files contained an index request. This is an improvement of 25% from the 2016 audit. All lost-time and medical only files should be indexed as per the Service Instructions. If there is an index hit, follow-up for further information, such as copies of prior medical reports, should continue to be documented.

##### **Medical Case Management**

[REDACTED] currently is utilizing triage and nurse case managers on [REDACTED] claims where appropriate. The goal of medical case management is to facilitate the optimum medical recovery of the claimant and their early return to work. [REDACTED] now has a best practice for this in place. [REDACTED] uses [REDACTED] as their vendor for pre-certifications and nurse case management.

There were no assignments or discussions of assignments in the claims reviewed and this was appropriate based on the claims we reviewed. Nurse involvement does assist an adjuster in identifying and accurately reserving medical and indemnity early in the claim and also minimizes the duration of disability and potentially the impairment rating due to better treatment plan follow-up by the injured worker.

##### **Treatment Plans**

In 100% of all cases, treatment plans were obtained from the treating physician.

##### **Light Duty**

Light Duty was addressed 100% of the time by the adjuster. [REDACTED] limitations on Light Duty are noted in the files. Light duty is only available for employees of the [REDACTED] (non-union) and only if the supervisor agrees that the restrictions can be accommodated (case-by-case basis). [REDACTED] union workers never have light duty availability. To differentiate these claims, [REDACTED] union workers continue to be flagged in the [REDACTED] Claims System.

##### **Independent Medical Exams / Peer Reviews**

[REDACTED] is doing a good job in recognizing the need for Required Medical Exams and Peer Reviews in the files, as they are not being assigned unnecessarily. IME/RME/Peer Reviews appeared to be necessary in none of the reviewed files nor were they used in any of the files. In the claims reviewed, 0% opportunity existed for an IME or peer review when it was not utilized. This is an improvement from 4% in the 2016 audit.

##### **Litigation**



Of the claims reviewed, 14% had a Litigation Management component. This is improved due to being 7% lower than in the 2016 audit. The one litigated claim was properly and promptly assigned to an approved defense counsel and a legal work plan was discussed with the defense attorney and noted in the file. No issues were noted in this claim.

### **Subrogation**

Subrogation is being documented and pursued in 100% of the claim files, where possible.

### **Reserving**

Stair stepping of reserves was noted in 0% of the files, an excellent improvement from 17% in the 2016 WC Audit.

Initial reserves were timely entered in 86% of the claims and accurate in 100% of the claims. Reserve changes were timely and accurate in 100% of the files reviewed. [REDACTED] best practice is to set the reserve based on the adjuster's knowledge of similar claims, ongoing industry trends and any other information beneficial to determining initial reserves. Documentation of approval of initial reserves or changes over \$50,000 with [REDACTED] was not applicable in the reviewed claims.

### **Wage Statement**

[REDACTED] is meeting or exceeding expectations on obtaining and documenting wage statements (100%) and starting benefits timely (100%). These are excellent results which are up 4% and 8% respectively.

### **File Documentation**

#### **Diary Systems**

No issues were noted regarding diary use on reviewed files. Appropriate diary timeframes were maintained by the adjuster on 100% of the files. Adjusters should continue regular contact with [REDACTED] Risk Management and maintain 14-day contact with injured employees who are losing time from work, per the [REDACTED] service instructions.

Based on the file notes, employee contact is being maintained on a 14-day basis. Contact helps to minimize the length of disability and facilitate better adherence to medical treatment plans.

#### **Actions Plans**

[REDACTED] is doing an excellent job utilizing action plans as these were documented and updated as needed in 100% of the reviewed files.

#### **Settlement**

No issues on settlement due to the fact that all claims were Texas jurisdiction, where settlements are not allowed.

#### **Supervision**

Of the files reviewed, 100% noted a supervisor diary. Supervisors continue to follow all WC claims on a 14-45-90 day basis. There is now proactive involvement by the supervisor(s) at the 14 day mark in 100% of the files. The current audit shows that initial supervisor reviews took place within 14 days in accordance with the service instructions, with initial guidance provided at or before the 14 day mark. This proactive supervision and direction to the adjuster on action plans and resolution plans results in lower claim payouts for [REDACTED].

#### **Conclusion of Claim**

100% of the claims were concluded in a timely manner. One out of 4 files appeared to be closed prematurely and no files were late closings. Fernando Rodriguez (610.1204) was closed before the surveillance bill came in and seven medical bills were also paid after the file was closed. Upon researching this file, it was determined that all of the medical bills were received and processed as a group due to the original check being lost by the provider. The original payments were voided and re-issued all at once, after the file was closed. Therefore, this file was not closed prematurely.

#### **Medical Only Claims<sup>ii</sup>**

We reviewed 30 closed medical only claims. There were several open MO claims on the list provided, however, all were closed prior to the files being audited. The overall quality of the audited MO claims was excellent.

#### **2 Point Contact**

[REDACTED] contact procedures call for the handling adjuster to complete 2-point contact in 1 business day from date of receipt of the claim. An acknowledgment letter is to be sent to the claimant within 72 hours of receipt of the claim.

File notes suggest that initial 2-point contact is being attempted on 100% of the medical only claims. Notes are appropriately placed in the file advising that a voice mail was left or that there was no answer, which is followed by a second attempt at contact. If the adjuster is still not successful in reaching the injured worker, a contact letter is being sent, as per the service instructions.

#### **Medical Reports**

Only one of the reviewed files did not reflect that any medical reports were obtained. 97% of the MO files had medical reports requested and received as needed.

#### **Indexing**

As previously noted, 100% of all files are now being indexed.

#### **Conversion to Indemnity**

All files were properly coded.

#### **Recommendations**

1. Continue to improve reserving practices, particularly initial reserves on lost-time claims.
2. Continue regular communication with [REDACTED] and the injured employees.
3. Adjuster should continue to regularly keep [REDACTED] advised of ongoing claim status to facilitate early RTW of non-union employees, where possible.
4. Improve use of recorded statements when needed.
5. Utilize triage of all claims with file notes indicating need for, or lack of need for, TCM or NCM involvement. This will lower claim payments on injured workers within criteria.
6. All files should continue to be automatically indexed and prior records requested and obtained, where possible.

<sup>i</sup> Indemnity Audit Form Question Statistics

<sup>ii</sup> Medical Only Audit Form Question Statistics

## Incentives and Rewards Guidelines

---

When examining your own safety reward program or when building one from scratch, consider the following guidelines:

### 1. Keep Rewards Small

Material rewards should not be perceived as the major payoff. The promise of incentives and rewards should only serve as reminders to work safely, and delivery of such rewards should be viewed by employees as a token of appreciation for performing the desired safe behaviors. If the focus is on the material reward, then the focus is not on working safely. A good rule of thumb is to try and equate the value of the safe behavior with the value of the reward. Therefore, giving away a \$20 gift certificate to everyone whom completed his or her observations for the month might be excessive.

### 2. Involve Workers

Include as many workers as possible in the construction, selection, and delivery of the reward system. By doing this, buy-in is generated up front and support or lack thereof will be evident early on so changes can be made prior to launching the program. Also, by involving workers, you are more likely to choose appropriate reinforcers rather than having management choose what they THINK workers would like.

### 3. Specify The Behaviors You Desire

Behaviors required to achieve a safety reward should be clearly spelled out and perceived as achievable by participants. If safe behaviors are not specified employees will not know what they need to do in order to receive the reward and interest will soon wane. **Bad example:** Receiving a reward if you haven't had any accidents in the past year. **Good example:** Receiving a reward for achieving a percent safe goal for a behavior or set of behaviors on a checklist.

### 4. Collect Data And Post It

Progress toward achieving a safety reward should be systematically monitored using checklist data, and publicly posted for all participants. If safety performance is not monitored, then it will be impossible to accurately determine which employees deserve the reward.

### 5. Provide Meaningful Rewards

Carefully determine the rewards given as a part of your program. If employees do not find the rewards meaningful, then the reward program will not be an incentive to work safely. Some organizations have done plant-wide surveys to determine what types of social, tangible, and work process rewards are meaningful to employees. If you decide to do this, use some variation of the "Sample Reinforcement Survey" provided in your Participant Handbook.

### 6. Never Penalize All Group Members For Failure Of One Member

Groups of employees should not be penalized or lose their rewards/incentives for the failure of one group member. Group rewards should be tied to the overall performance of the group, but some control must be in place to assure that each member of the group who gets the reward actually earned it.

