

# **CITY OF LOS ANGELES**



## **REQUEST FOR QUALIFICATIONS RISK MANAGEMENT CONSULTANT SERVICES**

**MAY 31, 2017**

## **I. INTRODUCTION AND BACKGROUND**

### **1. Invitation**

The City of Los Angeles is seeking qualified consultants to provide technical and expert risk management consulting services of a temporary and occasional nature on an as-needed basis. Such services will consist generally of actuarial studies, studies and risk analyses of contracts and leases, review of insurance coverages for City property and operations, and other related activities, which in the opinion of the Director of Risk Management, require the advice and services of an expert consultant (see Section IV, “Scope of Work” and Section VII, “Evaluation and Selection Criteria”).

As a result of this Request for Qualifications (RFQ), the City intends to award a contract to the selected Consultant(s), subject to approval of the City Attorney as to form, and the approval of the Mayor. This RFQ and the Consultant’s qualifications will be incorporated into that contract. The contract will provide for the Scope of Work to be performed on an as-needed, hourly rate basis at an annual cost not to exceed \$50,000 per year for a period of three years.

All Proposals submitted in response to this RFQ will be retained by the City.

Any revision or amendments to this RFQ will be distributed in writing to the parties who are on record as recipients of the original RFQ.

**Questions regarding the information contained within this RFQ may be submitted by Wednesday, June 7, 2017 via e-mail to:**

**Scott Goldstein  
Risk Manager  
scott.goldstein@lacity.org**

Please identify the RFQ title on the subject line of your message. To ensure the fair and consistent distribution of information, all questions will be answered by a Question-and-Answer (Q&A) document available on the CAO Risk Management website at <http://www.lacity.org/cao/risk/index.htm> on or about May 31, 2017. No individual answers will be given. If you do not have access to the Internet, the Q&A document will be available or by pick-up at the address in Section XIV herein.

The City, in its review and evaluation of Qualifications, reserves the right to:

- Reject any or all responses submitted.
- Withdraw or cancel the RFQ.
- Accept or reject any portion of any Qualifications received.

- Waive any irregularities in any Qualifications received and issue subsequent RFQs.
- Negotiate with any or none of the Consultants.
- Waive any and all formalities, if such is determined to be in the City's best interest.
- Interview any or all respondents to this RFQ or to award a contract to the selected Consultant(s) on the basis of the written Qualifications only, without any interviews. Should the City determine that additional information is needed beyond that provided in the Qualifications to select the successful Consultant(s), the City may invite the top Qualifications to make oral and/or written presentations. Such presentations, if necessary, will be conducted on or before **July 14, 2017**.

## **2. City of Los Angeles - General Background**

The City of Los Angeles is the second most populous city in the United States with an estimated population of approximately 4 million persons. Los Angeles is the principal city of a metropolitan region stretching from the City of Ventura to the north, the City of San Clemente to the south, the City of San Bernardino to the east, and the Pacific Ocean to the west. The City's 470 square miles contain 11.5 percent of the area and 39.1 percent of the population of the County of Los Angeles.

As Executive Officer, the Mayor supervises the administrative process of the City and works with the Council in matters relating to legislation, budget and finance. As governing body of the City, the 15 member, full-time Council enacts ordinances, levies taxes, approves utility rates, authorizes contracts and public improvements, adopts zoning and other land use controls and provides the necessary resources for the budgetary departments and offices of the City.

Public services provided by the City's approximately 46,000 employees include: police, fire and paramedics, residential refuse collection and disposal, wastewater collection and treatment, street maintenance and other public works functions, enforcement of ordinances and statutes relating to building safety, public libraries, recreation and parks, community development, housing and aging services, planning, airports, harbor, power and water services, and convention center.

The City Administrative Officer is the chief financial advisor to the Mayor and Council, reporting directly to both. This Office assists the Mayor and Council in the preparation of the City budget, forecasts and manages revenue projections, manages the City's debt program, represents the City in the negotiation of all labor contracts, directs the development of work programs and standards and manages the City's risk management program.

