October 22, 2021

Dear Sir/Madam:

Enclosed please find Addendum No. 2 for SEPTA’s RFP No. 21-00144-ACAC for Insurance Brokerage & Risk Management Services, 2021.

Addendum No. 2 must be acknowledged by completing the Addendum Acknowledgement Form and submitting the Form with your Technical Proposal.

This Addendum is for revisions made to the Scope of Services section, which is attached.

Any inquiries regarding this Addendum must be directed to Carolyn Caruso of the Procurement, Supply Chain & DBE Department at 215-580-7599, CCaruso@SEPTA.org. Thank you for your interest in the Authority.

Sincerely,

Carolyn Caruso

Carolyn Caruso
Contract Administrator
Procurement, Supply Chain & DBE
SEPTA’s RFP No. 21-00144-ACAC – Insurance Brokerage & Risk Management Services, 2021

The attached addendum to the Contract Documents is hereby part of the same and is incorporated in full as part of the Project. Proposer shall acknowledge Addendum No. 2 by completing and returning this Addendum Acknowledgement Sheet with the Technical Proposal.

FIRM NAME (typed or printed) ______________________________

AUTHORIZED SIGNATURE _______________________________

TITLE _________________________________

NAME (typed or printed) ___________________________________

DATE_____________________

Addendum No. 2 Includes:

1.) Attachments: Scope of Services.
Attachments
Scope of Services

for

Insurance Brokerage and Risk Management Consultant Services
SCOPE OF SERVICES

Insurance Brokerage and Risk Management Consultant Services

General
The Southeastern Pennsylvania Transportation Authority (SEPTA) is the Nation’s 6th largest provider of Public Transportation service in the City of Philadelphia and the five surrounding Counties in Southeastern Pennsylvania and also provides service to residence of New Jersey and Delaware. SEPTA provides bus, trolley, subway, and commuter rail services. SEPTA employees over 9,500 union and non-union employees.

SEPTA’s Risk Management Department is seeking an Insurance Brokerage and Risk Management Consultant Services for a base contract period of three years with two one-year options to be exercised at SEPTA’s sole discretion, for a total of five years (base plus option if exercised).

The Scope of Services includes Risk Management Consulting services to support SEPTA’s Risk Transfer, Retention, and Risk Control strategies. Consultant must have proven experience in the following areas which include but are not limited to: Owner Controlled Insurance Programs (OCIPs), Claims Management and Advocacy, Loss Control services (to include Property and Casualty, Cyber Liability, Fiduciary, and Employment Practices). Consultant must demonstrate a minimum 10 years of experience placing insurance in the London and Bermuda markets. Consultant will report to SEPTA’s Chief Risk Officer or their designee.

Consultant must have a minimum of 10 years of demonstrated experience in the Commuter Rail and Public Transportation industries.

The Consultant will provide overall consulting, marketing, placement, completion of new and renewal applications and negotiations for the placement for new insurance, renewal of insurance, and/or self-insured applications & status for both domestic and international markets. The Consultant shall provide an account team of specialized Risk Management professionals and licensed Insurance Brokers to maintain accuracy, completeness, terms and conditions of all policies, self-insurance guidance, preparation and presentations. The Consultant shall be responsible for the invoicing of all applicable insurance policies and provide an Annual Stewardship Report for all existing and potential risk of insurance and/or transfer.

Service and Administration
1. The Consultant will be responsible for a comprehensive analysis of the various risks facing SEPTA and make recommendations with respect to Risk Transfer, Risk Retention, and Risk Control initiatives.

2. Consultant will provide insurance market analysis with respect to availability and coverage terms, conditions and policy options and their applicability to Southeastern Pennsylvania Transportation Authority’s needs.
3. Consultant will prepare an annual projection of insurance cost so that SEPTA can prepare its annual budget. This analysis must be received by January 31st of each year.

4. Consultant will identify new and emerging risks and make recommendations to SEPTA regarding strategies to transfer the risk via insurance placement, retain the risk via self-insurance, or a combination of both. Consultant will provide recommendations regarding loss control measures for identified risks.

