



**Amendment No. 4
of
Contract No. NA170000054
for
Excess Liability Insurance for Austin Energy
between
John L. Wortham & Son LP
Dba Wortham Insurance & Risk Management
and the
The City of Austin**

1.0 The Contract is hereby amended as follows: Change name to **Marsh USA Inc. dba Marsh Wortham** as requested by the Contractor:

	From	To
Vendor Name	John L. Wortham & Son LP Dba Wortham Insurance & Risk Management	Marsh USA Inc. Dba Marsh Wortham
Vendor Code (for City use only)	WOR7073730	MAR8309722
Vendor Federal Tax ID (FEIN)	<div style="background-color: black; width: 100px; height: 1.2em;"></div>	<div style="background-color: black; width: 100px; height: 1.2em;"></div>

2.0 All other terms and conditions of the Contract remain unchanged and in full force and effect.

BY THE SIGNATURE affixed below, this Amendment No. 4 is hereby incorporated into and made a part of the Contract.

Linell Goodin-Brown
Contract Management Supervisor II
City of Austin, Purchasing Office

10-31-18

Date



**Amendment No. 3
to
Contract No. NA170000054
for
Excess Liability Insurance for Austin Energy
between
John L. Wortham & Son LP
DBA
Wortham Insurance & Risk Management
and the
City of Austin**

- 1.0 The City hereby amends the above referenced contract to increase the not-to-exceed amount by \$59,000 to cover higher premium payments.
- 2.0 The total Contract authorization is recapped below:

Term	Action Amount	Total Contract Amount
Basic Term: 1/01/17 – 12/31/17	\$976,198.00	\$976,198.00
Amendment No. 1: Administrative Increase 02/14/2017	\$58,000.00	\$1,034,198.00
Amendment No. 2: Option 1 01/01/18 – 12/31/18	\$1,025,008.00	\$2,059,206.00
Amendment No. 3: Administrative Increase 01/05/2018	\$59,000.00	\$2,118,206.00

- 3.0 MBE/WBE goals do not apply to this contract.
- 4.0 By signing this Amendment the Contractor certifies that the Contractor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration (GSA) List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.
- 5.0 All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, this Amendment is hereby incorporated and made a part of the above referenced contract.


Signature & Date:



Printed Name: **GEORGE Z. ADKINS**
Authorized Representative

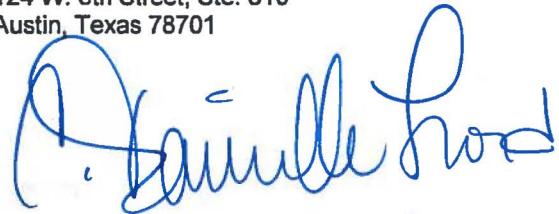
John L. Wortham & Son LP DBA
Wortham Insurance & Risk Management
P. O. Box 1388
Houston, TX 77251

Signature & Date:

 1-5/18

Roger Stricklin
Procurement Specialist IV

City of Austin
Purchasing Office
124 W. 8th Street, Ste. 310
Austin, Texas 78701

 1/5/18
Procurement Mgr.



Amendment No. 2
of
Contract No. NA17000054
for
Excess Liability Insurance for Austin Energy
between
Wortham Insurance and Risk Management
and the
City of Austin

- 1.0 The City hereby correct the Date on Amendment No.1, the Initial Term to change from 12/31/2016 – 12/30/2017 to read 1/1/2017 – 12/31/2017 per the written contract terms.
- 2.0 The City hereby exercises the extension option for the above-referenced contract. Effective January 1, 2018, to December 31, 2018. Five options remain.
- 3.0 The total contract amount is increased by \$1,025,008.00 for the extension option period. The total Contract authorization is recapped below:

Term	Action Amount	Total Contract Amount
Basic Term: 1/01/17 – 12/31/17	\$976,198.00	\$976,198.00
Amendment No. 1: Administrative Increase 02/14/2017	\$58,000.00	\$1,034,198.00
Amendment No. 2: Option 1 01/01/18 – 12/31/18	\$1,025,008.00	\$2,059,206 .00

- 4.0 MBE/WBE goals were not established for this contract.
- 5.0 By signing this Amendment the Contractor certifies that the Contractor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration (GSA) List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.
- 6.0 All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, this Amendment is hereby incorporated into and made a part of the above-referenced contract.

Signature & Date:

Printed Name: George Adkins
Authorized Representative

Signature & Date:

Linell Goodin-Brown
Contract Management Supervisor II
City of Austin
Purchasing Office

12-4-17

Wortham Insurance and Risk Management
PO Box 1388
Houston, TX 77251-1388



**Amendment No. 1
to
Contract No. NA170000054
for
Excess Liability Insurance for Austin Energy
between
John L. Wortham & Son LP
DBA
Wortham Insurance & Risk Management
and the
City of Austin**

1.0 The City hereby amends the above referenced contract to increase the not-to-exceed amount by \$58,000 to cover the additional premium for addition of aircraft liability coverage to Policy No. XL5057206P. The applicable endorsement is attached as Exhibit A to this amendment.

2.0 The total Contract authorization is recapped below:

Action	Action Amount	Total Contract Amount
Initial Term: 12/31/2016- 12/30/2017	\$976,198.00	\$976,198.00
Amendment No. 1: Increase Contract Amount 02/14/2017	\$58,000.00	\$1,034,198.00

3.0 MBE/WBE goals do not apply to this contract.

4.0 By signing this Amendment the Contractor certifies that the Contractor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration (GSA) List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.

5.0 All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, this Amendment is hereby incorporated and made a part of the above referenced contract.