The Risk Management team in the Office of the City Administrative Officer (CAO-Risk Management) manages the central risk management function for the City. CAO-Risk

Management provides Citywide risk management services, including loss prevention and control, claims management and analysis, insurance and bonds compliance, insurance procurement, and small contractor insurance and bond programs. Learn more by going to the City’s Risk Management website at: <http://cao.lacity.org/risk/index.htm>.

**3. Risk Financing / Claims Handling**

The City is self-insured for workers’ compensation and most liability and property exposures. Most tort claims and losses are paid from the City’s operating budget. Multi-million dollar claims are paid through the use of judgment bonds. Commercial insurance is purchased only when it is legally required, contractually required or has been judged to be the most cost-effective way to transfer risk. Premiums for current property (structures and equipment), liability and fidelity coverages are approximately \$2.2 million annually. Workers’ compensation is self-funded and administered by City staff and defended by in-house counsel. Insured property values exceed \$5.0 billion.

**II. KEY DATES**

The following table shows the City’s key dates and events for this RFQ (\*dates subject to change):

<b>Key Dates</b>	<b>Events</b>
June 7, 2017	Last day for Consultants to submit questions.
June 16, 2017	Qualifications due from Consultants.
July 10-14, 2017*	Interviews of and/or written presentations by selected Proposer(s) if City determines that they will be required.
August 8, 2017*	Consultant(s) selected and Agreement(s) executed.
August 28, 2017*	Agreement(s) becomes effective.

**III. CONTRACTUAL REQUIREMENTS**

Proposers are required to comply with the following City contracting policies. The documents labeled Exhibits H and I must be completed and submitted with Proposals, if not already on file with the City. If these documents are already on file, Proposers should so indicate in its response.

- 1. City of Los Angeles Standard Provisions for City Contracts (Rev. 03/09; Exhibit B)** shall be incorporated into the contract(s) awarded.

**2. Insurance Requirements (Exhibit 1)**

The Consultant(s) shall be required to maintain in full force and effect during the contract period, insurance as identified in this RFQ.

This insurance information is provided for general guidance in formulating a response to the RFQ. Standard insurance requirements which the City will accept are included in Exhibit B. Actual coverages and limits to be required may be modified in accordance with prevailing laws and circumstances at the time the contract is finalized. Evidence of coverage need not be included with the Qualifications submitted, but must be submitted and approved before a contract can be awarded. For further information, visit the City's Risk Management website at [www.lacity.org/cao/risk](http://www.lacity.org/cao/risk).

**3. City of Los Angeles Business Tax Registration Certificate (Exhibit C)**

The Consultant(s) must obtain a Business Tax Registration Certificate, if not holding one currently, as required by the City's Business Tax Ordinance (Article 1, Chapter 2, Section 21.00 and following, of the Los Angeles Municipal Code). For further information, please call the City's Office of Finance at (844) 663-4411 or visit its website at [www.finance.lacity.org](http://www.finance.lacity.org).

**4. Affirmative Action Statement (Exhibit E)**

The Consultant(s) shall comply with the applicable nondiscrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the City of Los Angeles. In performing the contract, the Consultant(s) shall not discriminate in its employment because of any person's race, religion, national origin, ancestry, sex, sexual orientation, age or physical handicap.

**5. Child Care Provisions (Exhibits H & I)**

It is the policy of the City of Los Angeles to encourage businesses to adopt child care policies and practices. To the extent allowed by law, respondents with stated child care policies shall receive preference in contracting with the City. Preference for a Consultant with a stated child care policy would be offered only in the following situations:

- a. Where two or more respondents make equal Qualifications (same price for the same goods or services);
- b. On contracts of less than \$25,000; or
- c. On contracts for occasional and temporary personal services.

**6. City's Property**

All contracted work items produced by the Consultant(s) for the City shall become the property of the City of Angeles.

#### **IV. SCOPE OF WORK**

As a result of the RFQ, the City of Los Angeles intends to select one or more Consultants who will perform the following on an hourly, as-needed basis for three years.

