

**PUBLIC BUILDING COMMISSION OF CHICAGO
ADDENDUM NO. 1 to
REQUEST FOR QUALIFICATIONS
FOR
INSURANCE BROKERAGE SERVICES – PS1826**

DATE: Monday, June 7, 2010

For which proposals are due in the Public Building Commission, Room 200, Daley Center, 50 W. Washington Street, Chicago, Illinois 60602, at 12:00 p.m., Central Standard Time, Thursday, June 24, 2010 (pursuant to RFQ advertised May 24, 2010).

**RESPONDENT SHOULD ACKNOWLEDGE RECEIPT OF THIS ADDENDUM IN THE COVER LETTER
SUBMITTED WITH YOUR PROPOSAL.**

SECTION 1: NOTICE OF REVISIONS / CHANGES

Change No. 1: The Request for Qualifications for Insurance Brokerage Services due date has been postponed from Thursday, June 24, 2010 to Thursday, July 1, 2010.

Change No. 2: Health Benefits Broker and Consulting Services have been added to this Request for Qualification.

Remove Section III. Nature of Services, Section IV. Instructions for Preparing and Submitting Submissions, and Section V. Evaluation Criteria, Page 7 of 51 through Page 15 of 51 and

Replace with the attached Section III. Nature of Services, Section IV. Instructions for Preparing and Submitting Submissions, and Section V. Evaluation Criteria, Revised Page 7 of 54 through Revised Page 17 of 54.

**ALL OTHER PROVISIONS AND REQUIREMENTS REMAIN AS ORIGINALLY SET FORTH IN THE RFQ EXCEPT
AS MODIFIED AND INCORPORATED AS A RESULT OF THIS ADDENDUM.**

END OF ADDENDUM NO.1

Attachments: III. Nature of Services, Revised Page 7 of 54 through Revised Page 11 of 54 (5 pages); IV. Instructions for Preparing and Submitting Submissions, Revised Page 12 of 54 through Revised Page 15 of 54 (4 pages); and V. Evaluation Criteria, Revised Page 16 of 54 through Revised Page 17 of 54 (2 pages).

PUBLIC BUILDING COMMISSION OF CHICAGO
REQUEST FOR QUALIFICATIONS
INSURANCE BROKERAGE SERVICES - PS1826
III. NATURE OF SERVICES

Section 3.1 – Introduction

The Public Building Commission (also known as the PBC) is seeking Property/Casualty and Health Benefits Insurance Brokerage and Consulting Services to provide the Commission with various insurance broker and consulting services.

The PBC builds and renovates public facilities for governmental agencies in Chicago and Cook County. Created as an independent governmental unit, the PBC provides supervision for construction projects from the acquisition of land, through the various stages of construction – design, planning and actual building construction. Our clients include, but are not limited to, the City of Chicago, the Chicago Public Schools, the Chicago Public Library, the Chicago Park District, the City Colleges of Chicago, and Cook County.

Intent

The intent of the RFQ is to identify Brokers to design, market, place and administer broad insurance coverage at a reasonable cost. The PBC at its option may choose to retain one or more brokers to perform services. Consultants may respond for Property/Casualty services or Health Benefits services or both.

Consultants with demonstrated experience in this area, and with an interest in making their services available to the PBC, are invited to respond to this RFQ.

This RFQ is not an authorization to approach insurance markets on the PBC's behalf at this time. The PBC specifically requests that no contact or solicitation of insurance markets be made and that no insurance market reservation be made by or for any respondent with respect to insurance or related services to be provided for the PBC. Failure to comply with this request will be sufficient reason for disqualification of this RFQ.