Signature & Date



Printed Name: GEORGE Z. ADKINS
Authorized Representative

John L. Wortham & Son LP DBA
Wortham Insurance & Risk Management
P. O. Box 1388
Houston, TX 77251

Signature & Date:

 2-21/17

Roger Stricklin
Corporate Contract Administrator

City of Austin
Purchasing Office
124 W. 8th Street, Ste. 310
Austin, Texas 78701

**CONTRACT BETWEEN THE CITY OF AUSTIN ("CITY")
AND
JOHN L. WORTHAM & SON L.P. DBA WORTHAM INSURANCE & RISK MANAGEMENT ("CONTRACTOR")
FOR
EXCESS LIABILITY INSURANCE FOR AUSTIN ENERGY
MA 5800 NA170000054**

The City accepts the Contractor's Proposal (as referenced in Section 1.1.3 below) for the above requirement and enters into the following Contract.

This Contract is between John L. Wortham & Son L.P. dba Wortham Insurance & Risk Management at P.O. Box 1388, Houston, Texas 77251 and the City, a home-rule municipality incorporated by the State of Texas, and is effective on January 1, 2017 ("Effective Date").

Capitalized terms used but not defined herein have the meanings given them in Request for Proposal 5800 TLF0303 (the "RFP").

1.1 This Contract is composed of the following documents:

- 1.1.1 This document
- 1.1.2 The RFP, including all documents incorporated by reference
- 1.1.3 The Contractor's Proposal, dated September 27, 2016, including subsequent clarifications ("Contractor's Proposal").

1.2 Order of Precedence. Any inconsistency or conflict in the Contract documents shall be resolved by giving precedence in the following order:

- 1.2.1 This document
- 1.2.2 The RFP as referenced in Section 1.1.2, including all documents incorporated by reference
- 1.2.3 The Contractor's Proposal as referenced in Section 1.1.3, including subsequent clarifications.

1.3 Term of Contract. The Contract will be in effect for an initial term of 12 months and may be extended thereafter for up to six 12 month extension options, subject to the approval of the Contractor and the City Purchasing Officer or his designee. See the Term of Contract provision in Section 0400 of the RFP for additional Contract requirements.

1.4 Compensation. The Contractor shall be paid a total not-to-exceed amount of \$976,198 for the initial Contract term, \$1,025,008 for the first extension option, \$1,055,758 for the second extension option, \$1,087,431 for the third extension option, \$1,120,054 for the fourth extension option, \$1,153,656 for the fifth extension option, and \$1,188,266 for the sixth extension option, for a total Contract amount not-to-exceed \$7,606,371.

1.5 Quantity of Work. There is no guaranteed quantity of work for the period of the Contract and there are no minimum order quantities.

This Contract (including any Exhibits) constitutes the entire agreement of the parties regarding the subject matter of this Contract and supersedes all prior and contemporaneous agreements and understandings, whether written or oral, relating to such subject matter. This Contract may be altered, amended, or modified only by a written instrument signed by the duly authorized representatives of both parties.

In witness whereof, the parties have caused a duly authorized representative to execute this Contract on the date set forth below.

**JOHN L. WORTHAM & SON L.P. DBA
WORTHAM INSURANCE & RISK
MANAGEMENT**

George Z. Adkins

Printed Name of Authorized Person



Signature

Managing Director

Title:

December 13, 2016

Date:

CITY OF AUSTIN

TRACY FRANKLIN

Printed Name of Authorized Person



Signature

SENIOR BUYER SPECIALIST

Title:

12/28/16

Date:



CITY OF AUSTIN, TEXAS
Purchasing Office
REQUEST FOR PROPOSAL (RFP)
OFFER SHEET

SOLICITATION NO: RFP 5800 TLF0303

DATE ISSUED: August 15, 2016

REQUISITION NO.: 16062800547

COMMODITY CODES: 95356, 95377, 96247

**FOR CONTRACTUAL AND TECHNICAL
ISSUES CONTACT THE FOLLOWING
AUTHORIZED CONTACT PERSON:**

Tracy Franklin
Corporate Contract Administrator

Phone: (512) 974-2034

E-Mail: tracy.franklin@austintexas.gov

Sandy Brandt
Senior Buyer Specialist

Phone: (512) 974-1783

E-Mail: sandy.brandt@austintexas.gov

COMMODITY/SERVICE DESCRIPTION: Excess Liability Insurance
for Austin Energy

PRE-PROPOSAL CONFERENCE TIME AND DATE: Thursday,
September 1, 2016 at 10:00am CST.

LOCATION: Municipal Building, 124 West 8th Street, Conference
Room 330.1, Austin, Texas 78701

Call in by dialing (512) 974-9300, participant code 464410

PROPOSAL DUE PRIOR TO: Thursday, September 29, 2016 at
2:00pm CST

PROPOSAL CLOSING TIME AND DATE: Thursday, September 29,
2016 at 2:00pm CST

LOCATION: MUNICIPAL BUILDING, 124 W 8th STREET
RM 308, AUSTIN, TEXAS 78701

LIVE SOLICITATION CLOSING ONLINE: For RFPs, only the
names of respondents will be read aloud.

**For information on how to attend the Solicitation Closing online,
please select this link:**

<http://www.austintexas.gov/departments/bid-opening-webinars>

When submitting a sealed Offer and/or Compliance Plan, use the proper address for the type of service desired, as shown below:

Address for US Mail (Only)	Address for FedEx, UPS, Hand Delivery or Courier Service
City of Austin	City of Austin, Municipal Building
Purchasing Office-Response Enclosed for RFP 5800 TLF0303	Purchasing Office-Response Enclosed for RFP 5800 TLF0303
P.O. Box 1088	124 W 8 th Street, Rm 308
Austin, Texas 78767-8845	Austin, Texas 78701
	Reception Phone: (512) 974-2500

NOTE: Offers must be received and time stamped in the Purchasing Office prior to the Due Date and Time. It is the responsibility of the Offeror to ensure that their Offer arrives at the receptionist's desk in the Purchasing Office prior to the time and date indicated. Arrival at the City's mailroom, mail terminal, or post office box will not constitute the Offer arriving on time. See Section 0200 for additional solicitation instructions.

