

REQUEST FOR QUALIFICATIONS

For

***BROKER SERVICES FOR THE BUSINESS AND REAL ESTATE
PROPERTY AND CASUALTY INSURANCE PROGRAM***

Contract No.: GP-0214-R01

Issue Date: June 5, 2014

**Mandatory Electronic Notice of Intent to Participate Due Date:
June 13, 2014 by 5:00 PM**

Proposal Due Date: July 10, 2014 by 4:30 PM

Interview Date: July 17, 2014



 STATE OF NEW JERSEY
SCHOOLS DEVELOPMENT AUTHORITY
32 East Front Street, PO Box 991, Trenton, NJ 08625

***BROKER SERVICES FOR THE BUSINESS AND REAL ESTATE
PROPERTY AND CASUALTY INSURANCE PROGRAM***

REQUEST FOR QUALIFICATIONS

1.0 INTRODUCTION

The New Jersey Schools Development Authority (“NJSDA”) presently maintains an insurance program for its Business and Real Estate activities. Based upon the fluctuating inventory of real estate owned (REO) properties, the anticipated cost of insurance (inclusive of commission) is in the range of \$800,000. The NJSDA is seeking to engage a Broker with the expertise to design, market, negotiate and implement an insurance program that will provide the NJSDA with broadest coverage at the most cost effective price. The selected Broker shall be responsible for the placement and servicing of the NJSDA's Business and Real Estate Property and Casualty Insurance Program commencing on December 14, 2014 at 12:01 a.m. In addition, the selected Broker may be consulted to assess additional risk and/or procure additional insurance as deemed necessary by the NJSDA.

This RFQ is the first step of a two-step process outlined below:

1. Request for Qualifications (“RFQ”): A bidder must first respond to the items listed under Section 4.0, “INSTRUCTIONS FOR SUBMITTING A QUALIFICATIONS PROPOSAL”, below.
2. Request for Proposals (“RFP”): The NJSDA will issue an RFP to firms that are shortlisted through the RFQ process. Additional information about this step is provided in Section 7.0 below.

This BROKER SERVICES REQUEST FOR QUALIFICATIONS consists of the following:

1. Request for Qualifications
2. Attachment A: Agreement for Broker Services for the Business and Real Estate Property and Casualty Insurance Program
3. Attachment B: Key Team Member List (NJSDA Form 201)
4. Attachment C: Key Team Member Resume (NJSDA Form 202)
5. Attachment D: Disclosure of Investment Activities in Iran Form

The required Scope of Services is contained in Appendix B to the Broker Services Agreement, Attachment A to this RFQ.

The Contract term will be three (3) years.

These documents must be read in their entirety as they define the methodology for responding to this procurement, as well as describing the potential scope of services and responsibilities of the Broker under this engagement. A firm wishing to submit a response to this RFQ must review and be thoroughly familiar with all terms and conditions of these documents.

All of the required items must be included in the submission, with responses utilizing the NJSDA's forms as indicated above.

2.0 MANDATORY ELECTRONIC NOTICE OF INTENTION TO PARTICIPATE // WRITTEN REQUESTS FOR INFORMATION

The NJSDA shall not hold a traditional pre-proposal conference for this procurement. Any firm wishing to submit a Qualifications Proposal must sign in electronically by sending a mandatory e-mail Notice of Intent to Participate to Jim McElhenny at jmcelhenny@njsda.gov no later than 5:00 p.m. Eastern Time on June 13, 2014.

Firms may submit written questions regarding this procurement to the NJSDA by sending them by e-mail to Jim McElhenny at jmcelhenny@njsda.gov no later than 5:00 p.m. Eastern Time on June 13, 2014. The questions and the NJSDA's answers shall be provided electronically, via an addendum to the RFQ, to each firm that submitted a timely e-mail Notice of Intent to Participate.