Section 3.2. - Scope of Services

The broker will provide the PBC with various insurance broker services and consulting services consisting of the following generalized categories and descriptions. Services will include, but are not limited to, the following:

A. Property/Casualty Insurance Broker Services

1. Review and analyze operations and exposures;
2. Prepare applications and other insurance policy specifications, and review with PBC prior to submitting information to underwriters;
3. Design, market and implement coverage as follows at the most reasonable cost and broadest terms:
 - Liability (primary, excess, and umbrella);
 - Property;
 - Workers' Compensation;
 - Crime; and
 - Bonds.
4. In collaboration with the PBC's Director of Risk Management, develop a plan to establish activities, deliverables, and other matters pertinent to the requested services;

5. Identify those markets that are able to provide the insurance and services desired;
6. Develop the specification package for coverage in item C. above, presenting the risk exposure and other information in a form acceptable to underwriters;
7. Present insurance specifications to the marketplace, respond to underwriters' questions and provide additional information, if requested;
8. Receive and analyze underwriters' quotations. Determine whether they adhere to the specifications and that the premium quoted is fair and reasonable within the marketplace. Negotiate any changes and refinements on terms and/or conditions to obtain the most beneficial and cost-effective coverage available;
9. Submit insurance proposal to PBC's Director of Risk Management ninety (90) business days prior to expiration, or other timeline agreed to by the PBC Director of Risk Management, providing a cost analysis by line of coverage, a matrix comparison of PBC's insurance specifications with the insurance policies quoted, and a recommendation. Analysis must include copies of all policy forms and endorsements to be included in the issued policies;
10. Place coverage upon PBC's approval;
11. No later than five(5) business days prior to expiration, submit insurance binders to the PBC's Director of Risk Management that have been checked for coverage's terms, conditions, limits, deductibles, premiums, and carrier participation of each binder;
12. Provide an insurance summary of each line of insurance coverage, including but not limited to, effective dates, policy limits, insuring agreements, exclusions, annual premium (including surplus lines tax and other fees) and exposure basis;
13. Submit original (including surplus lines and stamping fees if applicable) policies and endorsements to the PBC within sixty (60) days of effective dates, or other timeline agreed to in writing by the PBC Director of Risk Management . Written report must be submitted for each policy bound outlining any errors, discrepancies or other inconsistencies from the final proposal and/or binders. Deviation from this deadline must be approved by the PBC and must include the reason for the delay with a revised timetable for receipt of the outstanding policies. All policy changes and/or corrections must be processed within thirty (30) days;
14. Receive review, coordinate, process and monitor all claims, transmit all support documents to insurers, and assist in settlement and payment of all claims;
15. Establish claim-reporting procedures including contact personnel names and phone numbers. Identify a claim coordinator and provide appropriate forms and instructions for use. (Such forms must have mailing address of primary recipients printed on them);
16. Assist PBC with resolution of claim and coverage issues;
17. Report quarterly, unless agreed to differently, the number of claims open, claims closed and total incurred values;
18. Place additional related insurance coverage when necessary;
19. Negotiate endorsements to policies as necessary;
20. Assist PBC with contractual insurance, bonding and indemnification provisions upon request. Review contractual insurance requirement templates annually and assist with specific requirements on special projects as necessary;
21. Perform safety and loss control inspections when necessary;
22. Issue required certificates of insurance when necessary;

23. Review, validate and approve all premium invoices and billings regarding insurance policies and endorsements;
24. Provide immediate notice to the PBC of any change in key personnel during the term of the contract. Replacement personnel must be identified and have the same qualifications;
25. Supply the PBC's Director of Risk Management with a written letter each month that clearly identifies all open/pending items for each line of coverage;
26. Prepare and submit written reports to PBC's Risk Management Office, as requested;
27. Respondent must place all insurance on a fixed-fee basis without commission. A fee will be negotiated with a successful Respondent upon notice of contract award. Upon recommendation of placement of any coverage with a carrier, Respondent must disclose any commission, contingencies, wholesale arrangements or other form of compensation for the Respondent or any other entity that would be generated by the placement of the coverage with the recommended market. Any common ownership interest between the Respondent and other involved entities must be disclosed at time of placement recommendation; and
28. Be available to answer questions and provide assistance to the PBC seven days per week, twenty-four hours a day should an emergency arise. Mobile phone numbers of key personnel are to be provided by the Respondent to the PBC.