### 7. Give The Reward To Everyone Who Meets The Criteria

You should design a reward program with this principle in mind. If you can't afford to reward everyone who meets your criteria, you should reinvestigate your criteria. Everyone who meets the behavioral criteria you have specified should be rewarded. Otherwise, some employees who have worked safely will not be rewarded. These employees will perceive they have been punished. Some guidelines to follow:

It is better for many participants to receive small rewards than for one person to receive a big reward. **Example:** An organization decides to use a lottery incentive program where there is a raffle for a television set, a stereo, or a vehicle; usually participants accumulate chances for the drawing and then at the end of a specified period of time, the drawing occurs. One person wins. The problems with this are:

- Everyone worked safely many times but was not rewarded.
- The person who won did so by chance.
- The focus might be on the big prize, not safety.

One group (or individual) should not be rewarded at the expense of another group (or individual). Everyone should have equal opportunity to achieve the reward. The process by which the incentive is given should not be a formal competition where one group "beats" another. Healthy competition can be very effective in generating high levels of safe performance but be careful not to set up a win-lose situation. Those employees who came close to winning will feel punished because they worked safely, but were not rewarded.

### 8. Keep The Program Rules Simple



## Incentives and Rewards Guidelines

The most successful reward programs are also usually the simplest. The less complicated the program, the better the chances that all workers will understand and participate in it, and that the safe behaviors will occur consistently. Launch the program with a special kick-off event to let everyone know the "rules," and to show that the program has the support of management.

### 9. Follow Through With Rewards

Nothing kills a reward program quicker than failure to deliver the promised rewards. Make a commitment to follow through with all aspects of the program. It may seem frivolous, but an effective Safe Performance Reward Program can play a very important role in workplace accident prevention.

#### The Unsafe Behavior Challenge

It is generally accepted that approximately 95% of injuries are the result on unsafe acts or behaviors. That being a known factor, most safety programs, including OSHA, are set up to seek out and address unsafe conditions. Reviews of program observation logs show the vast majority of the observations involve unsafe conditions. We like to take this a step further and also stress the need to point out safe work behaviors, too. Professionals, who study safety audits and observations, have noted that behavior exhibited when a worker knows they are being observed is different from the behavior exhibit during a "typical" workday situation. So the purpose of this challenge is to observe work practices for unsafe *and* safe behavior, then reward those who take ownership for the process by offering an incentive to them for doing so!

With the above in mind, it would seem the ideal situation would be one where associates, managers and supervisors would correct the unsafe behavior of others whenever it is observed and give praise to associates found to be working in a safe manner and following company policies. The challenge with this is getting the observer to take that initiative. It is suggested that this program be used as an incentive program, where the completed observation form would be place in a receptacle from which one or more winners, of the forms submitted, could be selected on a regular basis and awarded a prize. Another opportunity for winning a prize may be gained when a manager or supervisor identifies an associate working safely, especially when it would have been easier or quicker not to have done so.

Managers and supervisors should be challenged to identify and correct a minimum of one unsafe behavior daily. They should be held accountable for doing so. Associates should be challenged to identify co-worker unsafe behaviors, coach the associates on the safe work practice and submit the *Working Safely* observation form as often as possible. This increases their chance of winning a prize, which in turn, should discourage unsafe behavior.

The following is an example of a documented identified and corrected behavior:

<b><i>Working Safely</i></b>	
Today I observed	<b>A Maintenance worker</b>
who was working unsafely by	<b>Removing a lockout/tagout tag with-out proper authorization</b>
I explained:	
<b>This was against company policy and In doing so a serious injury could occur</b>	
<b>I discussed the proper procedure to follow and had the operator replace the tag.</b>	
Joe Smith	
<i>Signed</i>	<b>Maintenance Engineering Supervisor</b>
<i>Job Title</i>	<b>Maintenance Engineer Tech</b>
<i>Department where incident was observed</i>	

### Safety Performance Rating for Your Company Managers

Function	Measurement Factors	Comments
1. OVERALL YEARLY GOAL	<ul style="list-style-type: none"> <li>30 % REDUCTION IN WORKERS COMPENSATION COST</li> <li>40 % REDUCTION IN FREQUENCY</li> </ul>	
25 %	<b>RATING:</b>	
2. Identifies hazards in the department and takes steps to eliminate the hazards, through thorough accident investigations which lead to the control of losses.	<p>Completes thorough monthly inspections of the department to identify hazards. Investigations are completed immediately after the accident, with thorough written report distributed.</p> <p>Develops recommendations to minimize hazards and to reduce the potential for recurrence. Target dates are established and met.</p> <p>Communicates findings to the employees and management.</p>	
25 %	<b>RATING:</b>	
3. Encourages safe work procedures with team members to limit potential for injury.	<p>Conducts weekly or monthly safety meetings with team members, with documentation.</p> <p>Discusses unsafe work methods with team members.</p> <p>Emphasizes safety during orientation of new employees in the department.</p> <p>Uses at least 2(of 3) Safety Performance Measurement techniques in assessing "safety picture" in area of responsibility:</p> <ul style="list-style-type: none"> <li>• Measurement of Consequence</li> <li>• Measurement of Cause</li> <li>• Measurement of Control</li> </ul>	
25 %	<b>RATING:</b>	
4. Establishes return to work programs within their departments.	<p>Jobs developed to accommodate team member needs.</p> <p>Communicates effectively with return to work/modified alternative duty team member.</p> <p>Works effectively with medical resources and staff.</p>	
25 %	<b>RATING:</b>	



➤ **Insurance Marketing/Bid**

- Develop marketing strategy in conjunction with the City of McKinney a minimum of 145 days prior to renewal.
  - ✓ Gather Data
  - ✓ Prepare Submission
  - ✓ Negotiate with Underwriters
  - ✓ Obtain Quotes for coverages outside the TML program
  - ✓ Do Proposal – to be presented 120 days prior to renewal
  - ✓ Place and Bind Coverage
  - ✓ Policy Review with specifications
  - ✓ Ongoing daily service associated with policies

➤ **Administration**

- Consult on issues as needed.
- Review contracts and contract language.
- Evaluate proposals from potential contractors as needed.
- Certificates Issuance
- Daily Activities

➤ **Risk Management Services**

- Bi-monthly meetings to discuss and review: analysis of coverage, loss control, program design, exposure changes, claims, funding/allocation, and general administrative matters with Risk Management staff
- Recommendations on coverage changes, enhancements.
- Participate in and institute various risk control programs.
- Explore risk financing alternatives.

➤ **Claims Management**

- Conducting “roll up your sleeves” meetings with the City’s management to review all open claims and review the current claims program and procedures.
- Conducting a loss analysis to identify any frequency, severity or trends in loss activity.
- Annual actuarial review of all claims and associated reserves.
- Monitor claims activity and reserves set by any adjusters or third party administrators.
- Work with the City and defense counsel in strategy planning on claims litigation.
- Interface between the insurance carrier and the City’s management.
- Assisting in preparation of claim documentation, negotiation and settlement of large or disputed claims.
- Monitor claims activity to detect trends and areas where coverage might be impaired as a result of claim development.
- Loss Development, Trending and Forecasting

➤ **Loss Control and Safety Audit Services**

- Arrange for Loss Control and Safety Audits.
- Provide in-house training programs.
- Accompany insurers on site inspections.
- Advise and assist with insurer loss control recommendations.
- 100 Loss Control Hours Included

➤ **Other Services**

- Assist in obtaining or identifying insurance markets for Vendors/Contractors.
- Advise the City of Insurance Companies viability – including captives and other insurance mechanisms.
- Workers’ Compensation Act updates and reviews
- Benchmarking reports
- Attend the City’s meetings as needed.
- Assist with annual preparation of the City’s Insurance Report for Executive Management and/or Board presentation.
- OCIP Consultant Coordination
- Assist Risk Manager and Risk Management Department as needed.