3.0 SUBMISSION OF PROPOSALS

Qualifications Proposals are to be submitted to and received by the NJSDA no later than **4:30 p.m. Eastern Time** on July 10, 2014. Proposal submittals shall consist of one (1) unbound original, four (4) bound copies and two (2) electronic copies in PDF form on CDs.

Qualifications Proposal packages are to be submitted and delivered as follows:

If submitting by hand or overnight delivery:

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
32 East Front Street
Trenton, New Jersey 08625-0991
Attention: Jim McElhenny**

Subject: Business and Real Estate Property & Casualty Insurance Program – GP-0214-R01

If submitting by U.S. Mail:

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
P.O. Box 991
Trenton, New Jersey 08625-0991
Attention: Jim McElhenny**

Subject: Business and Real Estate Property & Casualty Insurance Program – GP-0214-R01

Submissions received after the above date and time will not be forwarded to the Selection Committee for review. Faxed or e-mailed Proposals shall not be accepted.

Any firm wishing to submit a Proposal must submit a timely electronic Notice of Intent to Participate, as provided in Section 2.0 above.

4.0 INSTRUCTIONS FOR SUBMITTING A QUALIFICATIONS PROPOSAL

Firms responding to the RFQ shall thoroughly familiarize themselves with the RFQ to ensure responsiveness in their Qualifications Proposal. A conforming Qualifications Proposal must consist of the following components:

1. Cover Letter – Understanding of the Engagement
2. Firm Experience - Case Studies
3. Key Team Member List (NJSDA Form 201)
4. Resumes of Key Team Members (NJSDA Form 202)
5. Approach to Providing the Required Scope of Services
6. Business Registration
7. Disclosure of Investment Activities in Iran Form

4.1 Cover Letter – Understanding of the Engagement

Present a brief understanding of the NJSDA's needs, as described in the Scope of Services, set forth in Appendix B of the Agreement, Attachment A to this RFQ. Include the name, address and phone number of the firm, the name and phone number of the firm's contact person and the name of the person who prepared the Qualifications Proposal. Include in the cover letter any other information relevant to the firm's qualifications.

4.2 Firm Experience - Case Studies

Firm experience shall be assessed through a brief summary of the firm's general relevant experience, including experience with construction, real estate development, public entities and risk transfer strategies, through **three (3) specific case studies**. The case studies must address examples of the proposing firm's past provision of services of the type and scale outlined in the Scope of Services. Thus, the case studies must concisely set forth the basic background information (e.g., dates and location), the scope of services provided, and results of said engagement. The case studies must describe the effectiveness of the program, and the methodology used to measure such effectiveness. The firm must identify the name and address of the contracting entity and the name, title and telephone number of a contact person associated with the contracting entity who is familiar with and able to comment on the firm's performance on each program. The summary of general experience must be approximately 500 words or less; the narrative for each case study must be approximately 1,000 words or less.

4.3 Key Team Member List (NJSDA Form 201)

Describe how you would staff the engagement, and indicate your understanding of the Authority and its insurance program. Identify the individuals who will be involved and the primary role and responsibilities of each key team member, as well as the principal/senior officer who will serve as the engagement leader. NJSDA Form 201 is included as Attachment B to this RFQ.

4.4 Key Team Member Resume (NJSDA Form 202)

Please provide resumes for these individuals including years of employment in your organization and total years of insurance and/or risk management consulting experience. Form 202 is included as Attachment C to this RFQ.

4.5 Approach to Providing the Required Scope of Services

Firms must explain in detail their specific approach to providing **each** of the Services specifically required in the Scope of Services. Identify your firm's primary industry segments and the percentage of business in each segment.

4.6 Business Registration

Pursuant to N.J.S.A. 52:32-44, as amended by P.L. 2004, c. 57, each proposing firm must provide proof of valid business registration with the Division of Revenue of the New Jersey Department of the Treasury (the "Division of Revenue"), in its Submittal.