All Offers (including Compliance Plans) that are not submitted in a sealed envelope or container will not be considered.

SUBMIT 1 ORIGINAL AND 1 ELECTRONIC COPY OF YOUR RESPONSE ON FLASH DRIVE
*****SIGNATURE FOR SUBMITTAL REQUIRED ON PAGE 3 OF THIS DOCUMENT*****

This solicitation is comprised of the following required sections. Please ensure to carefully read each section including those incorporated by reference. By signing this document, you are agreeing to all the items contained herein and will be bound to all terms.

SECTION NO.	TITLE	PAGES
0100	STANDARD PURCHASE DEFINITIONS	*
0200	STANDARD SOLICITATION INSTRUCTIONS	*
0300	STANDARD PURCHASE TERMS AND CONDITIONS	*
0400	SUPPLEMENTAL PURCHASE PROVISIONS	4
0500	SCOPE OF WORK	7
0600	PROPOSAL PREPARATION INSTRUCTIONS & EVALUATION FACTORS	4
0605	LOCAL BUSINESS PRESENCE IDENTIFICATION FORM – Complete and return	2
0635	QUOTE SHEET – Complete and return	5
0645	PERFORMANCE GUARANTEES – Complete and return	1
0700	REFERENCE SHEET – Complete and return	2
0800	NON-DISCRIMINATION CERTIFICATION	*
0805	NON-SUSPENSION OR DEBARMENT CERTIFICATION	*
0810	NON-COLLUSION, NON-CONFLICT OF INTEREST, AND ANTI-LOBBYING CERTIFICATION	*
0835	NONRESIDENT BIDDER PROVISIONS – Complete and return	1
0900	MBE/WBE PROCUREMENT PROGRAM PACKAGE NO GOALS FORM – Complete & return	2
	Attachment 1: The City's Current Excess Liability Policy	37
	Attachment 2: Excess Liability Premium, Limits, and Retention Data	1
	Attachment 3: Aegis Loss Runs	9
	Attachment 4: City Loss Run Over \$100,000	1
	Attachment 5: Austin Energy Vehicles	15
	Attachment 6: Longhorn Dam Information	3
	Attachment 7: Workplace Chemical List	27

*** Documents are hereby incorporated into this Solicitation by reference, with the same force and effect as if they were incorporated in full text. The full text versions of the * Sections are available on the Internet at the following online address:**

http://www.austintexas.gov/financeonline/vendor_connection/index.cfm#STANDARDBIDDOCUMENTS

If you do not have access to the Internet, you may obtain a copy of these Sections from the City of Austin Purchasing Office located in the Municipal Building, 124 West 8th Street, Room #308 Austin, Texas 78701; phone (512) 974-2500. Please have the Solicitation number available so that the staff can select the proper documents. These documents can be mailed, expressed mailed, or faxed to you.

INTERESTED PARTIES DISCLOSURE

In addition, Section 2252.908 of the Texas Government Code requires the successful offeror to complete a Form 1295 "Certificate of Interested Parties" that is signed and notarized for a contract award requiring council authorization. The "Certificate of Interested Parties" form must be completed on the Texas Ethics Commission website, printed, signed and submitted to the City by the authorized agent of the Business Entity with acknowledgment that disclosure is made under oath and under penalty of perjury prior to final contract execution.

https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm

The undersigned, by his/her signature, represents that he/she is submitting a binding offer and is authorized to bind the respondent to fully comply with the solicitation document contained herein. The Respondent, by submitting and signing below, acknowledges that he/she has received and read the entire document packet sections defined above including all documents incorporated by reference, and agrees to be bound by the terms therein.

Company Name: _____

Company Address: _____

City, State, Zip: _____

Federal Tax ID No. _____

Printed Name of Officer or Authorized
Representative: _____

Title: _____

Signature of Officer or Authorized
Representative: _____

Date: _____

Email Address: _____

Phone Number: _____

*** Proposal response must be submitted with this Offer sheet to be considered for award**

**CITY OF AUSTIN
PURCHASING OFFICE
SUPPLEMENTAL PURCHASE PROVISIONS
RFP 5800 TLF0303
SECTION 0400**

The following Supplemental Purchasing Provisions apply to this solicitation:

1. **EXPLANATIONS OR CLARIFICATIONS:** (reference paragraph 5 in Section 0200)

All requests for explanations or clarifications must be submitted in writing to the Purchasing Office no later than five business days prior to the proposal due date.

2. **INSURANCE:** Insurance is required for this solicitation.

A. **General Requirements:** See Section 0300, Standard Purchase Terms and Conditions, paragraph 32, entitled Insurance, for general insurance requirements.