## AVAILABILITY

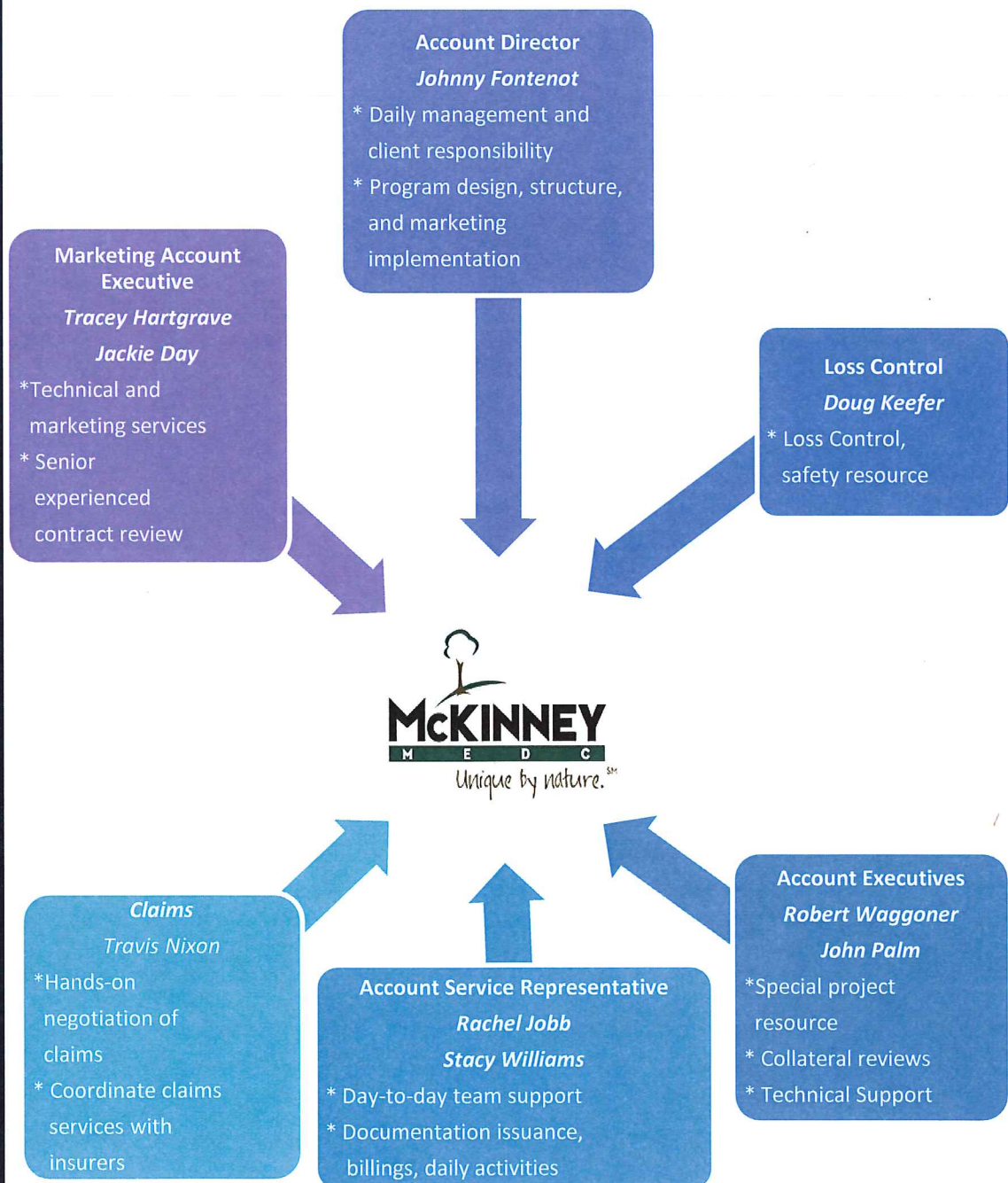
Part of MSW's corporate philosophy is hands-on involvement of senior management personnel in account servicing. Management staff takes part in underwriter negotiations, claims servicing, marketing submissions and more.

The City of McKinney's service team consists of 9 Account Executives – 1 Account Director (Team Leaders, 5 Senior Account Executives, 2 Marketing Account Executives, 2 Senior Account Service Representatives, 1 Assigned Claims Professionals and 1 Loss Control Professionals.

With our dedicated account team, various team members are available 24 hours a day, 7 days a week to meet any account service needs. Phone calls and emails are returned promptly and special projects are handled on a timely schedule.

The Public Entity team has procedures in place to assure that a senior account member is always available to offer assistance and resolve any issues that arise.

# Service Team





**Johnny Fontenot, CPCU, AIC, ARM****Executive Vice President, Head of Office**

Dallas, Texas

McGriff, Seibels, &amp; Williams



Direct: 469-232-2160 Mobile: 214-244-1631

Email: [jfon@mcgriff.com](mailto:jfon@mcgriff.com)**EDUCATION**

McNeese State University, B.S. Management and Marketing

**LICENSES/CERTIFICATIONS**Chartered Property & casualty Underwriter  
Associate in ClaimsAssociate Risk Manager  
Licensed Risk Manager**AREAS OF EXPERTISE**Public Entities / Governmental Risk Management  
Owner Controlled Insurance Programs (OCIPs)  
Governmental Risk PoolsLarge Commercial Accounts  
Claims**CLIENT EXPERIENCE**Public Entities  
RetailEnergy & Marine  
EnvironmentalManufacturing  
Hotel/Restaurant

Transportation

**EXPERIENCE HISTORY***McGriff, Seibels & Williams of Texas, Inc.*  
*Executive Vice President, Head of Office**1998–Present**Sedgwick of Texas, Inc.*  
*Vice President, Public Entity Division**1993-1998**City of Garland*  
*Risk Manager**1992-1993**City of Beaumont*  
*Risk Manager**1986-1992***Robert Waggoner, ARM, CGBA****Senior Vice President**

Direct: 469-232-2140 Mobile: 214-649-6625

Email: [rwaggoner@mcgriff.com](mailto:rwaggoner@mcgriff.com)**EDUCATION**

Texas A &amp; M University, B.S. Psychology/Management

**LICENSES/CERTIFICATIONS**

Associate Risk Manager

Certified Governmental Benefits Administrator

**AREAS OF EXPERTISE**Public Entities / Governmental Risk Management  
Workers' Compensation  
PropertyLoss Control and Safety Programs  
General/Auto Liability**CLIENT EXPERIENCE**Public Entities  
RetailEnergy & Marine  
EnvironmentalManufacturing  
Hotel/Restaurant

Transportation

**EXPERIENCE HISTORY***McGriff, Seibels & Williams of Texas, Inc.*  
*Vice President/Senior Vice President**2003 - Present**City of Denton*  
*Risk Manager**2000 - 2003*

**John F. Palm III, ARM****Account Executive**

Dallas, Texas

Direct: 469-232-2191 Mobile: 214-878-5687

Email: [jpalm@mcgriff.com](mailto:jpalm@mcgriff.com)**EDUCATION**

University of Southern Mississippi, MPH Occupation Health &amp; Safety

University of Southern Mississippi, BS Psychology

**AREAS OF EXPERTISE**School Risk Management Programs  
Property/Casualty ProgramsLoss Control and Safety Programs  
Campus SecurityWorkers' Compensation  
Contracts & Agreements**CLIENT EXPERIENCE**

Public Entities

Schools

Municipalities

**EXPERIENCE HISTORY***McGriff, Seibels & Williams, Inc.**2018 - Present*

Account Executive

*Allen Independent School District**2013 - 2018*

Director of Risk Management

*Mesquite Independent School District**2011 - 2013*

Risk Management &amp; Operations Manager

*Mesquite Independent School District**2006 - 2011*

Safety Officer

**Jackie Day, CPCU, CIC, AAI****Senior Vice President/Marketing AE**

Direct: 469-232-2162 Mobile: 469-766-7525

Email: [jday@mcgriff.com](mailto:jday@mcgriff.com)**EDUCATION**

Mesa College, Colorado

**LICENSES/CERTIFICATIONS**

Chartered Property &amp; Casualty Underwriter

Certified Insurance Counselor

Accredited Advisor in Insurance

**AREAS OF EXPERTISE**

Public Entities / Governmental Risk Management

Property

Design, marketing and servicing of major commercial accounts

**CLIENT EXPERIENCE**

Public Entities

Hotel/Restaurant

Manufacturing

Retail

Transportation

Environmental

**EXPERIENCE HISTORY**

McGriff, Seibels &amp; Williams of Texas, Inc.

*1998 - Present*

Senior Vice President/Marketing Account Executive

Sedgwick of Texas, Inc.