Any subcontracted firm of the firm selected as a Consultant must provide the firm with a copy of its business registration, which the Consultant must forward to the NJSDA. No firm selected as a Consultant may enter into any subcontract with a firm that has not provided proof of valid business registration to the selected firm, for forwarding to the NJSDA. The NJSDA shall duly file all business registrations with the other procurement documents relating to the contract. **Business registrations of proposed subconsultants, if any, are NOT required to be included in a firm's Proposal.**

Firms may obtain New Jersey Business Registration assistance by going on-line to www.state.nj.us/treasury/revenue/gettingregistered.shtml or by calling the New Jersey Department of Treasury at (609) 292-9292. Please be advised, however, that business registrations are mailed generally within seven to ten days, so firms should plan accordingly.

4.7 Disclosure of Investment Activities in Iran Form

Using the form provided by the NJSDA, the responding firm must submit a Disclosure of Investment Activities in Iran Form, pursuant to Public Law 2012. C. 23 (codified at N.J.S.A. 52:32-55 et. seq.) (the "Act"). Pursuant to the Act, any person or entity that submits a bid or proposal or otherwise proposes to enter into or renew a contract with the New Jersey Schools Development Authority ("NJSDA") must complete a Certification which states that the person or entity, or one of the persons or entity's parents, subsidiaries, or affiliates, is not identified on a list created and maintained by the New Jersey Department of the Treasury ("Treasury") as a person or entity engaging in investment activities in Iran. Such a Certification must be in the form attached hereto as Attachment D, and included with the firm's Qualifications Proposal. **Failure to submit such Certification will result in the disqualification of the bid and rejection of the Qualifications Proposal.**

5.0 EVALUATION OF QUALIFICATIONS PROPOSALS

Each Qualifications Proposal will be reviewed to determine responsiveness. Non-responsive Qualifications Proposals will be rejected without evaluation. Responsive Qualifications Proposals will be evaluated by a Selection Committee ("Committee") established for this purpose. Such evaluation will be based upon the information provided by the firms in response to this RFQ. The Selection Committee shall consist of no fewer than three (3) NJSDA Staff members. The evaluation will be based upon the information provided by a Firm in response to this RFQ, and any necessary verification thereof.

The members of the Selection Committee will evaluate each Firm's Qualifications Proposal, and may confer with each other regarding the content of the submissions before scoring, but each Selection Committee member will independently score each Qualifications Proposal in all of the evaluation categories described in

this RFQ, in accordance with the evaluation criteria described herein. Qualifications Proposals shall be evaluated in the following categories:

- Understanding of the Engagement
- Firm Experience
- Experience of Key Team Members
- Approach to Providing the Required Scope of Services

Each Selection Committee Member will evaluate each Qualifications Proposal, assigning a raw score for each category on a scale of 0 to 10 as follows:

- Outstanding (9–10): depth and quality of response offers significant advantages.
- Superior (7-8): exceeds RFQ requirements with no deficiencies.
- Sufficient (5-6): meets RFQ requirements with no significant deficiencies.
- Minimal (3-4): meets RFQ requirements but contains some significant deficiencies.
- Marginal (1-2): comprehends intent of RFQ but contains many significant deficiencies.
- Unsatisfactory (0): requirements not addressed and lack of detail precludes adequate evaluation.

Weighting factors will then be applied to each of the Selection Committee Member’s raw scores for each category to arrive at a total weighted score as follows:

Qualifications Proposal Evaluation Criteria	Weighting Factor (Applied to Raw Score)	Maximum Available Points for Criteria
Understanding of the Engagement	2.0	20
Firm’s Experience: * Public Entity * Business Administration and Real Estate Insurance * Risk Management	3.0	30
Experience of Key Team Members: * Public Entity * Risk Management/Consulting * Claims Handling *Safety and Loss Control * Business Administration and Real Estate Insurance	2.0	20
Approach to Providing the Required Scope of Services	3.0	30
Total Points Available:		100

All of the scores awarded by the Selection Committee members to a particular Firm’s Qualifications Proposal will be added together and averaged to arrive at a Qualifications Proposal Score for each Firm. The maximum combined score for a Qualifications Proposal is 100.

