



Addendum # 1

New Jersey Schools Development Authority
Office of Procurement
32 East Front Street
P.O. Box 991
Trenton, NJ 08625
Phone: 609-858-2982
Fax: 609-656-4608
E-mail: jmcelhenny@njsda.gov

Date: March 31, 2014

PROJECT #: GP-0208-R01
Broker and Owner Controlled Insurance Program (OCIP) Administration Services

DESCRIPTION: Addendum # 1

This addendum shall be considered part of the Request for Qualifications/Request for Proposals issued in connection with the above-referenced project. Should information conflict with Request for Qualifications/Request for Proposals, this Addendum shall supersede the relevant information in the Design-Build Information Package.

A. CHANGES TO THE PROCUREMENT PROCESS:

1. Not applicable.

B. CHANGES TO THE PROJECT MANUAL:

1. Not applicable.

C. CHANGES TO THE DRAWINGS:

1. Not applicable.

D. BIDDER'S QUESTIONS, REQUESTS FOR INFORMATION AND RESPONSES:

1. **Question:** Emergent and New Construction projects have been listed on the RFQ. Will Demolition projects not be included in OCIP III? Will any administration be involved even if the Demolition projects are ineligible?

Answer: Several Capital Projects may involve demolition activities that may or may not be eligible for enrollment in the new OCIP III.

2. **Question:** Regarding ineligible contractors, will only ineligible contractors that are on-site need to have their certificates tracked?

Answer: Clarification regarding ineligible contractors will be given to the successful Broker.

3. **Question:** If any of the OCIP II projects extend past 3/31/2016 with on-going construction, will they need to be rolled over into OCIP III?

Answer: Presently, it is projected that (6) projects may reach final completion beyond 3/31/16. Options will be explored with the successful Broker and the insurer for the new OCIP III.

4. **Question:** Please confirm that the optional extension period has been reduced to 1 year from the previous 2 year period (on OCIP II).

Answer: Per Section 4 of the Agreement, there is one (1), one-year extension.

5. **Question:** Will Brokers receive a detailed construction timeline showing the start/end dates and construction value for each project?

Answer: Presently, each project in our Capital Plan has a Planning, Preliminary and Final Project Charter approved by the Board of Directors. The Project Charter provides certain data relative to anticipated schedules and budgets as a project progresses through each development phase prior to construction contract execution. This information will be provided to the successful Broker. A few examples can be found on our website at:
<http://www.njsda.gov/BM/2013Agenda/Agenda04-03-13.pdf>

6. **Question:** With respect to the individual capital projects, can the NJSDA confirm the number of projects that will be considered new construction, additions and/or renovations and emergent?

Answer: Of the minimum of ten (10) projects referenced, the project scope considers five (5) to be new construction and five (5) to be additions/renovations. The remaining projects in our Capital Plan portfolio are presently undergoing scoping conversations between the Authority, District and Department of Education which presently appears to contain 5-6 new facilities. In addition, there may be a dozen or more projects remaining in our Emergent portfolio.

7. **Question:** Will Brokers be provided with detailed losses (WC and GL) for the existing rolling program?
- Answer:** The successful Broker will be provided with the detailed losses for the existing OCIP II as well as OCIP I if requested.
8. **Question:** Why is the existing rolling program not being utilized to cover projects commencing in 2015 and forward?
- Answer:** The current OCIP II expires 3/31/14 after a 5-year project commencement term and will expire 3/31/16 for project completion.
9. **Question:** Will Brokers be provided with copies of any site specific safety manuals?
- Answer:** The NJSDA Safety Manual can be found on our website at: http://www.njsda.gov/Business/Doc_Form/PDFsForms/Safety_Manual.pdf. Site specific safety manuals are a deliverable following the award of each contract and can be made available to the successful Broker.
10. **Question:** What is the estimated maximum number of contractor employees that will be working at a project site at any given time?
- Answer:** Dependent upon the size, scope and phase a project may be in, the maximum number of contractor employees working on site at any given time will vary from 75-120.
11. **Question:** Will Brokers receive estimated on-site payrolls by WC class code (trade)?
- Answer:** In consultation with Authority staff, the successful broker will be provided with estimated project detail as will be required to design and market programs most advantageous to the Authority.
12. **Question:** Will Brokers receive copy of the subcontract agreement to be used?
- Answer:** The successful Broker will be provided with copies of all agreements for various vendors in which the Authority is in direct contract with.
13. **Question:** Will any of the sites require major demolition work?
- Answer:** At least one project will involve major demolition work.
14. **Question:** Do any of the capital projects involve dormitory work?
- Answer:** None.