*1994 - 1998*

Account Executive, Public Entity Division

**Tracey Hartgrave, CIC, CRM**

**Vice President/Marketing Account Executive** Direct: 469-232-2163 Mobile: 214-732-3020  
 Email: [thartgrave@mcgriff.com](mailto:thartgrave@mcgriff.com)

**EDUCATION**

Tarrant County Junior College

**LICENSES/CERTIFICATIONS**

Certified Insurance Counselor (CIC) Certified Risk Manager (CRM)  
 2 Parts of 5 Certified School Risk Manager (CSRM) Workers' Compensation Specialist  
 School District Employee Benefits Specialist

**AREAS OF EXPERTISE**

Public Entities / Governmental Risk Management General Liability/Auto  
 Design, marketing and servicing of major commercial accounts Flood

**CLIENT EXPERIENCE**

Public Entities	Hotel/Restaurant	Manufacturing
Retail	Transportation	Environmental

**EXPERIENCE HISTORY**

McGriff, Seibels & Williams of Texas, Inc.	1998 - Present
<i>Vice President, Marketing Account Executive</i>	
Sedgwick of Texas, Inc.	1997 - 1998
<i>Account Coordinator, Public Entity Division</i>	
RISC, Inc.	1994 - 1997
<i>Broker Assistant</i>	

**Rachel Jobb, ACSR**

**Account Manager** Direct: 469-232-2172 Mobile: 469-644-6502  
 Email: [rjobb@mcgriff.com](mailto:rjobb@mcgriff.com)

**EDUCATION**

Trinity Valley Community College

**LICENSES/CERTIFICATIONS**

Accredited Customer Service Representative (ACSR)  
 1 part of 5 Certified Risk Manager (CIC)  
 3 Parts of 4 Certified School Risk Manager (CSRM)

**AREAS OF EXPERTISE**

Public Entities Higher Education

**CLIENT EXPERIENCE**

Public Entities	Hotel/Restaurant	Manufacturing
Retail	Transportation	Environmental

**EXPERIENCE HISTORY**

McGriff, Seibels & Williams of Texas, Inc.	2000-Present
<i>Account Manager</i>	
Aon Risk Services of Texas, Inc.	1997 - 2000
<i>Assistant Account Service Representative</i>	
Liberty Mutual Insurance Company	1995 - 1997
<i>Claims Call Director</i>	



**Stacy Williams****Senior Account Service Representative**

Dallas, Texas

**EDUCATION**

Collin College, Plano, TX

**CLIENT EXPERIENCE**

Home Building

Chemical Blending

Manufacturing

Oil &amp; Gas Servicing

Oil &amp; Gas Drilling/Production

Public Entities

**EXPERIENCE HISTORY**

McGriff, Seibels &amp; Williams of Texas, Inc.

2016 - Present

*Senior Account Service Representative*

Lockton Companies

2004- 2015

*Senior Account Manager*

Energy Risk Associates

1998 - 2004

*Account Manager*

Roger Ferguson &amp; Associates

1989- 1998

*Account Servicing***Travis Nixon****Vice President, Claims & Risk Services**

Dallas, Texas

Direct: 469-232-2194 Mobile: 972-655-4645

Email: [tnixon@mcgriff.com](mailto:tnixon@mcgriff.com)**EDUCATION**

University of Texas

**LICENSES/CERTIFICATIONS**

All-Lines Insurance Adjuster – Texas

Property and Casualty Agent

**AREAS OF EXPERTISE**

Multi-lines claims and risk management; catastrophic claims and litigation management; loss control and safety programs; design, marketing and servicing of major commercial accounts

**CLIENT EXPERIENCE**

Public Entities

Hotel/Restaurant

Manufacturing

Retail

Transportation

Environmental

**EXPERIENCE HISTORY**

McGriff, Seibels &amp; Williams, Inc.

2007 - Present

*Vice President, Claims & Risk Services*

Cambridge Integrated Services, Inc.

2000 - 2007

*Senior Vice President, Claims*

Gallagher Bassett

1995 - 2000

*Claims Manager/Risk Management Consultant*

Alexsis, Inc.

1991 - 1995

*Claims Manager/Risk Management Consultant*

McGriff, Seibels, &amp; Williams



Direct: 469-232-6610

Email: [stwilliams@mcgriff.com](mailto:stwilliams@mcgriff.com)



## DOUG KEEFER

### **Assistant Vice President – Risk Control Consultant**

Direct: (469) 232-2130 Mobile: (214) 215-8250

Email: [dkeefe@mccgriff.com](mailto:dkeefe@mccgriff.com)

### **EDUCATION**

B.S. Degree from Bethel College and a Masters of Science Degree from Baylor University

### **LICENSES/CERTIFICATIONS**

Completed certification courses on ergonomic evaluation/job analysis taught by the center for ergonomics at the University of Michigan and Advanced ergonomics. He has a Clinical Certification in Functional Capacity Evaluation (Blankenship System) from the Blankenship Corporation. He also is OSHA authorized to conduct 10 and 30-hour outreach safety Training for general industry.

### **AREAS OF EXPERTISE**

*Safety/Ergonomic projects that include:*

-Training

-Program Development

-In-dept analysis

-Inspections

Workers Compensation Program performance audits (Gap Analysis)

-Risk/Loss Control Audits

-Safety

-Fire Protection

-Environmental

-Disaster Recovery/Business Continuity

### **CLIENT EXPERIENCE**

Alltel Corporation

Republic Plastics, Inc.

Blockbuster Corporation

Bimbo Bakeries

USA Compression

Delta Faucet Company

Ruffin Companies

Michelin North America, Inc.

LSG Sky Chefs Corporation

L&B Realty Advisors

Nokia Corporation

Treasure Island, Inc.

Sony-Ericsson-North

America Haggard Clothing

Company

Texas Instruments

Pier 1 Imports, Inc.

Port of San Antonio

Food Concepts Intl – Abuelos

City of Tampa

Whole Foods Market

Hooters Restaurants

Century Golf Partners

G2 Secure Staff Airline

Services

DFW International Airport

City of Fort Worth

Tarrant County College  
District

### **EXPERIENCE HISTORY**

McGriff Seibels & Williams

*Assistant Vice President – Risk Control Consultant*

2009– present

Benchmark Consulting Group, LLC

*Safety/Ergonomics Specialist*

2005 – 2008

Marsh USA Inc. – Dallas Office

*Risk Control Consultant*

2002 – 2005



# ATTACHMENT A



City of McKinney  
18-29RFP

## Consulting Services Questionnaire

Organization Name: McGriff, Seibels & Williams of Texas, Inc.

Address: 5080 Spectrum Drive, Suite 900E, Addison, TX 75001

<b><u>RFP Respondent Information</u></b>		<b><u>RFP Respondent Information</u></b>	
<i>Questions:</i>		<i>Responses:</i>	
1	Person Who prepared RFP	1	Johnny Fontenot
2	Contact title	2	Executive Vice President
3	Contact address	3	5080 Spectrum Drive, Suite 900E, Addison
4	Contact state	4	TX
5	Contact zip code	5	75001
6	Contact phone number and extension	6	469-232-2160
7	Contact email address	7	<a href="mailto:jfontenot@mcgriff.com">jfontenot@mcgriff.com</a>
8	Company Home page address	8	<a href="http://www.mcgriff.com">www.mcgriff.com</a>
<b><u>Consultant Assigned to City</u></b>		<b><u>Consultant Assigned to City</u></b>	
<i>Questions:</i>		<i>Responses:</i>	
9	<b>Primary Consultant Name (include Resume)</b>	9	Johnny Fontenot
10	Contact title	10	Executive Vice President
11	Primary areas of responsibility (as related to interacting w/City)	11	Account Director – Daily Account Management, Program Design
12	Contact phone number	12	469-232-2160
13	Contact email address	13	<a href="mailto:jfontenot@mcgriff.com">jfontenot@mcgriff.com</a>
14	<b>Secondary Consultant (include resume)</b>	14	Robert Waggoner
15	Primary areas of responsibility (as related to interacting w/City)	15	Account Executive – Technical Support, Special Projects
16	Contact title	16	Senior Vice President
17	Contact phone number	17	469-232-2140
18	Contact email address	18	<a href="mailto:rwaggoner@mcgriff.com">rwaggoner@mcgriff.com</a>
19	<b>Expert Resources available to the City (include resume)</b>	19	Tracey Hartgrave
20	Area of expertise/responsibility (as related to interacting w/City)	20	Technical and Market Support, Contract Review
21	Contact title	21	Vice President
22	Contact phone number	22	469-232-2163
23	Contact email address	23	<a href="mailto:thartgrave@mcgriff.com">thartgrave@mcgriff.com</a>
<b><u>Background Information</u></b>		<b><u>Background Information</u></b>	
24	How long has your organization been in business?	24	100+ Years
25	How long has the Primary Consultant been with your company?	25	20 Years
26	How long has the Secondary Consultant been with your company?	26	15 Years
27	Where is your firm headquartered?	27	Winston-Salem, NC

# ATTACHMENT A



City of McKinney  
18-29RFP

## Consulting Services Questionnaire

Organization Name: McGriff, Seibels & Williams of Texas, Inc.

