

**REQUEST FOR QUALIFICATIONS (RFQ) NO. 10-002
FOR
INSURANCE BROKERAGE AND RISK MANAGEMENT CONSULTING SERVICES**

The San Francisco Bay Area Water Emergency Transportation WETA (WETA) is issuing this Request for Qualifications (RFQ) for Insurance Brokerage and Risk Management Consulting Services.

I. INTRODUCTION

The San Francisco Bay Area Water Emergency Transportation WETA (WETA) is a regional agency mandated to develop and operate a regional ferry system that connects communities and increases regional mobility. WETA's priorities are to consolidate Alameda and Vallejo ferry services under WETA and to add new ferry routes consistent with the provisions of the Transition Plan and to coordinate all waterborne emergency response activities consistent with the Emergency Water Transportation System Management Plan.

A. PURPOSE OF RFQ

The purpose of this Request for Qualifications is to obtain statement of qualifications and proposals from qualified companies to be an insurance broker/consultant on behalf of the WETA for its various risk management needs.

In accordance with all applicable federal, state and local regulations and ordinances, the following procedures are designed to foster fair and open competition and to obtain goods and services on a timely basis and in manner that is cost effective, efficient, and serves the best interest of the WETA and the public.

B. TERM OF ENGAGEMENT

It is anticipated that the selected firm or firms will be retained by the WETA for a period of three years with up to two additional one-year options for a total of five years.

C. RFQ DUE DATE

2:00 PM PST, Friday, March 12, 2010

D. SUBMISSION

Proposals must be submitted by the RFQ due date noted above to:

San Francisco Bay Area Water Emergency Transportation Authority
Attn: RFQ for Insurance Brokerage and Consulting Services
Pier 9, Suite 111, The Embarcadero
San Francisco, CA 94111

Four hard copies and one digital copy on CD/DVD of your submittal must be received at the above address in a sealed envelope marked "RFQ for Insurance Brokerage and Consulting Services" and shall include all information required pursuant to this RFQ. The packaging shall be marked with the name of the firm submitting the RFQ.

The WETA is not responsible for delayed deliveries due to any reason, including mailing or traffic congestion. Facsimile or electronic mail submissions will not be accepted.

E. ANTICIPATED TIMETABLE

The following schedule is targeted for consultant selection:

MILESTONE

Release of RFQ

RFQ Due

Committee Evaluation & Interviews

Recommendation & Award of Contract

DUE DATE

February 19, 2010

March 12, 2010

March 22-24, 2010

April 1, 2010

II. PROCEDURES AND INSTRUCTIONS

A. QUESTIONS

Questions regarding this RFQ should be directed to the WETA in writing by mail or electronic mail as follows:

Melanie Jann
Manager, Administration & Business Services
Pier 9, Suite 111, The Embarcadero
San Francisco, CA 94111
jann@watertransit.org

B. MODIFICATIONS TO RFQ

A proposer may not modify or correct its Summary of Qualifications (SOQ) any time after the due date, except in direct response to a request from the WETA for clarification.

C. REVISIONS TO THIS RFQ

If it becomes necessary to revise or clarify any part of the RFQ, the WETA will post an addendum on the WETA website at www.watertransit.org.

Please note that no verbal information given will be binding upon the WETA unless such information is issued in writing as an official addendum.

D. EXPENSE OF PREPARATION OF RFQ

The WETA is not responsible for any expense incurred in preparing and submitting an SOQ or taking any action in connection with the selection process or for the costs of any services performed in connection with submission of an SOQ.

E. RESERVATION OF RIGHTS

The WETA reserves the right to conduct any investigation of the qualifications of any firm that it deems appropriate, negotiate modifications to any of the items proposed in the SOQ, request additional information from any firm, reject any or all RFQs, and waive any irregularities in any SOQ. The WETA retains the right to negotiate the commission schedule or related compensation, payable to a broker in connection with this engagement. The engagement in this RFQ is not necessarily exclusive and the WETA expressly retains the right at any time to retain any other firm to provide the services described herein, including obtaining coverage directly from providers, and to terminate any firm's position as insurance broker or provider at any time without violating the engagement contemplated by this RFQ.

F. SELECTION PROCESS

The WETA anticipates selecting at least three and not more than five respondents to the RFQ. The selected Proposers will each independently assess WETA's current and future insurance needs and provide recommendations regarding the appropriate types of insurance, levels of coverage necessary to protect WETA from reasonable risks, and factors to consider when selecting policies.