1. Conduct actuarial studies of workers' compensation and tort liability in order to ensure compliance with GASB Rule 10. This compliance is part of the City's annual financial report prepared by the Controller's Office and audited by outside independent accountants.
2. Provide professional technical expertise, competence, and varied experience on an as-needed basis in risk management consulting and technology for public entities, including, but not limited to, studies and analyses of risk financing, risk control, loss exposures, claims management, and insurance coverages affecting the City's property, services, liability, including workers' compensation, risk management plan/program and construction activities.
3. Review various contracts, leases and/or license agreements which the City proposes to enter and advise the City on the feasibility and desirability of indemnity agreements and insurance requirements to be imposed on each party commensurate with the risk involved. Assist, as requested, in negotiating these matters with potential proposers and contractors.
4. Advise on adequacy of qualifications for brokerage services, insurance policies, and other related services to be provided for City. Provide detailed analysis of insurance policies, financial solvency of insurance carriers and self insureds with whom the City does business.
5. Assist in preparing underwriting specifications, requests for qualifications for contractors/consultants in the risk management and insurance fields and review and advise on submissions received from such contractors/consultants or insurance providers.
6. Contractor(s) to provide quality assurance of consolidation of the City's property insurance program.
7. Contractors will also conduct special studies or projects as requested by Council. Past studies have included risk financing alternatives for the City's workers' compensation system and a risk management information system needs analysis.
8. Commence the necessary work and services immediately upon being requested by the Director of Risk Management or his/her designee and thereupon prosecute such work and perform such services with reasonable diligence and dispatch.

## **V. TERM**

Contracts executed pursuant to the RFQ may be for a term up to three (3) years from the date of execution unless amended in writing.

## **VI. COMPENSATION**

The Consultant(s) shall submit an invoice for payment each month for work completed in the proceeding month. Each invoice submitted shall delineate activity as follows: hours worked, task performed, hourly rate, and total amount due. Invoices will be paid in a timely manner after verification and approval of the work performed.

All additions or changes to the Scope of Work require prior written authorization by the City. Any charges or fees for additional services will be negotiated with the Consultant and included in the contract by written amendment.

## **VII. EVALUATION AND SELECTION CRITERIA**

The City will select the Consultant for this project based in part on cost (hourly rate proposed), but primarily on the Proposer's ability, experience and knowledge in the following areas:

### **1. Education**

Associate in Risk Management certification or equivalent, CPCU certificate or equivalent, and Bachelor of Arts/Science Degree in related field. Additional professional education is desired.

### **2. Experience**

At least ten (10) years of experience as a paid risk manager or risk management consultant including:

- **Risk Financing/Insurance** – At least five (5) years of experience in property, liability and fidelity insurance negotiation and placement for large public entities (including, without limitation, auto, aviation, course of construction, general, honesty/faithful performance, inland marine, marine, public officials and other professional liability exposure); knowledge of and experience in drafting underwriting specifications, policy development, reviewing coverage forms and endorsements, reviewing insurance company ratings; experience with large construction projects and owner-controlled insurance programs; knowledge of self-administered risk retention/self-insurance programs and captive insurance companies.

- **Risk Control** – Experience in risk identification and analysis; loss prevention and control techniques; developing indemnity and insurance requirements for contractors, vendors, lessees, permittees and franchisees (including taxicabs and pipelines) of public agencies.
- **Claims Management** – Experience in processing, adjusting and auditing property, liability and workers’ compensation claims; and monitoring third party administrators and contract claims adjusters.
- **Administration** – Experience in preparing, administering, reviewing and evaluating requests for proposals from and contracts with insurance brokers and industry-related consultants and vendors, including auditors and actuaries; knowledge of and experience with various risk management information systems.

**It is recognized by the City that the services and qualifications listed above may be subcontracted; however, the prime Consultant will still be responsible for all work product and compliance with all City Standard Provisions and requirements.**

#### **VIII. SUBMITTALS REQUIRED WITH PROPOSAL**

In addition to the materials indicated in Section III, “Contractual Requirements,” all Proposers must submit the following with their Proposal by the due date specified herein. The preferred format is standard, letter-size (8 ½ x 11”) paper. Elaborate binders and extraneous promotional materials are discouraged.