Address: 5080 Spectrum Drive, Suite 900E, Addison, TX 75001

28	Do you anticipate any mergers, transfers of company ownership, or departures of key personnel during the contract period of 2018-2019 that would impact your commitment and ability to carry out your contract with the City?	28	None
<b>Questions:</b> <b>References</b>		<b>Responses:</b> <b>References</b>	
29	<b>List THREE (3) Active Clients</b> a. Organization name b. Size of organization (by number of employees) c. Contact name and title d. Phone number e. Effective date of contract f. Description of services provided	29	a. Richardson ISD b. 5,107 c. Julie Spain, Director of Risk Management d. 469-593-0345 e. 1999 f. All Lines Property & Casualty Broker and Insurance Services Consultant  a. Port of Houston Authority b. 586 c. Bruce Birdwell, Risk Manager d. 713-670-2821 e. 2009 f. All Lines Property & Casualty Broker of Record and Insurance Services Consultant  a. Tarrant County College District b. 5,500 c. Suzanne Robinson, Risk Manager d. 817-515-1829 e. 2009 f. All Lines Property & Casualty Broker of Record and Insurance Services Consultant
30	<b>List three (3) City clients</b> a. Organization name b. Size of organization (by number of employees) c. Contact name and title d. Phone number e. Effective date of contract f. Description of services provided	30	a. City of Houston b. 20,000 + c. Tina Paquet, Risk Manager d. 832-393-8792 e. 2014 f. All Lines Property & Casualty Broker of Record and Insurance Services Consultant  a. City of Grand Prairie b. 1,790



# ATTACHMENT A



City of McKinney  
18-29RFP

## Consulting Services Questionnaire

Organization Name: McGriff, Seibels & Williams of Texas, Inc.

Address: 5080 Spectrum Drive, Suite 900E, Addison, TX 75001

			c. Lisa Norris, Human Resources/Civil Service Director d. 972-237-8071 e. 2000 f. Insurance Services Consultant/Broker of Record  a. City of Garland b. 2,070 c. Robby Neill, Risk Manager d. 972-205-8488 e. 1999 f. All Lines Property & Casualty Broker of Record and Insurance Services Consultant
31	<b>Former Clients (list three)</b> a. Organization name b. Size of organization (by number of employees) c. Contact name and title d. Phone number e. Effective date of contract f. Description of services provided	31	a. City of Fort Worth b. 6,900 c. Mark Barta, Assistant HR Director d. 817-392-7790 e. 2002 f. Excess Workers' Compensation Insurance Broker  No other former clients in the last 5 years.
<b><u>Experience – Portfolio Management</u></b>		<b><u>Experience – Portfolio Management</u></b>	
32	How do you help an employer set its strategic direction? Provide example of innovative and sound approaches to insurance cost challenges that your firm has implemented for a client in the last three years.	32	Responses: Our strategic risk management approach follows the five-phase process; Identification, Analysis, Strategy, Implementation, Monitoring & Modifying. Our holistic approach to risk provides our clients the ability to identify risks, develop a strategy for managing those risks, implement the strategy and measure the results of the strategy.  Please see Section E. 1. a. Client Experience.
33	Describe what you focus on with clients in review of portfolio performance, effectiveness and how you determine what changes to recommend.	33	Our review strategy focuses on four quadrants of risk; operational, strategic, financial and hazard. While traditional brokerage models focus primarily on hazard risks, our experience indicates only 30% of total cost of risk resides in this quadrant.  After identifying your risks, McGriff will analyze and quantify the risk using analytical and actuarial techniques. We will review financial statements, historical operational data, loss history, and where necessary, include industry



# ATTACHMENT A



City of McKinney  
18-29RFP

## Consulting Services Questionnaire

Organization Name: McGriff, Seibels & Williams of Texas, Inc.

Address: 5080 Spectrum Drive, Suite 900E, Addison, TX 75001

			data to supplement your own. Our analysis will project future loss Frequency and severity, and potential material impact to your budget. This information will allow us to develop a strategy to pinpoint opportunities to mitigate future risk.
34	Describe a successfully completed transition by your firm where your client moved from fully funded to self-insured.	34	McGriff assisted Port of Houston Authority transition from a traditional insurance program to one of self-insurance. As a result of McGriff's relationships with insurance markets PHA was able to obtain better insurance coverage; substantially increased limits, lower deductibles, and enhance coverages. The total cost of risk for PHA per \$1,000 of revenue decreased 43% the first year, or a total savings of \$3.28 Million.
35	Describe the consultant's experience with Texas Municipal Risk Pool and percentage of clients currently insured through TML.	35	McGriff, Seibels & Williams has several clients (5%) that have all or part of their insurance programs with TML. MSW has a good working relationship with TML underwriters and work as partners for our mutual clients.
36	Describe your agency resources available locally or nationally working in that specialty and years of experience: a) Workers Compensation b) General Liability c) Law Enforcement Liability d) Auto Liability e) Property/ Boiler and Machinery f) Financial Products g) Airport Liability h) Cyber Liability	36	On a national scale, McGriff has 12 office locations and over 850 employees. McGriff is structured to support our client-centered approach to doing business. We are a flat organization staffed with employees that are first and foremost in the insurance business. We have made a dedicated effort to hire the best and the brightest insurance professionals to support Public Entities. Our local and national professionals include CICs, CPCUs, MBAs, CRMs, AICs and more. As you can see from the resumes of your proposed service team, you will have the benefit of the background and knowledge of our most senior professionals.
37	List your top ten markets selections and 2017 Premium Volume.	37	2017 Premium Volume - \$1,809,175,000  Generally, market selection depends on the type of coverage and exposure.  The top 10 markets by premium placement are currently: Zurich Insurance                      AEGIS AIG    Liberty Mutual Chubb                                      Starr Travelers                                  Hartford Lloyd's                                      XL
38	Describe how you will assist the City with annual renewal analysis and negotiations. Provide samples of typical reports you would provide with renewal analysis.	38	One of MSW's areas of expertise is in negotiating coverage enhancements with our underwriters. A successful renewal is one in which the most critical coverage amendments are maintained, and projected pricing and retentions achieved. McGriff will present renewal options in a detailed proposal and presentation that



# ATTACHMENT A



City of McKinney  
18-29RFP

## Consulting Services Questionnaire

Organization Name: McGriff, Seibels & Williams of Texas, Inc.

Address: 5080 Spectrum Drive, Suite 900E, Addison, TX 75001

			analyzes the strengths and weaknesses of each quotation obtained. All options, coverage, limits, retentions, premiums and rates will be compared in detail against each other as well as against the expiring program. The financial security ratings of each insurer will be included in the presentation. Other issues that should be considered, such as continuity of the underwriting structure, will also be addressed in the renewal proposal and presentation.  Please see attached Section E. 1. b. for sample analysis.
39	Describe how your firm collects and compiles responses to an RFP questionnaire. Please provide a sample compilation of your analysis from proposers.	39	McGriff is available to assist the City in RFP evaluations for many insurance related services. We would create a response spreadsheet for the questionnaire, then using the rating system within the RFP, provide the City with a recommendation with bidder evaluations attached. Please see sample attached Section E. 1. c.
40	Have you developed an experienced rated premium allocation program for your municipality clients? Describe the allocation method and process of evaluation.	40	McGriff has numerous Public Entity clients that allocate their premiums to departments and/or programs with different methods. We would need to meet with the City to discuss how the City processes their fund accounts, review current loss information and allocate that by these fund accounts, and review the carriers rating system based on the City's exposures, ie: police payroll, fire payroll, waters & sewer payroll & revenue, etc. Once this information is reviewed we would put together a spreadsheet that would separate the different City funds then calculate loss ratios and exposure rating to allocate the premium funds.
41	What trends have you seen in insurance that may be a consideration point for the City's portfolio to make them more competitive?	41	Wind/Hail will have a big insurance impact for 2018 with flood following closely behind. TML is currently reviewing their limits and deductibles with their re-insurers. Their decision on deductibles and limit structures could potentially have a big impact on the City of McKinney's budget. If the City has any property in flood hazard zones, looking at NFIP or an equivalent market would help mitigate some of the impact. Deductible buy downs and excess wind/hail programs are available also to cushion the City's budget from the impact of a large storm.
<b><u>Experience – Risk Management</u></b>		<b><u>Experience – Risk Management</u></b>	
		<i>Responses:</i>	
42	Describe access to a RIMS system that can be utilized by the City of McKinney. If one is not available the City may opt to advertise a separate RFP for RMIS of which would be facilitated by the proposer. This will be an optional selection based on price and budgetary constraints. The desired system(s) will facilitate the consolidation of a wide variety of risk, insurance and operational data and will	42	McGriff offers several value added options for providing the City with data services. Please see Section E. 1. d. and Section E. 1. e. for program information.