G. SELECTION CRITERIA FOR BROKERS

The selection of respondents will be based on multiple factors including:

1. The qualifications of team members assigned to the WETA account;
2. The firm's experience with similar governmental institutions;

3. Expertise in maritime requirements and marine construction;
4. Demonstrated understanding of the scope of services sought;
5. References and satisfaction of current and previous clients;
6. Demonstrated access to multiple sources and markets;
7. The financial strength and protection offered by each respondent; and
8. Ability to help solve problems and deal in a constructive manner with issues and conflicts that may arise.

III. SCOPE OF SERVICES

The WETA is seeking qualifications for an insurance broker/consultant for its property, fidelity bond, liability, and other appropriate insurance coverage. In order to implement the above program, the insurance broker/consultant will be expected to:

1. Assign experienced staff immediately upon proposal acceptance to assess the WETA's operational risks and provide recommendations regarding the appropriate types of insurance, the levels of coverage necessary to protect the WETA from reasonable risks, the levels of deductible for each policy to provide the best balance of risk limitation and lower premium and such other factors as the broker shall recommend.
2. Based on the insurance coverage selected by the WETA, organize, develop and present the WETA insurance coverage requirements to insurance vendors and obtain price quotes from responsible insurers for that coverage. Evaluate those quotes and present the package of insurance policy terms, conditions, and premiums to the WETA that best reflect the goals and objectives of the WETA.
3. Represent the WETA, as directed, in any negotiations with insurers or prospective insurers and other parties regarding insurance matters.
4. Assist the WETA with budgeting for insurance costs and preparing insurance specifications consistent with exposures to loss presented for actions contemplated.
5. Review contracts for adequacy and compliance with requested coverage and provide feedback as needed regarding management of risks.
6. Issue evidence of enrollment, certificates of insurance, and insurance policies to all insured parties.
7. Issue evidence of insurance as required to third parties.
8. Answer coverage and program questions from WETA and/or its consultants or contractors in a timely manner.
9. Monitor insurance documents of contractors.
10. Be responsible for notifying the WETA of invoicing of premiums for all outstanding policies to assure that no policy lapses inadvertently.
11. Meet with the WETA at least annually or as requested to audit existing WETA insurance policies to determine adequacy of coverage and limits, appropriate deductible levels, overlap or gaps in coverage, restrictions in coverage, and notify the WETA of any new developments in the industry or markets generally that affect the WETA in any way or that impact the insurance coverage or policies sought by the WETA.
12. Provide the WETA with an annual report within 45 days of the end of the WETA's fiscal year, detailing a schedule of the policies in force, the coverage amounts, deductible amounts, premiums paid and fees and WETAs (including

bonuses or other supplemental, volume or loss-related commissions or payments) received by the insurance broker in connection with each policy.

13. Verify the accuracy of all rates, premiums charged, and the accuracy of all related audits.
14. Solicit quotes from multiple insurers at the time of any renewal upon request of the WETA.
15. The primary account representative and other account team members for the insurance broker shall be reasonably available to the WETA and its staff to address questions related to this account.
16. Provide such other services related to the insurance coverage as the WETA may reasonably request.

IV. STRUCTURE OF RESPONSE

The submittals in response to RFQ shall not exceed fifteen total pages. Full-length resumes may be included as appendices; however, elaborate brochures or other presentation materials need not be included. The submittal content and format should demonstrate ability to follow direction set forth in the RFQ and the cost consciousness of the team.

1. The WETA desires to consider qualifications in a consistent and easily comparable format as established in this RFQ. Proposals not organized as set forth in this RFQ may, at the WETA's discretion, be considered nonresponsive. Do not refer to other parts of your proposal in lieu of answering a specific question. Do not provide references to filings or forms publicly available, including on the firm's website, in lieu of providing specific information in the proposal.
2. Each proposal shall include a cover letter with an original signature by an authorized representative of the firm. In the cover letter the firm shall certify:
 - a) that no elected or appointed official or employee of the WETA is financially interested, directly or indirectly, in the performance of the services specified in the RFQ,
 - b) that the information included in the proposal is true and correct to the best of its knowledge, and
 - c) that the person signing the transmittal letter is authorized to execute the proposal on behalf of the firm.
3. Proposals should be organized in the same manner as the individual information request contained in Section V: Proposal Details. Responses to each lettered question shall be clearly marked.
4. Exhibits containing additional information may be attached to provide a more detailed response to a question, but only if clearly identifiable as a response to a specific question.