15. **Question:** Will cranes be used at any of the project sites?
- Answer:** Yes.
16. **Question:** Will the new Broker receive a BOR on the existing OCIP?
- Answer:** Presently, the Scope of Services does not contemplate a BOR on OCIP II.
17. **Question:** Does the NJSDA Authority have a captive?
- Answer:** No.
18. **Question:** Is the Insurance Broker / Administrator expected to provide any construction safety management or site safety services? If such safety services are to be included, what are the expected services to be provided in addition to keeping the Authority apprised of emerging safety issues?
- Answer:** Presently, the Scope of Services does not contemplate a need for safety services.
19. **Question:** Will Brokers be provided a copy of the Zurich Builders Risk policy or binder including all endorsements?
- Answer:** The successful Broker will be provided with a copy of the policy and all endorsements.
20. **Question:** Will Brokers be provided with a list of anticipated projects outlining the size and scope of each project?
- Answer:** The successful Broker will be provided with a list of projects presently in the Authority's Capital Plan portfolio. Many projects are presently undergoing scoping conversations with the District and Department of Education. As Project Charters are approved, size and scope will be provided.
21. **Question:** What detail will be provided for projects (timeline, gant chart, hard costs and soft costs, etc)?
- Answer:** The successful Broker will be provided with the known details of projects. Presently, each project has an approved Project Charter which includes a schedule and a budget summary which includes both hard and soft costs.
22. **Question:** Will Brokers be provided prior loss experience (5 years)

Answer: The successful Broker will be provided with detailed prior loss experience for 5 and up to 10 years if requested.

23. **Question:** Is there exposure for contractors' equipment?

Answer: The NJSDA contractually requires all contractors/subcontractors to insure their own contractors' equipment.

24. **Question:** Was the OPPI marketed last year? If so, which markets?

Answer: The OPPI was last marketed in 2009. The Board memo describing the procurement process, including markets approached, can be found on our website at: <http://www.njsda.gov/BM/2009Materials/09.09/5ai..pdf>

25. **Question:** Can Brokers obtain a copy of the policy and last year's Zurich application?

Answer: The successful Broker will be provided with a copy of the current policy, including its application.

26. **Question:** Is there an internal claim department at NJSDA that coordinates claim reporting/investigations for casualty lines?

Answer: The Risk Management Division has a designated claims person to coordinate the claims reporting and investigation activity between the Third Party Administrator, NJSDA Safety and Project Personnel.

27. **Question:** Is the claim investigation process standardized/consistent across all projects?

Answer: Yes.

28. **Question:** Does NJSDA have specific claim account handling instructions in place?

Answer: The NJSDA, in collaboration with the Third Party Administrator, has specific claim account handling instructions in place.

29. **Question:** What is the current claim review schedule?

Answer: Based upon the volume of construction and claim activity during OCIP II, claim reviews have occurred at the Authority's request and at a minimum annually.

30. **Question:** Does NJSDA direct WC medical care to specific designated facilities/clinics?

Answer: No. The current Third Party Administrator provides a panel listing of nearby doctors and hospitals for each project.

31. **Question:** Are there formalized job descriptions and is there a return to work program in place?
- Answer:** **The Authority, contractually, does not require Contractors and Design Builders to develop formalized job descriptions or implement a return to work program.**
32. **Question:** Does NJSDA utilize carrier/TPA RMIS system for claims management purposes?
- Answer:** **Yes.**
33. **Question:** Are there designated claim teams currently assigned to manage NJSDA claim program?
- Answer:** **Yes.**
34. **Question:** How are claims currently reported to carrier/TPA? Is the claim reporting function centralized?
- Answer:** **Claims are reported electronically to one central location.**
35. **Question:** Is there a “location” code structure in place? Are claim costs allocated to locations, etc?
- Answer:** **All claims are identified using a “location” code structure. Presently, the Authority does not allocate claim costs to each location.**
36. **Question:** How involved is the claim department in the overall Safety management program?
- Answer:** **The NJSDA designated claims person works closely with the NJSDA’s Safety and Project Personnel within a collaborative framework. The Authority’s Risk Management, Safety and Program Operations divisions each participate in the overall Safety management program.**
37. **Question:** Who is the current broker now – placing and administration?
- Answer:** **The current OCIP II is administered by Consolidated Risk Solutions for policies placed by Conner Strong & Buckelew.**
38. **Question:** Does the new broker take over administration of the current OCIP that is scheduled to end 3/31/2016?
- Answer:** **It is expected that any projects that may be rolled over in to OCIP III would be administered by the successful Broker.**

If this is the case, will all the current OCIP data be provided in an electronic format (i.e. CSV) suitable for upload into a different RMIS system?

Answer: All data necessary for the successful broker to administer potential roll-over projects will be provided.

Is data available in a similar format for prior programs and does the authority want to upload this into the new RMIS?

Answer: Data on OCIP I and OCIP II is not expected to be uploaded in to a new RMIS.

39. **Question:** Is the current broker responsible for claims management of the current OCIP's claims through the statute of repose?

Answer: Yes.