- i. The Contractor shall provide a Certificate of Insurance as verification of coverages required below to the City at the below address prior to contract execution and within 14 calendar days after written request from the City. Failure to provide the required Certificate of Insurance may subject the Offer to disqualification from consideration for award
- ii. The Contractor shall not commence work until the required insurance is obtained and until such insurance has been reviewed by the City. Approval of insurance by the City shall not relieve or decrease the liability of the Contractor hereunder and shall not be construed to be a limitation of liability on the part of the Contractor.
- iii. The Contractor must also forward a Certificate of Insurance to the City whenever a previously identified policy period has expired, or an extension option or holdover period is exercised, as verification of continuing coverage.
- iv. The Certificate of Insurance, and updates, shall be mailed to the following address:

City of Austin Purchasing Office
P. O. Box 1088
Austin, Texas 78767

B. **Specific Coverage Requirements:** The Contractor shall at a minimum carry insurance in the types and amounts indicated below for the duration of the Contract, including extension options and hold over periods, and during any warranty period. These insurance coverages are required minimums and are not intended to limit the responsibility or liability of the Contractor.

- i. **Worker's Compensation and Employers' Liability Insurance:** Coverage shall be consistent with statutory benefits outlined in the Texas Worker's Compensation Act (Section 401). The minimum policy limits for Employer's Liability are \$100,000 bodily injury each accident, \$500,000 bodily injury by disease policy limit and \$100,000 bodily injury by disease each employee.
 - (1) The Contractor's policy shall apply to the State of Texas and include these endorsements in favor of the City of Austin:
 - (a) Waiver of Subrogation, Form WC420304, or equivalent coverage
 - (b) Thirty (30) days Notice of Cancellation, Form WC420601, or equivalent coverage
- ii. **Commercial General Liability Insurance:** The minimum bodily injury and property damage per occurrence are \$500,000 for coverages A (Bodily Injury and Property Damage) and B (Personal and Advertising Injury).
 - (1) The policy shall contain the following provisions:
 - (a) Contractual liability coverage for liability assumed under the Contract and all other Contracts related to the project.
 - (b) Contractor/Subcontracted Work.
 - (c) Products/Completed Operations Liability for the duration of the warranty period.
 - (d) If the project involves digging or drilling provisions must be included that provide Explosion, Collapse, and/or Underground Coverage.
 - (2) The policy shall also include these endorsements in favor of the City of Austin:
 - (a) Waiver of Subrogation, Endorsement CG 2404, or equivalent coverage

**CITY OF AUSTIN
PURCHASING OFFICE
SUPPLEMENTAL PURCHASE PROVISIONS
RFP 5800 TLF0303
SECTION 0400**

- (b) Thirty (30) days Notice of Cancellation, Endorsement CG 0205, or equivalent coverage
 - (c) The City of Austin listed as an additional insured, Endorsement CG 2010, or equivalent coverage
- iii. **Business Automobile Liability Insurance:** The Contractor shall provide coverage for all owned, non-owned and hired vehicles with a minimum combined single limit of \$500,000 per occurrence for bodily injury and property damage. Alternate acceptable limits are \$250,000 bodily injury per person, \$500,000 bodily injury per occurrence and at least \$100,000 property damage liability per accident.
 - (1) The policy shall include these endorsements in favor of the City of Austin:
 - (a) Waiver of Subrogation, Endorsement CA0444, or equivalent coverage
 - (b) Thirty (30) days Notice of Cancellation, Endorsement CA0244, or equivalent coverage
 - (c) The City of Austin listed as an additional insured, Endorsement CA2048, or equivalent coverage.
- iv. **Professional Liability Insurance:** The Contractor shall provide at a minimum limit of \$5,000,000 per claim, to pay on behalf of the assured all sums which the assured shall become legally obligated to pay as damages by reason of any negligent act, error, or omission arising out of the performance of professional services under this Agreement.

If coverage is written on a claims-made basis, the retroactive date shall be prior to or coincident with the date of the Contract and the certificate of insurance shall state that the coverage is claims-made and indicate the retroactive date. This coverage shall be continuous and will be provided for 24 months following the completion of the contract.

- C. **Endorsements:** The specific insurance coverage endorsements specified above, or their equivalents must be provided. In the event that endorsements, which are the equivalent of the required coverage, are proposed to be substituted for the required coverage, copies of the equivalent endorsements must be provided for the City's review and approval.

3. **TERM OF CONTRACT:**

- A. The Contract shall be in effect for an initial term of 12 months and may be extended thereafter for up to six additional 12-month periods, subject to the approval of the Contractor and the City Purchasing Officer or his designee.
- B. Upon expiration of the initial term or period of extension, the Contractor agrees to hold over under the terms and conditions of this agreement for such a period of time as is reasonably necessary to re-solicit and/or complete the project (not to exceed 120 days unless mutually agreed on in writing).
- C. Upon written notice to the Contractor from the City's Purchasing Officer or his designee and acceptance of the Contractor, the term of this contract shall be extended on the same terms and conditions for an additional period as indicated in paragraph A above.

- 4. **QUANTITIES:** The quantities listed herein are estimates for the period of the Contract. The City reserves the right to purchase more or less of these quantities as may be required during the Contract term. Quantities will be as needed and specified by the City for each order. Unless specified in the solicitation, there are no minimum order quantities.

5. **INVOICES and PAYMENT:** (reference paragraphs 12 and 13 in Section 0300)

- A. Invoices shall contain a unique invoice number and the information required in Section 0300, paragraph 12, entitled "Invoices." Invoices received without all required information cannot be processed and will be returned to the vendor.

**CITY OF AUSTIN
PURCHASING OFFICE
SUPPLEMENTAL PURCHASE PROVISIONS
RFP 5800 TLF0303
SECTION 0400**

Invoices shall be mailed to the below address:

	City of Austin
Department	Human Resources – Risk Management
Attn:	Accounts Payable
Address	PO Box 1088
City, State Zip Code	Austin, TX 78767

- B. The Contractor agrees to accept payment by either credit card, check or Electronic Funds Transfer (EFT) for all goods and/or services provided under the Contract. The Contractor shall factor the cost of processing credit card payments into the Offer. There shall be no additional charges, surcharges, or penalties to the City for payments made by credit card.