# ATTACHMENT A



City of McKinney  
18-29RFP

## Consulting Services Questionnaire

Organization Name: McGriff, Seibels & Williams of Texas, Inc.

Address: 5080 Spectrum Drive, Suite 900E, Addison, TX 75001

	provide tracking and management reporting capabilities to enable the user to monitor and better control the overall cost of risk. Ideally, this system will serve as the central warehouse for risk related data. It will provide a platform for managing risk and for efficiently communicating risk issues across the organization. The City prefers a cloud/web based program that will provide secure, reliable access, and improve the efficiency and quality of its risk analysis. System must have the ability to upload and download reports in Excel, PDF and other formats. The City will look to the RMIS provider(s) to develop and recommend ways for the software to improve City processes and to better understand and address the City's risk issues. Please provide details of RMIS systems provided and examples of reports and or examples solutions provided for past clients in obtaining such system through RFP.		If the City would like to look at in-house RMIS systems, McGriff will help the City put together an RFP, provide the City with several viable vendors, and help with the review process when the RFP's are complete.
43	Provide examples of annual stewardship reports.	43	Please see Section E. 1. f.
44	The City seeks an efficient method of tracking incoming certificates of insurance. The desired system will provide a portal for entry of certificate data, and serve as a central repository for certificates with automated workflow and notifications. Provide systems and solutions available and provide examples of reporting and maintenance.	44	McGriff does not provide an in-house Certificate Maintenance program for large certificate programs. We would work with the City to issue an RFP with the program parameters and help the City review the responses. Vendors would require the number of anticipated certificates, the number of certificate formats that would need to be reviewed and how many individuals would need access to the information in order to provide an accurate pricing for the project.
45	Describe your formalized risk identification method or best practice you use in evaluating the exposures of your clients? If yes, what is the program? Provide examples.	45	<p><b>VIEWING RISK FROM EVERY PERSPECTIVE</b></p> <div> <p><b>The Four Quadrants of Risk</b></p> </div> <div> <p><b>Strategic Risks:</b></p> <ul style="list-style-type: none"> <li>Reputation/Brand</li> <li>Business Perpetuation</li> <li>Leadership Development</li> <li>Mergers &amp; Acquisitions</li> <li>Information Technology</li> </ul> <p><b>Financial Risks:</b></p> <ul style="list-style-type: none"> <li>Interest Rates</li> <li>Economic Instability</li> <li>Political Risk</li> <li>Accounts Receivable</li> <li>Deductibles/Retentions</li> </ul> <p><b>Operational Risks:</b></p> <ul style="list-style-type: none"> <li>Supply Chain</li> <li>Product Recall</li> <li>Employee Benefits</li> <li>Regulatory Compliance</li> <li>Employment Practices</li> </ul> <p><b>Hazard Risks:</b></p> <ul style="list-style-type: none"> <li>Fire, Wind, Flood</li> <li>Business Income</li> <li>Premises Liability</li> <li>Auto Liability</li> <li>Environmental Liability</li> </ul> </div> <p><u>Our process will include the following steps:</u></p> <p><u>Loss history:</u> review loss history over a period of 5 – 10 years. We will stratify losses by category and size, which will allow us to determine how best to present historical profitability to the marketplace;</p> <p><u>Risk appetite:</u> conduct in-depth discussions with your team to allow us to understand your risk appetite which is critical to our development of a program</p>



## ATTACHMENT A



City of McKinney  
18-29RFP

### Consulting Services Questionnaire

Organization Name: McGriff, Seibels & Williams of Texas, Inc.

Address: 5080 Spectrum Drive, Suite 900E, Addison, TX 75001

			<p>design. Understanding your priorities allows us to set suggested retentions and limits and creates a mutually agreed strategy for overall program structure;</p> <p><i>Risk Profile:</i> using various proprietary analytics we review the program risk characteristics and how this might influence our approach with specific markets. We will also evaluate key risk components such as Wind/Hail exposure, Flood Zone exposure, Probable Maximum Loss, Values by construction code, and Terrorism exposure amongst other perils;</p> <p><i>Coverage:</i> we will review all current binders, policies and endorsements in an effort to identify coverage gaps and opportunities to improve the structure and terms.</p>
46	Describe your contract analysis for your clients? Provide an example.	46	<p>McGriff provides contract analysis for all of the Public Entity clients we work with. We will review vendor contracts and City contracts for hidden exposures, indemnity language and insurance requirements. We read the contract in its entirety, not just the insurance requirements. It is important for the City to know and understand all of the liability they may be assuming or passing in every contract.</p> <p>McGriff recently updated a City's insurance requirements for a vendor to manage a new large waterpark owned by the City. These requirements needed to include large limits of liability, pollution coverage and liquor liability due to the operations and exposures. They also required a separation in the contract for the insurance the City would be required to carry.</p>
47	Describe your experience in developing contractual insurance language for your clients? Please provide example.	47	<p>McGriff has worked with our Public Entity clients for years to help them keep their contractual language up-to-date and meet any changes in regulatory requirements. We have completed a 2018 update that we share with all of our clients. These requirements provide several different boilerplate insurance requirements and a check sheet to help the different departments determine which coverages to require.</p>
48	What types of risk and insurance training have you performed in the past? Who was the audience? Please provide examples.	48	<p>McGriff offers numerous training classes for our clients through our Insurance Services and our Loss Control Services. We provide a Contracts&amp; Certificate of Insurance presentation to all of our clients department heads and purchasing employees (and anyone else the clients feels needs to attend).</p>



# ATTACHMENT A



City of McKinney  
18-29RFP

## Consulting Services Questionnaire

Organization Name: McGriff, Seibels & Williams of Texas, Inc.

Address: 5080 Spectrum Drive, Suite 900E, Addison, TX 75001

			<p>McGriff, has also worked with our clients to provide desktop disaster planning and actual disaster enactment scenarios.</p> <p>Through our MyWave/ZyWave program, the City would have access to the Broker Briefcase which has numerous training topics. We would be available to assist the City in any of the training topics.</p>
<u>Experience – Claims and Actuarial Services</u>		<u>Experience – Claims and Actuarial Services</u>	
<i>Questions:</i>		<i>Responses:</i>	
49	Describe your firm's experience and time frame for performing an IBNR Actuarial analysis, including the credentials of the actuary. Provide a timeline for completing the study.	49	<p>For a basic IBNR review, McGriff will provide those services in-house and it can be done within 5 working days of the request. An actuarial study would need to be completed by one of our partner firms. The time period would depend on the City's availability and ability to provide requested information. Usually the time frame from start of information gathering to final report is 60-90 days.</p> <p>The actuary will be experienced with Public Entity exposures, have a minimum of a Bachelors degree, experience in IRS funding valuations (calculations required under PPA, funding, and accounting rules), experience preparing government forms, valuation data preparation, and be an EA or ASA. The company has been in business more than 60 years and employs more than 3,300 people.</p>
50	Describe your experience providing claims auditing services to public entities. Provide methodology and examples of final reports.	50	<p>Claims audits are part of our Consulting Services provided to all of our Public Entity clients. We would review claims in a pre-defined criteria (types of claims, % reviewed). Problem areas or key issues would first be identified through loss data analysis at the macro lever and then drilled down to actual claim files at the micro level. Each individual claim would be reviewed for contract compliance, regulatory compliance, best practices, appropriate payment and proper claims management.</p> <p>Please see Section E. 1. g. for Sample Reports.</p>
51	Describe what your firm has done with a client in recent years to address rising medical and pharmacy costs and what changes you recommended to help mitigate within Workers Compensation.	51	<p>McGriff has worked with our clients to provide a workable injury and emergency program to reduce costs. We entities that have enacted non-emergency injury visits to urgent care facilities in lieu of expensive emergency room visits. When feasible, we have worked with entities to open their own care clinics for entity employees to provide urgent care, normal MD appointments, preventative care and immunizations.</p>

# ATTACHMENT A



City of McKinney  
18-29RFP

## Consulting Services Questionnaire

Organization Name: McGriff, Seibels & Williams of Texas, Inc.