V. PROPOSAL DETAILS

A. STAFFING PLAN

Identify the person directly responsible as the primary representative on behalf of the WETA and provide contact information for that person and include a brief description of the representative's background, experience, and qualification, as well as an explanation of the representative's role and responsibilities for the firm. This individual is expected to serve as the WETA contact throughout the duration of the contract. Provide an organization chart that includes the name and role of all key staff. Summarize key staff member qualifications in a matrix that includes name, firm affiliation, position, educational attainment, professional registration(s), years of experience, and participating role(s). Provide evidence that the broker and persons performing the work for the WETA maintain all California licenses in order to broker the insurance sought pursuant to this RFQ. Any substitution of key staff during the project will require approval from the WETA.

Provide information about at least three recent (within the past five years) projects for which your proposed service team (as a team) provided maritime and marine construction brokerage and administration services. Include basic information for each example including scope of work, construction value, and length of construction. For all identified projects, describe the role of each team member.

Evaluation of this segment of the proposal will be focused on the qualifications of individual team members as well as the depth of your proposed team.

B. FIRM OVERVIEW AND LOCATION

Provide an overview of the firm, including the full legal name of the institution, state of organization and supervisory and regulatory authorities that oversee the institution. List the location of your firm's main office and the locations of offices in the State of California. Provide the address of the office location(s) that will service the WETA. Provide a summary of the ownership and management of the firm. Describe any significant changes in the management and/or structure of your firm, including mergers that have occurred during the past three years. Does your firm foresee or anticipate any organizational changes in the next 24 months?

C. VOLUME OF BUSINESS

Provide a summary of the firm's premium volume for each of the past three years by the following categories:

Property
Fidelity Bond
General Liability
Protection And Indemnity
Hull And Machinery
Pollution
Bumbershoot

If the office that will be service the WETA's account is a branch or subsidiary of a national or regional firm, the above information should be provided for both the office providing services to the WETA and the entire firm.

D. SCOPE OF SERVICE

Respond to each of the Scope of Services in **Section III** and describe the approach and process by which you would provide those services. Provide a detailed explanation of any service described in **Section III** the firm will not or cannot provide. Describe any additional services you would provide or that you believe are necessary to the engagement described in this RFQ.

E. REFERENCES

Provide a list of at least three references with insurance needs similar to the WETA, which may include projects listed in **Section V, A** and governmental entities. Each reference must include the following information:

- Firm Name
- Contact Name
- Street Address
- City, State, Zip Code
- Telephone Number
- Specific Description of Services Provided
- Service Dates
- Service Value/Cost Provided by Broker
- Team Members Involved and Their Roles

Describe your firm's specific experiences providing services to each of those references. Describe your experience, if any, providing insurance brokerage services to public ferry transit agencies. Describe any issues or problems that have impacted any of the reference accounts described in this section. Identify ways in which you added unique value or problem solving to any of the referenced accounts.

Identify any new accounts for governmental entities obtained in the past three years and any such accounts that the firm has lost and an explanation for the lost accounts.

Evaluation of this segment will be heavily weighted on your client reference remarks as solicited by the WETA

F. ACCESS TO INSURANCE MARKETS

Provide a list of the approximate number of resources available with a Secure AM Best rating for each of the following categories:

General Liability
Protection And Indemnity
Hull And Machinery
Pollution
Bumbershoot

Identify those markets on the list, if any, which will limit bid requests through only one broker. Describe how your firm monitors insurer solvency and steps it would take in the event an insurer's solvency was weak or deteriorating or their rating downgraded.

G. FINANCIAL POSITION

Provide the most recent annual financial statement of the firm (audited preferred) and unaudited year-to-date financial statements for the most statement. Describe the firm's errors and omissions insurance, including the coverage and limits, any deductible amounts and the provider.

H. CUSTOMER SUPPORT

Describe and discuss your staff available to support the WETA. How many of that staff are located in the state of California? How many dedicated claims support staff does the firm maintain? Identify any technology or related tools available from your firm and describe the advantages those tools offer the WETA.

I. CO-BROKER

If your firm will utilize the services of a co-broker or sub-broker, identify the firm or firms that will provide those services, describe the specific services to be provided by such broker, how fees and commissions will be allocated and your firm's historic relationship with each co-broker or sub-broker.