6. NON-COLLUSION, NON-CONFLICT OF INTEREST, AND ANTI-LOBBYING:

- A. On November 10, 2011, the Austin City Council adopted Ordinance No. 20111110-052 amending Chapter 2.7, Article 6 of the City Code relating to Anti-Lobbying and Procurement. The policy defined in this Code applies to Solicitations for goods and/or services requiring City Council approval under City Charter Article VII, Section 15 (Purchase Procedures). During the No-Contact Period, Offerors or potential Offerors are prohibited from making a representation to anyone other than the Authorized Contact Person in the Solicitation as the contact for questions and comments regarding the Solicitation.
- B. If during the No-Contact Period an Offeror makes a representation to anyone other than the Authorized Contact Person for the Solicitation, the Offeror's Offer is disqualified from further consideration except as permitted in the Ordinance.
- C. If an Offeror has been disqualified under this article more than two times in a sixty (60) month period, the Purchasing Officer shall debar the Offeror from doing business with the City for a period not to exceed three (3) years, provided the Offeror is given written notice and a hearing in advance of the debarment.
- D. The City requires Offerors submitting Offers on this Solicitation to certify that the Offeror has not in any way directly or indirectly made representations to anyone other than the Authorized Contact Person during the No-Contact Period as defined in the Ordinance. The text of the City Ordinance is posted on the Internet at: <http://www.ci.austin.tx.us/edims/document.cfm?id=161145>

7. NON-SOLICITATION:

- A. During the term of the Contract, and for a period of six (6) months following termination of the Contract, the Contractor, its affiliate, or its agent shall not hire, employ, or solicit for employment or consulting services, a City employee employed in a technical job classification in a City department that engages or uses the services of a Contractor employee.
- B. In the event that a breach of Paragraph A occurs the Contractor shall pay liquidated damages to the City in an amount equal to the greater of: (i) one (1) year of the employee's annual compensation; or (ii) 100 percent of the employee's annual compensation while employed by the City. The Contractor shall reimburse the City for any fees and expenses incurred in the enforcement of this provision.
- C. During the term of the Contract, and for a period of six (6) months following termination of the Contract, a department that engages the services of the Contractor or uses the services of a

**CITY OF AUSTIN
PURCHASING OFFICE
SUPPLEMENTAL PURCHASE PROVISIONS
RFP 5800 TLF0303
SECTION 0400**

Contractor employee will not hire a Contractor employee while the employee is performing work under a Contract with the City unless the City first obtains the Contractor's approval.

- D. In the event that a breach of Paragraph C occurs, the City shall pay liquidated damages to the Contractor in an amount equal to the greater of: (i) one (1) year of the employee's annual compensation or (ii) 100 percent of the employee's annual compensation while employed by the Contractor.
9. **CONTRACT MANAGER:** The following person is designated as Contract Manager, and will act as the contact point between the City and the Contractor during the term of the Contract:

Leslie Milvo, Risk Manager

(512) 974-3245

leslie.milvo@austintexas.gov

*Note: The above listed Contract Manager is not the authorized Contact Person for purposes of the **NON-COLLUSION, NON-CONFLICT OF INTEREST, AND ANTI-LOBBYING Provision** of this Section; and therefore, contact with the Contract Manager is prohibited during the no contact period.

**CITY OF AUSTIN
PURCHASING OFFICE
SCOPE OF WORK
RFP 5800 TLF0303
SECTION 0500**

1. OBJECTIVE

The City seeks excess liability insurance proposals from brokers, agents and/or insurers who are experienced and qualified in providing excess liability insurance coverage to electric utility risks in order to obtain the most advantageous premium and coverage package available in the marketplace for its Electric Utility Department, Austin Energy ("AE"). The City is interested in the broadest provisions available at the most competitive pricing. The excess liability coverage offered in this proposal shall become effective on **December 31, 2016**.

Please note the City is NOT interested in pursuing excess coverage to respond over its workers' compensation self-insurance fund.

The City is interested in reviewing different coverage options in order to obtain a package of coverage that will be most beneficial for AE. Carriers for these coverage options shall be financially sound with a proven track record in writing electric utility operations.

2. MINIMUM COVERAGE REQUIREMENTS

Quotes must be offered at no less than a \$2,000,000 self-insured retention ("SIR") and \$25,000,000 limit. This is the lowest limit indicated on the Section 0605 Excess Liability Quote Sheet. The City requires a \$2,000,000 retention with defense costs to be included within the retention amount.

Quotes shall contain coverage on a claims made form with a retroactive date of 9/1/1997, and, at a minimum, these basic coverage provisions:

1. General Liability
2. Products/Completed Operations
3. Auto Liability
4. Care, Custody and Control
5. Employers Liability
6. Wildfire Liability
7. Medical Malpractice Injury
8. Pollution Liability
9. Failure to Supply Liability
10. Joint Venture Liability

Austin Energy is also interested in reviewing these coverage options in quotes submitted for evaluation:

1. Electric and/or Magnetic fields ("EMF")
2. Terrorism

3. SERVICES

The selected Contractor shall provide the following associated services:

3.1. CONDUCT A COMPREHENSIVE ASSESSMENT OF AE'S LIABILITY EXPOSURE PROFILE:

Services shall include, but not be limited to the following:

- 3.1.1 Review AE's underwriting information to identify key underwriting data needs and make recommendations for future data improvement and refinement.
- 3.1.2. Assemble and format AE's underwriting information for consideration by insurance carriers.
- 3.1.3 Stay abreast of the regulatory environment regarding utilities. Advise the City of potential implications of proposed legislation and assist the City with making required program adjustments as necessary as a result of changes to existing laws.