6.0 INTERVIEWS

Interviews that must include, at a minimum, all Key Team Members listed in the Qualifications Proposal, are scheduled for July 17, 2014 at the NJSDA Main Office, 32 East Front Street, Trenton, NJ 08625. **All Firms must participate in the interview process to be considered for the short list.**

All responsive firms will be invited to interview with the Selection Committee. Following interviews, Firms will again be evaluated by Selection Committee members based on Interview Evaluation Criteria that are the same as those used in the evaluation of the Qualifications Proposals. All of the scores awarded by the Selection Committee members to a particular Firm's Interview will be added together and averaged to arrive at an Interview Score for each Firm. The maximum combined score for an Interview is 100.

The Qualifications Proposal Score and the Interview Score assigned each Firm will be added together and averaged to obtain a Firm's Intermediate Combined Score. The maximum Intermediate Combined Score is 100. Those firms receiving the three (3) highest Intermediate Combined Scores will be placed on a short list, and invited to submit a Proposal Package. In the event of a tie in Intermediate Combined Scores for the third firm to be short-listed, all firms with the tie Intermediate Combined Scores will be short-listed.

7.0 REQUEST FOR PROPOSALS (RFP)

The NJSDA intends to short list three (3) firms that shall receive a Request for Proposals ("RFP"). The RFP will outline the process for insurance market allocation and include coverage specifications along with a detailed underwriting submission based upon the exposures identified as part of this insurance program.

In addition to instructions for submitting a Proposal Package, the RFP will include:

1. Market Allocation Worksheet
2. Underwriting Submission and Coverage Specifications
3. NJSDA Price Proposal Form
4. Moral Integrity Questionnaire Form

The short-listed firms shall:

- (a) Review the Underwriting Submission and Coverage Specifications attached to the RFP and confirm that the Broker agrees to the Specifications as the minimum requirements.
- (b) All proposed insurers shall be licensed to write coverage in the State of NJ and have an A.M. Best rating of A-VIII or better.
- (c) Provide complete and detailed cost quotation(s) that include the premium, coverage (including any enhancements from the coverage specified in the RFP), and all substantive terms and conditions.
- (d) The insurance coverage required consists of Real Property, Business Personal Property, Commercial General Liability, Automobile, Workers' Compensation, Umbrella Liability, Public Officials' Liability and Employment Practice Liability.

As an initial submittal, each of the short-listed firms will be required to provide NJSDA with a completed Market Allocation Worksheet. NJSDA will assign markets based on the Intermediate Combined Score earned by each firm in the RFQ step of the selection process. The firm with the highest Intermediate Combined Score will get the first choice of markets, the firm with the second highest Intermediate Combined Score will get the second choice of markets, and the firm with the third highest Intermediate Combined Score will get the third choice of markets. If a firm's first choice of insurance carrier is not any other firm's first choice, then it will be assigned to the firm that listed it as the first choice.

Firms responding to the RFP shall thoroughly familiarize themselves with the RFP to ensure responsiveness in their Proposal Package. A conforming Proposal Package must consist of the following components:

1. Coverage Proposal
2. Price Proposal
3. Moral Integrity Questionnaire

Each Proposal Package will be reviewed to determine responsiveness. Non-responsive Proposal Packages will be rejected without evaluation. Responsive Proposal Packages will be evaluated by a Selection Committee ("Committee") of NJSDA Staff members previously established for this purpose. The evaluation will be based upon the information provided by the firms in response to the RFP.