J. LEVINE ACT

The Levine Act (Government Code 84308) is part of the Fair Political Practices Act that applies to elected officials who serve on appointed Boards such as the San Francisco Bay Area Water Emergency Transportation WETA. The Levine Act prohibits any WETA Member who has received \$250.00 or more within the previous twelve months from an applicant from participating in or influencing the decision on awarding a contract with the WETA. The Levine Act also requires a member of the WETA who has received such a contribution to disclose the contribution on the record of the proceeding. In addition, WETA Members are prohibited from soliciting or accepting a contribution from a party applying for a contract while the matter of awarding the contract is pending before the WETA or for three months following the date a final decision concerning the contract has been made.

Applicants must disclose on the record any contribution of \$250.00 or more that they have made to a WETA Member within the twelve-month period preceding submission of their application. This duty applies to your company, any member of your team, any agents for you or other team members and to the major shareholders of any closed corporation that is part of your team. If you have made a contribution that needs to be disclosed, you must provide written notice of the date, amount, and receipt of the contribution(s) in writing to the WETA's Executive Director. This information must accompany your response to this RFQ.

K. LEGAL, REGULATORY AND ETHICS ACTIONS

Provide a summary of any litigation, arbitration and regulatory proceedings, pending, adjudicated or settled that your firm has been subject to within the last three years involving services your firm provided as an insurance broker. Please describe each regulatory proceeding in detail and any litigation or arbitration proceeding resulting in judgments, settlements or damage claims (for those matters not yet resolved) in excess of \$25,000.

L. PROPOSED APPROACH

Provide a general explanation of the approach you would take for completing the work, addressing the tasks above and discussing the issues, challenges, and potential solutions you would employ during the engagement. Also, provide a general list of additional tasks necessary to complete the work. Describe your approach to working with WETA staff as well as other consultants. *Project approach is usually the primary means to differentiate consultant teams.*

M. COMPENSATION

Clearly identify how your firm would expect to be compensated. This RFQ involves negotiating an agreement with a selected broker. Any recommended insurance program is subject to approval by the WETA Board; therefore, it is possible that insurance coverage requirements be marketed and a carrier selected but no program ever bound. Given these

circumstances, indicated in your proposal your firm's willingness or unwillingness to market insurance requirements without guaranteed compensation.

Identify your proposed procedures for full disclosure of all commissions and contingent commissions received, including those paid to affiliates, subsidiaries, and parent organizations.

N. RATIONALE FOR SELECTION

Present the case for the selection of your firm as WETA's Insurance Broker. Please do not repeat the information provided above. Instead, use this opportunity to share with the WETA the unique qualifications, experience, approach, background or other characteristics of your firm that make it the best choice for WETA. Among other things these characteristics may include the firm's presence in the California marketplace, the firm's status as a minority or woman owned firm, utilization of a minority or woman owned co-broker, special services your firm provides that others do not, particular insights into the WETA that will enhance your firm's ability to serve the WETA, fee structure and commissions, special technologies offered by your firm or other characteristics of your firm that make the WETA's best choice. Please include any suggestions for innovative ideas or suggestions for ways to provide the Scope of Services in a convenient, efficient and cost-effective manner.

O. CONFIDENTIALITY

The California Public Records Act (Cal. Govt. Code Sections 6250, *et seq.*) mandates public access to government records. Therefore, unless the information is exempt from disclosure by law, the content of any request for explanation, exception or substitution, response to this RFQ, or any other written communication between the WETA and Proposer shall be available to the public.

If the Proposer believes any communication contains trade secrets or other proprietary information that the Proposer believes would cause substantial injury to the Proposer's competitive position if disclosed, the Proposer shall request that the WETA withhold from disclosure the proprietary information by marking each page containing such proprietary information as confidential. Proposer may not designate its entire submittal as confidential. If the Proposer requests that the WETA withhold from disclosure information identified as confidential and the WETA complies with the Proposer's request, the Proposer shall assume all responsibility for any challenges resulting from the non-disclosure, indemnify and hold harmless the WETA from and against all damages (including, but not limited to, attorneys' fees that may be awarded to the party requesting the Proposer information), and pay any and all cost and expenses related to withholding proposer information. The Proposer shall not make a claim, sue or maintain any legal action against the WETA or its directors, officers, employees or agents in connection with the withholding from disclosure of proposer information. If the Proposer does not request that the WETA withhold from disclosure information identified as confidential, the WETA shall have no obligation to withhold the information from disclosure and may release the information sought without liability to the WETA.

The WETA reserves the right to reject any and all submittals and to waive any informality in procedures.