3.2. NEGOTIATE, BIND, and IMPLEMENT AN INSURANCE PROGRAM: Services shall include, but not

be limited to the following:

3.2.1 Solicit quotes and negotiate the most favorable excess liability insurance coverage, including terms, services, and premiums with insurance carrier(s), including, but not limited to: policy renewals, premium payment schedules, and facilitation of standard inspections as carrier requires.

3.2.2 If requested by the City, bind coverage as quoted and maintain insurance policies and coverage without lapse. Ensure that renewal binder(s) are delivered to the City at least 24 hours prior to current expiration.

3.2.3 Verify that rates and premiums are properly calculated and charged and confirm to the City in writing that invoiced premiums are correct. The City prefers to pay premiums and all applicable taxes through the Contractor rather than direct bill. When premiums are billed through the Contractor, make advance payment of premiums due to insurance carrier(s), as necessary, to ensure no lapse of coverage.

3.2.4 Review the excess liability policy to verify conformance with specifications. As requested by the City, forward a copy of the completed policy review checklist used to confirm issued policies conform to the quoted coverage specifications. Deliver a complete and accurate policy to the City within 90 days of binding coverage.

3.2.5 Request all required coverage changes and ensure that all endorsements are issued accurately.

3.2.6 Provide copies of master policies and all endorsements to both the City's Risk Management Department and to AE.

3.2.7 Participate as required by the City in the negotiation of policy extensions, and verify the accuracy of all invoices and reconciliations of all monies.

3.2.8 Commit in writing to performance guarantees as negotiated.

3.2.9 Perform as an agent of the City, including issues related to confidentiality.

3.3. PERFORM CLAIMS HANDLING SERVICES: Services shall include, but not be limited to the following:

3.3.1 Pro-actively manage the losses experienced under the program with close oversight of the insurance carrier reserve handling procedures and frequent communication with claim adjusters during the claims handling process.

3.3.2 Provide written procedures regarding claims handling activities and processes between the insurance carrier and City personnel within two months of binding coverage.

3.3.3 Monitor claims activity and act as the City's advocate if disagreements between the carrier and the City arise.

3.3.4 Provide timely claims handling services and immediate response as specified by the City when catastrophic losses occur. Adjusters shall be experienced in adjusting large liability claims for energy risks.

3.3.5 Provide or obtain loss runs from the insurance carrier(s) annually, or as requested by The City. Loss runs shall, at a minimum, specify the date of losses and include a full description of the losses to the satisfaction of the City and the current paid and incurred status of each claim. Loss runs shall be generated and provided to the City Risk Management Department and to AE. Loss runs shall be provided with the above required information within five business days of request.

3.4. PROVIDE ANCILLARY RISK MANAGEMENT SERVICES: Services shall include, but not be limited to the following:

3.4.1 Organize and attend meetings as requested by the City and document meeting discussions. Meeting agendas shall be provided to the City at least 24 hours in advance of the scheduled meeting time and meeting minutes shall be provided to the City within 48 hours post-meeting.

3.4.2 Provide timely response as specified by the City to general risk management inquiries, best practices, and other information requests as requested by the City.

4. AUSTIN ENERGY UNDERWRITING INFORMATION

4.1. AUSTIN ENERGY CURRENT LEGAL STATUS

The Texas Tort Claims Act (the “Act”) limits the liability of a municipality to monetary damages in the amount of \$250,000 for each person and \$500,000 for each single occurrence for bodily injury and \$100,000 for property damage per occurrence. The Act does not apply to the liability of a municipality for damages arising from its proprietary functions, which are those functions a municipality may, in its discretion, perform in the interest of the community. The operation of an electric utility is considered a proprietary function by the Act and the damage limits enjoyed by the municipality do not apply to the utility operations. The City Code contains an ordinance that states that the City will use reasonable diligence to supply steady and continuous electric service but does not guarantee the service against irregularities or interruptions.

4.2. LIABILITY FUNDING AND CLAIMS INFORMATION

AE has carried excess liability for its operations since 1997. The current coverage is provided through AEGIS. See **Attachment 1 - Current AE Excess Liability Policy** for a copy of the current coverage. See **Attachment 2 - Excess Liability Premium and Retention**. This provides historical premium and retention data.

Until the early 1980s the City purchased excess liability for its operations. When nationwide problems associated with obtaining liability insurance arose, the City chose to establish a self-funded insurance program and established the Liability Reserve Fund (“LRF”) in 1984-85.

The LRF is the fund used to pay for actual claims incurred, reserves and related expenses for settling third party liability claims for bodily injury and property damage, including professional liability claims against the City (including AE). The LRF also pays for budgeted administrative costs for the fund’s operations. The LRF is used to capture claims costs and to project future expenses related to claims, as well as to approximate costs associated with incurred but not reported (“IBNR”) claims to comply with the requirements of Governmental Accounting Standards Board (“GASB”) Statement No. 10.

The City’s Law Department employs two licensed claims adjusters and a division of litigation attorneys to handle liability claims against the City. Occasionally outside counsel is employed to litigate cases as well. Claims made against AE by third parties are handled by an in-house representative. If a third party files a formal lawsuit against AE the claim is referred over to the City Litigation Unit of the Law Department and handled by one of a staff of City attorneys.

Claims that fall within the SIR of the current excess liability policy are not handled in a buy down situation. The city is completely self-insured for the first \$2,000,000 in losses. The excess carrier is placed on notice by the City when any AE claim is valued at \$500,000 or more. AE does not release in house loss runs. The City’s database of claims does not track losses in the same way as the typical insurance carrier would. The ‘claims’ that have been made against AE operations are shown on **Attachment 3 – Aegis Loss Runs** and **Attachment 4 - AE Claims Information Greater Than \$100,000**.