B. Health Benefits Broker and Consulting Services

1. Review and analyze the PBC benefit plans and provide recommendations for improvement, options and cost savings;
2. Prepare request for proposals and/or applications for benefit plans and other insurance policy specifications, and review with PBC prior to submitting information to underwriters;
3. Design, market and implement coverage as follows at the most reasonable cost and broadest terms:
 - Health Plan
 - Prescription Drug
 - Dental Plan
 - Life Insurance/AD&D
 - Vision Insurance
 - Long-Term Disability
 - Short-Term Disability
 - Flexible Spending Account
 - Employee Assistance Plan
 - Other employee benefit plans
4. In collaboration with the PBC's Director of Human Resources, develop a plan to establish activities, deliverables, and other matters pertinent to the requested services;
5. Identify those markets that are able to provide the insurance and services desired;
6. Develop the specification package for coverage in item C. above, presenting the risk exposure and other information in a form acceptable to underwriters;

7. Present insurance specifications to the marketplace, respond to underwriters' questions and provide additional information, if requested;
8. Receive and analyze underwriters' quotations. Determine whether they adhere to the specifications and that the premium quoted is fair and reasonable within the marketplace. Negotiate any changes and refinements on terms and/or conditions to obtain the most beneficial and cost-effective coverage available;
9. Submit insurance proposal to PBC's Director of Human Resources, providing a cost analysis, a matrix comparison of PBC's insurance specifications with the insurance policies quoted, and a recommendation. Analysis must include copies of all policy forms and endorsements to be included in the issued policies;
10. Place coverage upon PBC's approval;
11. Provide an insurance summary of each line of insurance coverage, including but not limited to, effective dates, policy limits, insuring agreements, exclusions, annual premium (including surplus lines tax and other fees);
12. Provide ongoing assistance with benefit plans including contract review and plan description summaries for distribution to employees;
13. Submit original (including surplus lines and stamping fees if applicable) policies and endorsements to the PBC within sixty (60) days of effective dates, or other timeline agreed to in writing by the PBC Director of Human Resources. Written report must be submitted for each policy bound outlining any errors, discrepancies or other inconsistencies from the final proposal and/or binders. Deviation from this deadline must be approved by the PBC and must include the reason for the delay with a revised timetable for receipt of the outstanding policies. All policy changes and/or corrections must be processed within thirty (30) days;
14. Coordinate with carriers to resolve issues related to delivery, enrollment and other contract issues;
15. Advise on claim reporting procedures including contact personnel names and phone numbers. Identify a claim coordinator and provide appropriate forms and instructions for use;
16. Assist PBC with resolution of claim and coverage issues;
17. Place additional related insurance coverage when necessary;
18. Negotiate endorsements to policies as necessary;
19. Review, validate and approve all premium invoices and billings regarding insurance policies and endorsements;
20. Provide immediate notice to the PBC of any change in key personnel during the term of the contract. Replacement personnel must be identified and have the same qualifications;
21. Supply the PBC's Director of Human Resources with an annual report of services and issues;
22. Prepare quarterly status reports and an annual stewardship report and submit to PBC's Human Resources Office;
23. Advise on local, state and federal laws regarding benefit changes (i.e. cobra legislation, healthcare reform, etc.) and ensure the PBC has the necessary information to be compliant;
24. Respondent must place all insurance on a fixed-fee basis without commission. A fee will be negotiated with a successful Respondent upon notice of contract award. Upon recommendation of placement of any coverage with a carrier, Respondent must disclose any commission, contingencies, wholesale arrangements or other form of compensation for the Respondent or any other entity that would be generated by the placement of the coverage

with the recommended market. Any common ownership interest between the Respondent and other involved entities must be disclosed at time of placement recommendation; and

25. Be available to answer questions and provide assistance to the PBC seven days per week, twenty-four hours a day should an emergency arise. Mobile phone numbers of key personnel are to be provided by the Respondent to the PBC.

Section 3.3 - Term of the Agreement

The initial contract term will be three (3) years from the date on which the PBC awards a contract. In addition, the PBC may elect to extend the contract for up to two (2) additional one-year periods.