The members of the Selection Committee will evaluate each Firm's Coverage Proposal, and may confer with each other regarding the content of the submissions before scoring, but each Selection Committee member will independently score each Coverage Proposal in all of the evaluation categories described in the RFP, in accordance with the evaluation criteria described therein. Coverage Proposals shall be evaluated in the following categories:

- Overall Program Design
- Limits and Coverages per the Coverage Specifications
- Public Officials'/Employment Practices Liability
- Deductibles/Self-Insured Retentions

Each Selection Committee Member will evaluate each Coverage Proposal, assigning a raw score for each category on a scale of 0 to 10 as follows:

- Outstanding (9–10): depth and quality of response offers significant advantages.
- Superior (7-8): exceeds RFP requirements with no deficiencies.
- Sufficient (5-6): meets RFP requirements with no significant deficiencies.
- Minimal (3-4): meets RFP requirements but contains some significant deficiencies.
- Marginal (1-2): comprehends intent of RFP but contains many significant deficiencies.
- Unsatisfactory (0): requirements not addressed and lack of detail precludes adequate evaluation.

Weighting factors will then be applied to each of the Selection Committee Member's raw scores for each category to arrive at a total weighted score as follows:

Coverage Proposal Evaluation Criteria	Weighting Factor (Applied to Raw Score)	Maximum Available Points for Criteria
Overall Program Design	2.5	25
Limits and Coverages per the Coverage Specifications	2.5	25
Public Officials'/Employment Practices Liability	2.5	25
Deductibles/Self-Insured Retentions	2.5	25
Total Points Available:		100

All of the scores awarded by the Selection Committee members to a particular Firm's Coverage Proposal will be added together and averaged to arrive at a Coverage Proposal Score for each Firm. The maximum combined score for a Coverage Proposal is 100.

When combined with scoring of the Qualifications Proposals and of the Interviews, Coverage Proposal Scores will be multiplied by 40%. Qualifications Scores and Interview Scores will each be multiplied by 30%, such that the maximum point total of all three scores combined is 100, as follows:

	Assigned Proportion	Maximum Available Points for Final Combined Score
Qualifications Proposal	30%	30
Interview	30%	30
Coverage Proposal	40%	40
Final Combined Score	100%	100

After all Final Combined Scores have been tabulated, the NJSDA will open all Price Proposals. Using the Price Proposals as a guide, the NJSDA staff will negotiate a fair and reasonable price with the firm receiving the highest Final Combined Score. Should the NJSDA be unable to negotiate a satisfactory contract with the firm receiving the highest Final Combined Score, the NJSDA will terminate negotiations with the firm receiving the highest Final Combined Score and will then undertake negotiations with the firm receiving the second highest Final Combined Score. Failing accord, the NJSDA will terminate negotiations with that firm and will then negotiate with the firm receiving the third highest Final Combined Score. In the event that the NJSDA is unable to reach a satisfactory contract with any of the three firms, the NJSDA may reject all Proposal Packages.

The Authority will hold all Moral Integrity Questionnaires submitted, unopened, until the evaluation of Coverage Proposals is completed and negotiations are finalized, unless special circumstances warrant otherwise. At such time, Authority staff will forward the Questionnaire of the selected firm to the New Jersey State Police for review. **Moral Integrity approval is a prerequisite for contract award.**

The NJSDA staff will then make a recommendation of award to the selected firm at compensation determined to be fair and reasonable. If the recommendation of award is approved, a notice of award will be transmitted to that firm. Other proposing firms will be duly notified in writing of the award.

Notwithstanding anything to the contrary, the NJSDA has no obligation to make an award and reserves the right to waive any non-material defects, reject any or all Proposal Packages for any reason in accordance with law, and/or terminate the selection process at any time.

Upon award, the NJSDA shall forward the Agreement for Broker Services for the Business and Real Estate Property and Casualty Insurance Program (the "Agreement") to the selected firm for immediate execution, **without modification.**

Any bidder attempting to contact government officials (elected or appointed), including Authority Board members, Authority Staff, and Selection Committee members in an effort to influence the

selection process may be immediately disqualified.