The City of Austin has a wealth of information available regarding budget and financial reports. Refer to the following link for more information on the City of Austin Financial Reports and the Official Statement:
https://www.austintexas.gov/financeonline/finance/financial_docs.cfm?ws=1&pg=1#FINANCEREPORTS
https://www.ci.austin.tx.us/financeonline/finance/financial_docs.cfm?ws=1&pg=3

There is not a separate annual report for AE.

4.3. ADDITIONAL UNDERWRITING INFORMATION

4.3.1 The City’s liability requirement at Fayette is 0%. Lower Colorado River Authority (“LCRA”) is the operator at Fayette.

4.3.2 South Texas Nuclear Project (“STNP”) carries its’ own liability coverage. We are not requesting coverage for any exposures associated with this venture.

4.3.3 The operator of STNP is primarily responsible for all litigation that develops as a result of STNP operations.

4.3.4 Both Fayette and STNP carry \$25,000,000 policies with the City as a named insured.

AE Payroll & Employee Information

FISCAL YEAR	ACTUAL PAYROLL INCLUDING BENEFITS	# OF BUDGETED EMPLOYEES
2015	\$184,693,182	1672.75
2014	\$169,928,346	1672.75
2013	\$165,408,522	1659.00
2012	\$161,640,613	1675.00
2011	\$159,246,095	1672.75

AE employees do not provide professional services to outside parties. However, AE does utilize outside consultants, engineers, architects and construction firms for various services when it is necessary or deemed cost effective.

Gross Electric Revenues for the last 6 years

YEAR	REVENUE
2015	\$1,201,531,128
2014	\$1,252,076,174
2013	\$1,187,361,855
2012	\$1,071,187,491
2011	\$1,135,300,592
2010	\$1,029,158,138

Electricity Sales of KWH for the last 6 years

YEAR	RESIDENTIAL	COMM'L	INDUSTRIAL	TOTAL
2015	4,313,183,699	5,565,510,717	2,795,575,622	12,674,270,038
2014	4,298,146,370	5,429,268,482	2,844,999,440	12,572,414,292
2013	4,176,498,876	5,379,408,297	2,749,206,596	12,305,113,769
2012	4,291,974,569	5,614,156,512	2,628,242,150	12,534,373,231
2011	4,607,710,679	5,831,235,573	2,366,585,583	12,805,531,835
2010	4,234,055,981	5,690,570,004	2,029,998,925	11,954,624,910

Number of Customers receiving service for the last 6 years

YEAR	RESIDENTIAL	COMM'L	INDUSTRIAL	TOTAL
2015	401,556	48,791	132	450,479
2014	391,410	47,842	151	439,403
2013	383,257	47,187	138	430,582
2012	376,614	45,674	82	422,371
2011	372,329	45,455	81	417,865
2010	368,700	45,090	80	413,870

4.4. CAPACITY AND TRANSMISSION

Total owned and operated nameplate capacity that can be generated by the utility is 1,768 MW from natural gas. Coal generating capacity is 600 MW from a joint venture operated by LCRA. Nuclear generating capacity is 400 MW from STNP). The utility does not purchase capacity from others. Peak demand at maximum last year was 2,514 MW, while peak demand estimated for the next two years is 2,500 MW. The largest natural gas generating unit capacity is 435 MW.

AE has 619 miles of high voltage transmission lines, and over 11,000 miles of distribution lines. AE also has 11 transmission substations, and 56 distribution substations.

AE has not suffered any power outages other than acts of God in the last 10 years. In the event of an outage there are extensive written procedures for restoring power. These documents can be made available to the selected Contractor.

4.5. INTER-TIES

AE does participate in a regional grid or power pool known as the Electric Reliability Council of Texas. Seventy to 100 MW of spinning reserves are maintained by AE with the average percentage of spinning reserve to total output at approximately 15%.

4.6. AE FLEET OPERATIONS

4.6.1 ***Fleet Safety Program***

AE has adopted an aggressive program to promote driver safety. Formal guidelines and processes have been implemented on and off-the-job preventable vehicle collisions and driving infractions. The purpose of the Austin Energy/City of Austin Safe Driver Standard is to promote and maintain a high level of safe driving standards throughout the department. These guidelines also apply to employees who operate their personal vehicles while conducting business on behalf of AE.

Employee driving records are ordered from the Texas Department of Public Safety on a quarterly basis. The guidelines prescribe assessment of points for infractions of safe driving standards and disciplinary actions and other administrative measures as consequences for failure to drive safely.

In addition to Citywide efforts to prevent losses, AE utilizes the Smith System Driver Training program. It is recognized by the National Safety Council as its primary fleet safety training program. The training is administered by the Safety and Health Division of AE and requires each employee to spend two hours in a classroom surrounding with subsequent practice and evaluation of skills in actual driving situations every three years. Similar fleets have recorded driver improvement as much as 12 times the number of miles driven between vehicle accidents.

4.6.2 ***Fleet Maintenance Program***

AE takes an active position with regard to vehicle and equipment maintenance. The City's Financial Services Department is responsible for maintaining the fleet and utilizes three service centers to perform this function. The majority of the major work such as engine and transmission rebuilds, radiator, exhaust, glass, body, electrical, and hydraulic repairs are contracted to insured local vendors. City mechanics concentrate on preventive maintenance such as oil and filter changes, tune-ups, brakes, inspections, and other related services. Lube, oil and filter changes are performed every 4,000 miles or 4 months, whichever comes first. Annual inspections are performed once a year or every 12,000 miles.