To be considered responsive to this solicitation, proposals must complete responses to all items requested in this RFQ, including completed responses to the Standard Provisions for City Contracts (see Exhibits):

- City Business Tax Registration Certificate and/or Vendor Registration Number
- Evidence of Insurance
- Affirmative Action Program
- Equal Benefits Ordinance
- Slavery Disclosure Ordinance
- Child Care Declaration Statement
- Child Support Ordinance
- Contractor Responsibility Ordinance and Affidavit of Non-Collusion compliance
- Municipal Lobbying Ordinance
- Bidder Certification CEC Form 50, Form 55 – City Ethics Commission

Failure to include satisfactory responses to these items may result in the City rejecting such proposals as non-responsive.



**1. COVER LETTER**

All Qualifications submitted should begin with a cover letter which must include the name, title, address, telephone number, and email address of the person or persons who will be authorized to represent the Consultant, if not the Consultant him/herself. The letter must be signed by the person authorized to bind the firm or individual to all commitments made in the Qualifications submitted.

**2. PROPERTY OF CITY / PROPRIETARY MATERIAL**

All Qualifications submitted response to this RFP shall become the property of the City of Los Angeles and subject to the State of California Public Records Act. Proposers must identify all copyrighted material, trade secrets or other proprietary information that the Proposers claim are exempt from the California Public Records Act (California Government Code Section 6350, et seq.).

In the event a Consultant claims such an exemption, the Consultant is required to state in the Qualifications the following: “The Consultant will indemnify the City and its officers, employees and agents, and hold them harmless from any claim or liability and defend any action brought against them for their refusal to disclose copyrighted materials, trade secrets or other proprietary therefore.”

Failure to include such a statement shall constitute a waiver of a Consultant’s right to exemption from this disclosure.

**3. CONSULTANT’S RESUME**

Each Qualifications submitted must include a resume highlighting the Consultant’s education and experience as they relate to the Evaluations and Selection Criteria (see Section VII).

**4. REFERENCES**

Submit at least three (3) client references with addresses and telephone numbers of organizations comparable in size or complexity to the City.

**5. FEE SCHEDULE**

All Qualifications submitted must quote the Consultant’s hourly fee rate to perform the entire Scope of Work described herein, inclusive of all personnel, materials, services, taxes, etc. Proposed costs may be compared against other Consultants’ costs and to independent cost estimates. The lowest cost proposer may not be selected when all the evaluation and selection criteria have been considered.

**IX. DUE DATE**

To be considered, Consultants must submit and deliver five (5) copies of their Qualifications, including at least one reproducible copy which may be in electronic format, **no later than 3:00 p.m., PST, Friday, June 16, 2017 to the following address:**

**Risk Management Consultant Services Request For Qualifications (RFQ)**

Office of the City Administrative Officer  
Risk Management Division  
City of Los Angeles  
City Hall East  
200 North Main Street, Room 1240  
Los Angeles, CA 90012

**X. QUALIFICATIONS REVIEW PROCESS**

The Qualifications review process shall include the following major activities to ensure that the process meets audit standards:

1. All Qualifications shall be reviewed to determine that the minimum eligibility requirements have been met. Ineligible Consultants will be informed in writing.
2. All eligible Qualifications shall be reviewed, scored, and marked.
3. All eligible Qualifications shall be reviewed for costs that are reasonable.
4. At the City's sole discretion, oral interviews and/or presentations may be held with top scoring Consultants. The results of the oral interviews and/or presentations will determine the final City recommendations to select Consultants.
5. Consultants will be notified in writing about contract recommendations.

**XI. APPEAL PROCESS**

All Consultants who submit a response to the RFQ shall have the opportunity to appeal the City's recommendations in the event that a Consultant is not selected. Information on the appeals process and timeline will be specified in a written notice to all Consultants who respond to this RFQ.

Exhibits