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**REQUEST FOR QUALIFICATIONS
INSURANCE BROKERAGE SERVICES
PS1826**

IV. INSTRUCTIONS FOR PREPARING AND SUBMITTING SUBMISSIONS

SECTION 4.1 - GENERAL INSTRUCTIONS:

- A. These instructions prescribe the format and content of the Submission. They are designed to facilitate a fair and uniform review process. Failure to adhere to this format will affect the PBC's evaluation and may result in disqualification of the Submission. However, the PBC reserves the right to reject or accept any submittals for any reason whatsoever.
- B. Submittals should be bound on the long side and prepared on standard 8½" x 11" letter size paper, with two-sided material only. Separate each section by labeled tabs and organize in accordance with submittal requirements listed below. Expensive papers and bindings are discouraged since no materials will be returned. Of the five (5) submittals, at least one (1) must contain original signatures and be marked **ORIGINAL**, one (1) must be submitted without any binding so as to facilitate additional copying by the PBC as required plus one (1) must be in electronic format on a CD-ROM. Failure to submit the required number of copies may prevent the Submission from being evaluated within the allotted time.
- C. The PBC reserves the right to seek clarification of information submitted in response to this RFQ during the evaluation and selection process. The Evaluation Committee (the "Committee") may solicit from previous clients (including the PBC, the City of Chicago, other government agencies, or any other available sources) relevant information concerning the firm's record of past performance.
- D. Attachments must be referenced in the Submission.
- E. Failure to submit the required documents may deem your firm non-responsive.

The outside of each envelope or package must be addressed and returned to:

Public Building Commission of Chicago
Insurance Brokerage Services
PS1826
Richard J. Daley Center, Room 200
50 W. Washington Street
Chicago, Illinois 60602
Attention: Gary S. Bell – Contract Officer

SECTION 4.2 - SUBMITTAL REQUIREMENTS

The following documents and responses shall be included in the submission and tabbed as such in the order given below.

SECTION 4.3 - TECHNICAL SUBMISSION

- A. **TRANSMITTAL LETTER:** An individual authorized to legally bind the Respondent must sign the transmittal letter. The person who signs the transmittal letter will be considered the contact person for all matters pertaining to the Submittal unless the Respondent designates another person in writing. The letter must include the Respondent's mailing address, e-mail address, fax number and telephone number.

The Transmittal Letter must identify all firms on the Broker team. MBE and WBE firms included in the team must be specifically identified as such. The Respondent must indicate that it is prepared to enter into an agreement in the form being offered. Attachment F – Form of Agreement contains the standard Terms and Conditions of the agreement which are not subject to negotiation. Respondent must commit to meet or exceed the M/WBE goals set forth in the Agreement.

Respondent must acknowledge any addenda issued and posted to the following website link www.pbcchicago.com.

B. TABLE OF CONTENTS: The Respondent shall include a table of contents in its Submission. Submissions must be page numbered sequentially from front to back.

C. EXECUTIVE SUMMARY: The Respondent must prepare an Executive Summary and overview of the services it is proposing including all of the following information:

1. Demonstrate that the Respondent understands the services as specified in the RFQ and how they plan to deliver the required services. Respondent must indicate if they are interested in providing Property/Casualty services, Health Benefit services or both. Please limit to one page.

2. Organizational Overview

Describe the Respondent's business history and qualifications to deliver the Scope of Services., include:

- i. Business location(s) and contact information;
- ii. Ownership and structure information such as form of business entity (e.g., sole proprietorship, partnership, or corporation) and identity of owners, partners, or major shareholders. See Attachment A for Disclosure Affidavit;
- iii. Length of time in business;
- iv. Brief history of firm including size and any specialty areas;
- v. Any pending agreements to merge or sell your firm; and
- vi. Describe your organization's ethics policy in regards to commissions, fees and relationships to markets.

3. Minority and Women Owned Business Enterprises

The PBC affirmative action requirements are set forth with particularity in Attachment C, "Special Conditions Regarding the Utilization of Minority and Women Owned Business Enterprises". The Respondent is required to make a statement of understanding and commitment to comply with the aforementioned Special Conditions. The attachment includes various affidavits, certifications and other reporting forms to be completed by the Respondent.