5. The Consultant will be responsible for the investigation and evaluation of the financial stability of all existing and potential insurance carriers. Southeastern Pennsylvania Transportation Authority (SEPTA) is statutorily obligated to procure insurance coverage from A.M. Best A-rated carrier or better. The Consultant shall submit a report on the financial viability of the insurance carrier(s) to the Program Manager, Insurance and Risk Control at the time the quotations are submitted to the Risk Management Staff for approval and recommendation to the General Manager and the SEPTA Board.

6. The Consultant will be responsible for the maintenance and administration of all insurance policies including, but not limited to, the review of premium audit statements, policy changes, self-insurance, and where applicable, issuance of certificates and/or endorsements of insurance.

7. The Consultant will provide a report on insurance markets developments and/or concepts to SEPTA’s Chief Risk Officer or their designee upon request. This can also include an Annual Stewardship Report with narratives, descriptions, charts, feasibility studies – including, but not limited to, major issues encountered, progress, resolutions, foreseeable developments, trends, and risk financing.

8. The Consultant will be responsible for scheduling risk management working sessions with underwriters, risk control personnel, claims management personnel, and other representatives of insurers whose activities involve SEPTA’s risk control and insurance programs upon request. This includes the Bermuda and London Markets.

9. The Consultant will provide technical support services, by qualified specialists, to include, but not limited to, claims management, bond placements (excluding financial surety), and safety, upon request.

10. The Consultant will be responsible for conducting meetings monthly regarding risk control and insurance matters and maintaining accurate minutes of the meetings. Draft minutes for a monthly meeting 5 business days prior. Final meeting minutes are subject to the approval of the SEPTA’s Risk Management staff and will be submitted for approval no later than 10 business days after the meeting.

11. The Consultant is required to provide current information for updating insured values for any property insurance marketing and policies.

12. The Consultant is responsible for performing insurance evaluations for SEPTA
construction projects, Consultants, contracts, and various procurements.

13. The Consultant will be responsible to conduct annual Claims Audits and attend quarterly TPA Claim Review meetings.

**Marketing and Placement of Coverages**

1. The Consultant will be responsible for the solicitation of competitive quotations for all insurance renewals, both domestic and international. And provide a report of the results of the solicitation as the markets respond to the policy expiration date in question.

2. All insurance quotations, specifications and underwriting data will be jointly prepared by the Consultant and members of the SEPTA Risk Management Department and subject to the approval of the General Counsel, or his designee. This includes but is not limited to the selection of competitive markets and carriers.

3. The Consultant will review insurance binders, policies, and endorsements upon receipt to verify confirmation to the specifications and negotiations, and request and monitor changes as required or directed by the Program Manager, Insurance and Risk Control.

4. For each insurance placement with policy and/or premium, SEPTA should receive a formal written letter of recommendation with the complete market results no later than 53 calendar days prior to the inception. Insurance carrier quotes should be not less than 60 calendar days prior to inception so that the Consultant can review and/or negotiate terms and conditions. The written recommendation letter shall include new or renewal options, coverage, terms, conditions, premium(s), markets quoted and/or denied (with reasons), underwriter’s rating and recommendation.

5. If an Owner Control Insurance Program is developed, the Consultant will submit a separate proposal to the Chief Risk Officer or their designee for additional compensation to be considered.

**Risk Control Services**

1. The Consultant will be responsible for timely responses for both routine, specialized, and catastrophic events in matters of Risk Control for fire, life safety, and property conservation. Consultant must budget for 160 man hours of labor to support SEPTA in the area of Risk Control for fire, life safety, and property conservation.

2. Provide SEPTA the necessary Risk Control resources, including OSHA training, as requested, to assist SEPTA in the development and maintenance of a comprehensive construction safety oversight that will keep pace with SEPTA’s changing and ongoing risk profile.

3. The Consultant will be responsible for the development and presentation of alternative risk treatment methodologies in matters related to Risk Control and Insurance.
**Worker’s Compensation**

1. The Consultant is to perform a reserve analysis of SEPTA’s Workers’ Compensation exposure for Medical, Indemnity, and Expense.

2. The Consultant will collect all loss and exposure data along with Insurance and Self-Insurance programs.

3. The Consultant will compile and draft a report that will be clear and concise in presenting conclusions and recommendations along with a peer review.

4. The Consultant will present and discuss the report with SEPTA for any corrections or updating. 5. The Vendor will issue the final report with data and signatures.