8.0 PRE-AWARD REQUIREMENTS

After determination of the selected firm, the NJSDA shall request the following information prior to the award of the contract:

8.1 Political Contributions. P.L. 2005, c. 51 amended and supplemented N.J.S.A. 19:44A-20.1 *et seq.*, and superseded Executive Order 134 (2004), addresses the effect of political contributions on State contracting. Accordingly, a selected firm will be required to respond in a timely fashion to certification and disclosure requirements that will be stated in the Notice of Award issued by the NJSDA. Additionally, Executive Order No. 117, which is designed to enhance New Jersey's efforts to protect the integrity of government contractual decisions and increase the public's confidence in government. The Executive Order builds on the provisions of P.L. 2005, c. 51 ("Chapter 51"), which limits contributions to certain political candidates and committees by for-profit business entities that are, or seek to become, State government vendors.

Requirements for Selected Firm. The selected Firm shall receive a Notice of Award that will, among other things, notify the Firm that it must submit a Certification and Disclosure of Political Contributions form and Business Entity Disclosure form as provided by NJSDA. Failure to submit these forms in a timely fashion shall be cause for rejection of the Firm.

Firm's Continuing Obligation to Comply with P.L. 2005, c. 51. Any selected Firm is required, on a continuing basis, to disclose and report to NJSDA any political contributions made during the Contract term by the Firm on forms provided by NJSDA, at the time it makes the contribution.

8.2 Political Contributions Disclosure. Firms are advised of their responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission ("ELEC"), pursuant to N.J.S.A. 19:44A-20.13 (P.L. 2005, c. 271, section 3), in the event they receive contracts in excess of \$50,000 from a public entity in a calendar year. It is a Firm's responsibility to determine if filing is necessary. Failure to so file can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at www.elec.state.nj.us.

8.3 Outsourced Services Special Provisions. Under P.L. 2005, c. 92 (formerly Executive Order No. 129 (2004)), the NJSDA shall not award a contract to a bidder that submits a bid proposal to perform services, or to subcontract with a firm to perform services, outside the United States, unless certain conditions is met. If, during the term of the contract, the Firm or subcontracted firm, who had on contract award declared that services would be performed in the United States, proceeds to shift the performance of the services outside of the United States, the Firm shall be deemed in breach of the Agreement, unless the Director of the NJSDA Division of Procurement shall have first determined in writing that extraordinary circumstances require a shift of services or that a failure to shift the services would result in economic hardship to the NJSDA or the State.

8.4 Anti-Discrimination Requirements. In addition, the Firm shall not discriminate in employment and shall abide by all anti-discrimination laws including those contained within N.J.S.A. 10:5-1 *et seq.* and all rules and regulations issued there under, including N.J.A.C. 17:27-1 *et seq.* Accordingly, in a Notice of Award, a Firm shall be required to submit to the NJSDA, with its executed Agreement, a copy of one of the following three documents:

- (1) appropriate evidence that the contractor is operating under an existing Federally approved or sanctioned affirmative action program;
- (2) a certificate of employee information report approval issued in accordance with N.J.A.C. 17:27-4; or
- (3) an initial employee information report (Form AA302*) provided by the Affirmative Action Office and completed by the contractor in accordance with N.J.A.C. 17:27-4.

***The original of this document shall be provided to the New Jersey Department of Treasury.** Please see following link for details. http://www.state.nj.us/treasury/contract_compliance/pdf/aa302ins.pdf

8.5 Insurance and Indemnification. A successful Firm shall be required to provide evidence of the insurance coverage required in Section 5.1 of the Agreement, Attachment A to this RFQ, at the time of execution of the Agreement. **This is a pre-award requirement. Do not submit with your Qualifications Proposal.**

8.6 Additional Information. NJSDA may request additional information as required under the Agreement, or pursuant to applicable policies, procedures or law.