D. QUALIFICATIONS OF THE RESPONDENT

1. Describe your organization's professional qualifications and specialized experience which best positions your firm to provide services to the PBC;
2. Provide an organizational chart which best describes your proposed personnel structure who will be dedicated to the PBC;
3. Copies of all necessary licenses, including evidence of licensure for a minimum of 5 years in the State of Illinois to market property and casualty insurance;
4. Identify and provide a brief description of currently utilized technologies;
5. List at least three (3) references for Property / Casualty Insurance Brokerage Services and / or three (3) references for Health Benefits Brokerage and Consulting Services to which Respondent is submitting for consideration. If Respondent is requesting to be considered for both scope of services they must submit at least six (6) references. References must have been clients of the Respondent within the past three years that are similar in size and scope to the PBC's requested services. References must include a contact name, address, telephone number and email address along with a summary of the services provided; and
6. Describe any personal or business relationships, liabilities or other factors that might become or constitute a potential, apparent or actual conflict of interest in rendering services to the PBC.

E. INSURANCE MARKETS

1. Identify and describe likely markets and discuss why your firm is best positioned to represent the PBC with these markets. Describe your relationships with potential insurance carriers and brokers that may be used on the PBC's account. If a market is not directly accessible by the Respondent, include your plan to access that market; and
2. Describe how your firm evaluates the financial stability of insurers and any minimum standards placed on insurers.

F. KEY PERSONNEL

1. Demonstrate the availability and strengths of key personnel and staffing with work experience relevant to the work of the PBC;
2. Name each team member, specific role, experience and qualifications such as education, training and job performance. Include resumes and pertinent experience; and
3. Copies of current licenses for all key personnel.

G. PROJECT APPROACH

Respondent must describe its approach to the property/casualty insurance brokering process, the health benefits brokering and consulting process or both. Demonstrate procedures utilized to ensure quality service will be delivered on behalf of the PBC. Those respondents submitting for health benefits brokering and consulting must include a timeline that demonstrates the necessary milestones for a January 1, 2011 program inception.

H. FINANCIAL STRENGTH

The Respondent shall furnish audited financial statements, such as balance sheets and/or profit and loss statements, for the last three (3) years demonstrating that the Respondent has the financial viability and ability to perform the Services. The PBC reserves the right to request additional information. The Respondent shall also submit annual reports and a written disclosure advising of any pending litigation against the Respondent that may have a material effect in Respondent ability to provide the Services.

I. REQUIRED FORMS:

1. ATTACHMENT A - DISCLOSURE AFFIDAVIT

- a. Copy of Disclosure of Ownership;
- b. Copy of current MBE/WBE certification letter (if applicable);
- c. Copy of each applicable license;
- d. Copy of sample current insurance certificate and statement of ability to comply with insurance requirements identified in Attachment D; and
- e. Anti-Collusion.

2. ATTACHMENT B – LEGAL ACTIONS

3. ATTACHMENT C – SPECIAL CONDITIONS FOR M/WBE UTILIZATION

4. ATTACHMENT D – INSURANCE REQUIREMENTS

5. ATTACHMENT E - DISCLOSURE OF RETAINED PARTIES

6. ATTACHMENT F - FORM OF AGREEMENT

SECTION 4.4 - REJECTION OF SUBMITTALS

Submittals that do not comply with the submittal requirements of the RFQ, or that contain omissions, erasures, alterations or additions not called for, or that are irregular in any way, may be rejected as informal and insufficient. The PBC, however, reserves the right to waive any or all informalities when it considers a waiver to be in its and the public's best interest.

SECTION 4.5 - OWNERSHIP OF SUBMITTALS

The PBC owns all submitted materials. Submittals will not be returned to Respondents. During the evaluation and selection period and after the Selected Respondent(s) sign the Agreement(s), all Submittals remain the property of the PBC. The PBC shall not be responsible for expenses incurred in preparing and submitting the Submittal. Such costs shall not be included in the Submittal.

SECTION 4.6 - IMPROPER PRACTICES

The Respondent shall not offer any gratuities, favors, or anything of monetary value to any member of the Board of Commissioners of the PBC, official, employee or agent of the PBC for the purpose of influencing consideration of the Submittal. The Respondent shall not collude in any manner or engage in any practices with any other Respondent(s) or potential Respondent(s) that may restrict or eliminate competition or otherwise restrain trade. Violation of this instruction will cause the Respondents' response to this RFQ to be rejected by the PBC. Notwithstanding the foregoing, this prohibition is not intended to preclude joint ventures, licenses or subcontracts.