40. **Question:** The contract term is (3) years with a sole option of the authority for a one year extension. The fee proposal form does not carry a line for the fee for the one year option period. Should we include in the fee proposal a line item for the one year option?
Should the volume grow from the estimated \$250 million to \$400 million (or more) will there be a mechanism for adjustment of the fee?

Answer: In the event a one year extension is needed, the NJSDA will negotiate a fee with the Broker, based upon expected volume, to be approved by the Board of Directors. See the attached revised NJSDA Fee Proposal form.

41. **Question:** The RFP notes 45 to 50 subcontractors enroll over a 24 to 36 month duration. Please confirm this is on a per project basis rather than an annual total.

Answer: The average number of enrolled subcontractors is per Capital Project.

42. **Question:** Broker of record for Builder's Risk to 2016 – Since this program was placed by another broker, will the responsibility for errors in placing this program remain with the placing broker?

Answer: In consultation with Authority staff, the successful broker will accept a Broker of Record via a separate authorization to proceed detailing agreed upon services and responsibilities.

43. **Question:** A.4 requires annual summaries for the last (3) years? Does this include providing summaries of the current program?

Answer: The Scope of Services states the Authority will issue a separate authorization to proceed to perform one or more of the following services. Based upon terms and conditions of insurance programs purchased, it is expected the Scope of Services will be subject to clarification and amendment based on the negotiation with the successful broker.

44. **Question:** Regarding the current program can you provide:

- a. The number of projects that have been completed as well as the number of contractors enrolled?

Answer: To date, OCIP II contains approximately 91 contracts which have completed with 883 enrolled contractors. It is important to note the portfolio of projects within OCIP II contained over 50% Emergent Projects which is not expected to reach that level in OCIP III.

- b. How many Active and Closed claims are there on the current program? Are there any open claims on past programs?

Answer: OCIP I (12/31/03-12/31/10): WC – 47 Open, 635 Closed; GL – 4 Open, 88 Closed
OCIP II (03/31/09- 03/31/14): WC – 15 Open, 31 Closed; GL – 2 Open, 11 Closed

- c. Have there been any claims over 500K? If so, how many?

Answer: OCIP I : WC – 4; GL – 5
OCIP II : WC – 1; GL – 0
BR: 1

45. **Question:** Are we expected to take over the handling of the 2nd OCIP such as any run off issues and claims?

Answer: Presently, the Scope of Services does not require any services to handle claims within OCIP II. In the event some projects roll-over to OCIP III, that activity would be expected to be serviced by the successful broker.

46. **Question:** If we are expected to take over handling of the 2nd OCIP, will information be available electronically so we can transfer all information to our RMIS/ Administration system?

Answer: Presently, the Authority cannot identify the compatibility between various risk management information systems.

47. **Question:** You mention that the current OCIP (WC and GL) expires on 3/31/14 for project commencement. When do you anticipate that the new OCIP would start?

Answer: The successful Broker will be given a separate authorization to proceed with services necessary to implement OCIP III on/about December 2014. Presently, the Authority anticipates the first capital project to commence construction activities during the first quarter of 2015.

48. **Question:** For the case studies, are we limited to 1,000 words for each or 1,000 words for all 3 cases studies?

Answer: Narratives for each case study must be 1,000 words or less.

E. CHANGES TO PREVIOUS ADDENDA:

1. Not applicable

F. ATTACHMENTS:

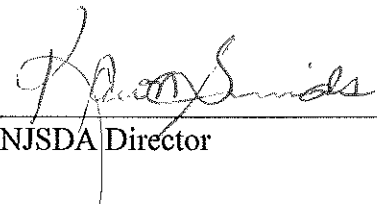
1. List of Vendors providing a Notice of Intent
2. Revised Attachment D – NJSDA Fee Proposal Form

G. SUPPLEMENTAL INFORMATION:

1. Not applicable

Any bidder attempting to contact government officials (elected or appointed), including NJSDA Board members, NJSDA Staff, and Selection Committee members in an effort to influence the selection process may be immediately disqualified.

End of Addendum No. 1


NJSDA Director 3/31/14
Date

Addendum #1

New Jersey Schools Development Authority
Office of Procurement
32 East Front Street
P.O. Box 991
Trenton, NJ 08625
Phone: 609-858-2982
Fax: 609-656-4608
E-mail: jmcelhenny@njsda.gov

Date: March 31, 2014

PROJECT #: GP-0208-R01
Broker and Owner Controlled Insurance Program (OCIP) Administration Services

DESCRIPTION: Addendum # 1

Acknowledgement of Receipt of Addendum

Contractor hereby acknowledges the receipt of this Addendum by signing in the space provided below and returning via fax to (609-656-4608) or E-mail (jmcelhenny@njsda.gov). Signed acknowledgements must be received prior to the Bid Due Date. Acknowledgement of the Addendum must be made in the Technical Proposal Submission.

Signature

Print Name

Company Name

Date