Address: 5080 Spectrum Drive, Suite 900E, Addison, TX 75001

52	Provide examples of monthly and quarterly trending reports.	52	<p>These reports would depend on whether the City remains with TML or if the City decides to move their coverage to the open market and carry a self-insured retention.</p> <p>TML currently provides loss reports and can continue providing these reports on the required timeline. If the City decides to self-insure a Third Party administrator would be hired to track and provide reporting.</p>
<p align="center"><b><u>Experience – Loss Control</u></b></p> <p><i>Questions:</i></p>		<p align="center"><b><u>Experience – Loss Control</u></b></p> <p><i>Responses:</i></p>	
53	Does your firm have staff loss control consultants? What are the minimum credentials for these individuals?	53	Yes, a loss control consultant will be assigned to the City of McKinney. Please see for resume.
54	Give examples of the types of services your loss control personnel provide to your clients.	54	<p>Examples of some, but not all loss control assistance:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Auditing safety programs to evaluate effectiveness</li> <li><input type="checkbox"/> Periodically reviewing loss reports</li> <li><input type="checkbox"/> Providing practical recommendations for enhancements</li> <li><input type="checkbox"/> Assisting in the development of specific safety programs, training modules and manuals</li> <li><input type="checkbox"/> Assisting management in identifying deficiencies and prioritizing improvements</li> <li><input type="checkbox"/> Making independent project visits where special problems have developed</li> <li><input type="checkbox"/> Preparing and conducting instructional seminars and training as needed</li> <li><input type="checkbox"/> Monitoring surveys to assist management in identifying deficiencies and prioritizing improvements</li> <li><input type="checkbox"/> Providing analysis of losses by job site, accident, type of injury and exposure</li> <li><input type="checkbox"/> Providing accident investigation assistance</li> <li><input type="checkbox"/> Monitoring compliance with written procedures, identify compliance problems, and initiate corrective action</li> <li><input type="checkbox"/> Periodically evaluating sites</li> <li><input type="checkbox"/> Reviewing inspections and corrective recommendations</li> <li><input type="checkbox"/> Providing a single point/contact for personnel to obtain guidance on loss control questions</li> <li><input type="checkbox"/> Working with insurers to evaluate and negotiate the required loss control services</li> </ul>



## ATTACHMENT A



**City of McKinney  
18-29RFP**

### Consulting Services Questionnaire

Organization Name: McGriff, Seibels & Williams of Texas, Inc.

Address: 5080 Spectrum Drive, Suite 900E, Addison, TX 75001

			<input type="checkbox"/> Meeting as necessary with designated insurance/loss prevention staff to discuss current developments, progress, problems, and future activities as well as to refine special action plans <input type="checkbox"/> Enlisting the assistance of local brokers and underwriters in evaluation protocol in foreign countries <input type="checkbox"/> Providing stewardship reports regarding loss control activities and objectives <input type="checkbox"/> Providing performance benchmarking information
55	What experience do you have in developing a safety incentive program for municipalities? Provide examples and ROI of a successfully implemented program.	55	Please see Section E. 1. h. for examples.
56	What training resources are available? Please provide examples.	56	In addition to our loss control consultant information above, the City of McKinney will have access to our Broker Briefcase, which provides numerous training materials.
57	Do you provide a claims advocate? Please provide resume of individual who would be fulfilling that role.	57	Yes, please see Section for the resume of your claims team member.
58	Describe your participation and facilitation of a Safety Review Committee and the extent of your success in working with such a committee.	58	Your McGriff service team members are active on many of our Entity Safety Review committees. We believe these committees have been effective in assuring emphasis and consistency in the application of corrective measures following serious accident/incidents including "action plans" for prevention of a similar accident/incident.
<b><u>Experience – Interpersonal Skills</u></b>		<b><u>Experience – Interpersonal Skills</u></b>	
<i>Questions:</i>		<i>Responses:</i>	
59	Please describe the methods you use to keep your clients informed of changes occurring in the insurance industry.	59	<p>We subscribe to numerous insurance and legal publications as well as on-line services. Changes in regards to carrier coverages, rates or capacity are shared via e-mail and through internal market updates. Also, we regularly consult with outside legal counsel for interpretations of policy language, claims related decisions, and other issues of concern. Once aware of any issue that may impact your operations or coverage, we will advise you promptly. If necessary, we will arrange meetings for discussion of these issues. We consider this an important service to our clients, and one that elevates us above our competitors.</p> <p>McGriff subscribes to two services whose mission is to communicate rating changes to their subscribers: A.M. Best and Standard &amp; Poor. This ensures that we are notified immediately of any rating change related to our client's accounts. At the first sign of concern for the financial integrity of any insurer, intermediary,</p>



## ATTACHMENT A



City of McKinney  
18-29RFP

### Consulting Services Questionnaire

Organization Name: McGriff, Seibels & Williams of Texas, Inc.

Address: 5080 Spectrum Drive, Suite 900E, Addison, TX 75001

			<p>association or fund, a computer run is made, identifying all placements involving the party in question. While many of our clients have very stratified placements, our computer system is geared towards locating entities regardless of their percentage participation. Our account managers and IT professionals are well versed in the procedure – we go into the computer system and prepare a query that checks through all policy files, identifying the carrier in question. Clients are notified immediately of the concern and are provided with supplementary information as it becomes available to us. Should it become necessary to replace the carrier in question, alternative arrangements are identified and discussed with the client.</p> <p>Please note that McGriff's website, <a href="http://www.mcgriff.com">www.mcgriff.com</a>, has links to a number of insurance related sites, such as A.M. Best Downgrades, Business Insurance, Insurance-Portal.com, and NationalUnderwriter.com. These links provide the most current industry news available, including ratings downgrades, legal developments, new legislation, and more. We also publish a monthly newsletter with updates on the insurance industry.</p>
60	How do you and your staff maintain a pro-active approach to client service?	60	<p>We have implemented several programs to ensure we are providing you with the exceptional service that our reputation is based on. The majority of these programs involve communication with our clients, either written or verbal. These programs are:</p> <ul style="list-style-type: none"><li><input type="checkbox"/> Annual interviews with clients</li><li><input type="checkbox"/> Annual service plan with agreed-upon goals</li><li><input type="checkbox"/> Quarterly strategy sessions</li><li><input type="checkbox"/> Internal audits</li><li><input type="checkbox"/> Claim file audits</li><li><input type="checkbox"/> Hands-on involvement by senior management</li><li><input type="checkbox"/> Employee education</li><li><input type="checkbox"/> The Security Review Committee</li><li><input type="checkbox"/> Minimum security standards procedures</li></ul>
61	Give two significant examples where you have instituted solutions for your clients before they were sought.	61	<p>McGriff took over as Broker of Record on a large property account. The insured had a \$2.5M flood deductible. As part of our normal marketing process, we used our market leverage to obtain favorable renewal options that decreased that flood</p>



## ATTACHMENT A



**City of McKinney  
18-29RFP**

### Consulting Services Questionnaire

Organization Name: McGriff, Seibels & Williams of Texas, Inc.

Address: 5080 Spectrum Drive, Suite 900E, Addison, TX 75001

			<p>deductible to \$500K. The insured suffered a \$2M flood loss 22 days after the coverage renewed that would not have been paid had we not re-worked the program.</p> <p>McGriff was instrumental in providing client with access to an adjusting firm, designated and approved by all carriers. We provided them with detailed information on all building and contents including photos of interiors and exteriors of all buildings.</p> <p>The adjusting firm was also provided GPS coordinates of all client buildings. The client would be provided immediate claims service following any catastrophic occurrences. This is a huge advantage as many insureds have to wait weeks or months following a major catastrophe for an adjuster to be assigned.</p> <p>Additionally, McGiff provided the client with a catastrophic remediation company as a first tier client at no additional cost to the client. This company provides the client with their Emergency Priority Response Program. The RED ALERT service is structured to work with the clients' own emergency procedures so, that when disaster strikes, the RED ALERT three-stage action plan can be initiated with speed and effectiveness:</p> <ul style="list-style-type: none"> <li>▪ <b>Stabilization</b> – to make the premises safe and secure and to prevent further damage.</li> <li>▪ <b>Assessment</b> – to assess the extent of damage, determine priorities and coordinate an action plan.</li> <li>▪ <b>Mitigation and Restoration</b> – structured recovery process to restore your facility and equipment and your business to full operational readiness.</li> </ul>
62	What are the interpersonal skills or qualities you consider important in service personnel?	62	Some interpersonal skills or qualities McGriff considers important in service personnel are loyalty, natural problem solving skills & critical thinking, conscientiousness, self confidence, good communication skills, time management skills and a strong work ethic.
<b>Experience – Managerial and Service Skills</b>		<b>Experience – Managerial and Service Skills</b>	
<i>Questions:</i>		<i>Responses:</i>	
63	Please describe the internal service standards you have established for servicing your clients?	63	McGriff has a current Policies & Procedures manual that is distributed to all employees. Employees are responsible for abiding by the policies and

## ATTACHMENT A



City of McKinney  
18-29RFP

### Consulting Services Questionnaire

Organization Name: McGriff, Seibels & Williams of Texas, Inc.