SECTION 4.7 - COMPLIANCE WITH LAWS

The Selected Respondent must comply with all laws, statutes, ordinances and regulations of any governmental body, including the PBC and Federal, state, local and city governments. Respondents' attention is directed to the provisions of Article 33E of the Illinois Criminal Code, 720 ILCS 5/33E-1 et seq. (as amended), but Respondent's must comply with any other provisions that apply to or in any manner affect any Services performed under the Agreement.

SECTION 4.8 – RESPONSIVENESS

Respondent's completion and execution of all required forms and the Respondent's compliance with all submission requirements.

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V. EVALUATION CRITERIA

SECTION 5.1 - SELECTION PROCESS

An Evaluation Committee (the "Committee") will review the Respondent's qualifications in accordance with submittal requirements and evaluation criteria set forth below and may recommend a short list of Respondents to the PBC Executive Director. At the Executive Director's discretion, short-listed Respondents may be invited to make oral presentations to the Committee after which the Committee will then summarize the evaluation process and results and submit its recommendation to the Executive Director. The Executive Director will make a final determination and request approval from PBC Board of Commissioners.

The PBC reserves the right to seek clarification of information submitted in response to this RFQ and/or request additional information during the evaluation process. The PBC reserves the right to accept or reject any or all qualifications and selections when it is determined, at the sole discretion of the Executive Director, to be in the best interest of the PBC.

Cancellation: The PBC reserves the right to terminate this procurement at any stage if the Executive Director determines it to be in the best interest of the PBC. In no event is the PBC liable to Respondents for any cost or damages incurred by Respondents, sub-consultants, or other interested parties in connection with the selection process, including but not limited to any and all costs of preparing the Request for Qualification and participation in any conferences, oral presentations or negotiations.

SECTION 5.2 - EVALUATION CRITERIA

The Evaluation Committee will review the qualifications in accordance with the following criteria:

A. EXPERIENCE AND PAST PERFORMANCE

The depth, breadth and relevance of Respondent's experience capabilities and resources of both the firm and team members.

B. QUALIFICATIONS OF ORGANIZATION

1. Respondent's demonstrated understanding of the services required and ability to identify appropriate personnel for the services required as evidenced by an organization chart indicating key personnel who will be assigned to the PBC and the responsibility each will have in the performance of the services;
2. Evidence of Respondent's valid business and Broker licenses; and
3. References.

C. INSURANCE MARKETS

1. Evidence of Respondent's relationship with key insurance markets; and
2. The PBC will evaluate the Respondent's processes for evaluating and recommending insurers.

D. QUALIFICATIONS OF KEY PERSONNEL

1. Qualifications of key staff, including education, training, job performance, and previous experience with similar risks in providing services;
2. The Respondent's proposed management and personnel structure for the PBC risk; and
3. Evidence of appropriate licensing and training of key personnel.

E. PROJECT APPROACH

The PBC will evaluate the Respondent's plan to assure that quality broker and consulting services are delivered.

F. FINANCIAL STRENGTH

The PBC will evaluate the Respondent's demonstrated financial stability, as evidenced in the documents and references provided in Respondent's submittal.

G. MBE/WBE UTILIZATION PLAN

The quality of the Respondent's statement of understanding and commitment to comply with the PBC's Special Conditions found in Attachment C.

H. INSURANCE REQUIREMENTS

The PBC will assess each Respondent's ability to procure and comply with the amounts of insurance coverage that is indicated in Attachment D - Insurance Requirements and its responsiveness to the affidavit to guarantee compliance with requirements.

I. CONTRACT TERMS AND CONDITIONS

Evidence of the Respondent's understanding of the PBC's standard terms and conditions found in Attachment F, "Form of Agreement" to this RFQ. These terms and conditions are required by the PBC's intergovernmental agreement with its User Agency client, and are not negotiable.

J. RFQ COMPLIANCE / RESPONSIVENESS

PBC will review the quality, completeness and comprehensiveness of response to this RFQ and compliance with each of the submittal requirements.

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