Address: 5080 Spectrum Drive, Suite 900E, Addison, TX 75001

		<p>procedures outlined in the manual, and performance reviews are based on compliance. MSW has policies and procedures in place for:</p> <ul style="list-style-type: none"><li><input type="checkbox"/> Communications procedures</li><li><input type="checkbox"/> Directory management</li><li><input type="checkbox"/> Work flow procedures</li><li><input type="checkbox"/> Sales &amp; marketing</li><li><input type="checkbox"/> Record retention</li><li><input type="checkbox"/> MIS procedures</li><li><input type="checkbox"/> Reporting procedures</li><li><input type="checkbox"/> Accounting</li><li><input type="checkbox"/> Taxes</li><li><input type="checkbox"/> Client account management, including:<ul style="list-style-type: none"><li>▪ Communications</li><li>▪ File procedures</li><li>▪ Processing procedures</li><li>▪ Policy marketing management</li><li>▪ Surplus lines requirements</li><li>▪ Renewals</li><li>▪ Document issuance</li><li>▪ Security reviews</li></ul></li></ul>
64	What methods will you use to assure that you are providing the highest level of service to the City? What quality controls does your company have in place to monitor customer satisfaction?	<p>64 McGriff has established internal audit procedures to ensure each employee is fulfilling the responsibilities of their position. Our internal audit reviews assist management in evaluating:</p> <ul style="list-style-type: none"><li><input type="checkbox"/> Compliance with and validation of company policies and procedures</li><li><input type="checkbox"/> Individual and team performance</li><li><input type="checkbox"/> The need for new resources or additional staff and equipment</li><li><input type="checkbox"/> Overall productivity and efficiency</li></ul> <p>Audit reviews are undertaken every 6 months. The audit procedure involves senior account management personnel from one office selecting specified accounts to audit from an outlying office. Files are examined to ensure that all account service activity was properly noted, and that files are complete.</p>



## ATTACHMENT A



City of McKinney  
18-29RFP

### Consulting Services Questionnaire

Organization Name: McGriff, Seibels & Williams of Texas, Inc.

Address: 5080 Spectrum Drive, Suite 900E, Addison, TX 75001

		<p>We have implemented several programs to ensure we are providing you with the exceptional service that our reputation is based on. The majority of these programs involve communication with our clients, either written or verbal. These programs are:</p> <ul style="list-style-type: none"><li><input type="checkbox"/> Annual service plan with agreed-upon goals</li><li><input type="checkbox"/> Annual interviews with clients</li><li><input type="checkbox"/> Quarterly strategy sessions</li><li><input type="checkbox"/> Internal audits</li><li><input type="checkbox"/> Claim file audits</li><li><input type="checkbox"/> Hands-on involvement by senior management</li><li><input type="checkbox"/> Employee education</li><li><input type="checkbox"/> The Security Review Committee</li><li><input type="checkbox"/> Minimum security standards procedures</li></ul>
<b><u>Experience – Performance Briefings and Presentations</u></b>		<b><u>Experience – Performance Briefings and Presentations</u></b>
<i>Questions:</i>		<i>Responses:</i>
65	Describe the availability and response time for City requests (e.g., sudden unexpected meetings, etc.) that can happen at any time to address City management needs	65 The City of McKinney service team is comprised of numerous professionals that are all capable to respond to the City's needs, even sudden unexpected meetings. Your service team is in a local office so are we are available when any need comes up.
66	Describe or list sample work product or presentations given at professional conferences, in books, articles, publications, and participation in national or regional initiatives.	66 As a long-term sponsor of Texas PRIMA, McGriff is very active in the organization. Our representatives (most on your service team), regularly present topics a local and annual conferences, ie: Insurance and Risk Management 101; Insurance Requirements for Contracts; Texas Tort Claims Act; Challenges in Establishing Insurance Requirements; Public Facilities and Open Carry



**General Lines Agency**

Life, Accident, Health and HMO, Property and Casualty

**MCGRIFF, SEIBELS & WILLIAMS OF TEXAS, INC.**

818 TOWN AND COUNTRY BLVD STE 500  
HOUSTON, TX 77024


**is authorized to transact business as described above**

License No: 6816

Issue Date: 09-06-1996

Expiration Date: 05-02-2019

Generated by Sircon 145986020

<p><b>TEXAS</b> DEPARTMENT OF INSURANCE THIS IS TO CERTIFY THAT</p> <p><b>MCGRIFF, SEIBELS &amp; WILLIAMS OF TEXAS, INC.</b> 818 TOWN AND COUNTRY BLVD STE 500, HOUSTON, TX 77024</p> <p><b>LICENSE NUMBER: 6816</b></p>	<p></p> <p>IS HEREBY AUTHORIZED TO TRANSACT BUSINESS IN ACCORDANCE TO THE LICENSE DESCRIPTION SHOWN BELOW:</p> <p><b>General Lines Agency</b> Life, Accident, Health and HMO, Property and Casualty</p> <p>Issue Date: 09-06-1996      Expiration Date: 05-02-2019</p> <p>Generated by Sircon 145986020</p>
--	--



**PROPOSAL FORM  
SIGNATURE PAGE**

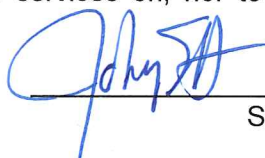
As permitted under Chapter 791 of the Texas Government Code, other governmental entities may wish to participate under the same terms and conditions contained in this contract (i.e. piggyback). In the event any other entity participates, all purchase orders will be issued directly from and shipped directly to the entity requiring supplies/services. The City of McKinney shall not be held responsible for any orders placed, deliveries made or payment for supplies/services ordered by another entity. Each entity reserves the right to determine their participation in this contract. Would bidder be willing to allow other governmental entities to piggyback off this contract, if awarded, under the same terms and conditions?

Yes \_\_\_\_\_ No X

The undersigned agrees, if the best and final proposal is accepted, to furnish any and all items upon which prices are offered, at the price and upon the terms and conditions contained in the Request for Proposals, General Conditions, Terms of Contract, and Specifications and all other items made a part of the accepted contract.

The undersigned affirms that they are duly authorized to execute the contract, that this company, corporation, firm, partnership or individual has not prepared this proposal in collusion with any other offeror, and that the contents of this proposal as to prices, terms or conditions of said proposal have not been communicated by the undersigned nor by any employee or agent to any other offeror or to any other person(s) engaged in this type of business prior to the official opening of this proposal. And further, that neither the offeror nor their employees nor agents have been for the past six (6) months directly nor indirectly concerned in any pool or agreement or combination to control the price of goods or services on, nor to influence any person to propose or not to propose thereon.

McGriff, Seibels & Williams of Texas, Inc.  
Offeror (Entity Name)



Signature

5080 Spectrum Drive, Suite 900E  
Street & Mailing Address

Johnny Fontenot  
Print Name of Signator

Addison, TX 75001  
City, State and Zip

Executive Vice President  
Title of Signator

469-232-2100  
Telephone No.

20-0468966  
Tax I.D. No.

jfontenot@mcgriff.com  
E-mail Address

469-232-2101  
Fax No.

March 28, 2018  
Date Signed

214-244-1631  
Mobile No.

If not the same as above, indicate the city and state that your principal place of business is located:

Addendum 1 ✓  
Addendum 2 \_\_\_\_\_  
Addendum 3 \_\_\_\_\_

Date Received 3/19/18  
Date Received \_\_\_\_\_  
Date Received \_\_\_\_\_

**VERIFICATION REQUIRED BY TEXAS GOVERNMENT CODE SECTION 2270.001**

**(Required by Awarded Vendor(s) Only)**

McGriff, Seibels & Williams of Texas, Inc.(the "Company") hereby verifies that the Company:

1. Does not boycott Israel; and
2. Will not boycott Israel during the term of this contract.

**COMPANY NAME:** McGriff, Seibels & Williams of Texas, Inc.

**SIGNED BY:**



**Print Name & Title:** Johnny Fontenot, Executive Vice President

**Date Signed:** 03/28/2018

For purposes of this Verification, the following definitions apply:

(1) The phrase "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes; and

(2) The word "Company" means a for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations that exists to make a profit.