Aerial tower and crane trucks receive a nondestructive inspection once a year by a certified inspection firm. These inspections include dielectric, ultrasonic, magnetic particle, acoustical, visual and operational tests. All hydraulic and electrical maintenance on aerial tower and crane trucks is performed through an interlocal agreement with LCRA. To ensure that every vehicle and piece of equipment receives its necessary maintenance, the utility employs vehicle schedulers to coordinate the schedule of maintenance with the appropriate service center.

4.6.3 ***Accident Investigation Program***

Each AE vehicle is equipped with a collision report kit. Drivers must complete a collision report for every accident. Frequently, AE's safety liaison or the driver's supervisor will investigate the accident at the site. A determination is then made regarding whether the accident was preventable or not, with points assigned to all accidents which are considered preventable. Frequency and severity reports are generated and shared with executive management and the City Manager.

4.6.4 ***Austin Energy Vehicles***

See **Attachment 5 - Austin Energy Vehicle List** for a complete list of all vehicles owned by AE.

****All vehicles are garaged in Austin, Texas. AE does not own any buses or tank trucks.**

4.7. **Dams**

Decker Creek Dam is located on Walter Long Lake in Austin and is an earth fill dam designed by Brown & Root, Inc. and constructed by Amis Construction Co. in 1967 at a cost of \$5,500,000. It is 85 feet high and 6,390 feet long and has a storage capacity of 34,000 acre feet. It is a Class I Federal Hazard Potential. It was last inspected in 2015.

Longhorn Dam is located on Town Lake in Austin and is a concrete dam designed by Brown & Root, Inc. and constructed by H.B. Zachry Co. in 1960 at a cost of \$1,635,000. It is 65 feet high and 506 feet long and has a storage capacity of 6,000 acre feet. It has seven flood gates and two automatic bascule gates. It is a Class 2 Federal Hazard Potential. It was last inspected in 2015. \$1,000,000 was spent in 1997 to update the lift gates, the hoisting system, the electrical system, and the crane monorail at the dam.

Neither dam has public access; however, the lakes behind the dams do have public boat ramps. There are no marinas or beaches at either location.

Fall 2015 Decker Dam inspection and winter 2015 Longhorn Dam Inspection Reports are available, but not included within this RFP. See **Attachment 6 – Supplemental Dam Information**.

4.8. **Storage Operations**

Holly Power Plant has no oil storage tanks.

Decker Power Plant has nine storage tanks with a total capacity of 30,000,000 gallons. These tanks are located above ground and currently store 6,100,000 gallons of diesel fuel. They are not located adjacent to any flowing waterway.

AE does not engage in the storage of liquefied natural gas ("LNG") or liquefied petroleum gas ("LPG") for others. All storage tanks are compliant with all applicable federal, state, and local regulations. There have been no claims made or legal actions brought with regard to premises pollution. There are no pollution conditions at any of the proposed covered locations, nor are there any circumstances that may reasonably be expected to give rise to a claim against AE.

4.9. **Hazardous Waste Operations**

AE has facilities which are considered hazardous waste generators by the Resource Conservation and Recovery Act:

Decker Creek Power Plant	TXD981049729
Holly Street Power Plant	TXD981054166
Kramer Lane Service Center	TXD980624878
Service Center	Conditionally Exempt Small Quantity Generator (CESQG)

AE does not have any hazardous waste facilities as defined by the Resource Conservation and Recovery Act and does not operate any nuclear facilities. See **Attachment 7: Workplace Chemical Lists**.

4.10. **Construction Operations and Contractual Liability**

AE's current anticipated annual construction budget is \$121,000,000. AE plans on spending \$28,000,000 on power production facilities and approximately \$93,000,000 for distribution and transmission work. AE always requires at least \$1,000,000 minimum limits for contractors working on AE projects and AE's interests are always required to be included under the general contractor's insurance.

AE uses hold-harmless agreements drafted by the City's legal department in contracts. Indemnity is also addressed in Section 0300 Paragraph 31 Standard Purchase Terms and Conditions of the RFP.

4.11. **Other Underwriting Data Regarding AE Operations**

- 4.11.1 AE has entered into a joint venture arrangement with LCRA to operate the coal fired Fayette Power Plant. LCRA is the managing partner and separate coverage exists for this operation.
- 4.11.2 AE owns 16% of the South Texas Nuclear Plant in a joint venture arrangement. Separate nuclear power coverage exists for this operation.
- 4.11.3 AE at any time will have up to 20 electric, compressed natural gas or bi-fueled vehicles used within its operations. These vehicles are used for testing, research or evaluation purposes.
- 4.11.4 AE does not have any discontinued or sold operations.
- 4.11.5 AE has not engaged in any new operations or acquisitions in the previous 12 months.
- 4.11.6 AE does not engage in any long haul or delivery operations.
- 4.11.7 AE does not have any railroad operations.
- 4.11.8 AE does not own, lease, or charter any watercraft over 75 feet.
- 4.11.9 AE does not own, lease or regularly charter any aircraft.
- 4.11.10 AE does not have any interest in mining operations.
- 4.11.11 AE does not engage in any type of gas utility operations.
- 4.11.12 AE does not operate any Cogeneration/Independent Power Producer facilities.
- 4.11.13 AE does not provide any medical services for its employees or others involved in AE's operation.
- 4.11.14 AE owns and operates three 17 foot outboard boats.
- 4.11.15 AE does not lease any premises over \$5,000,000 in value.
- 4.11.16 AE does not transport any medical waste.

5. **Attachments**

- Attachment 1 Aegis Excess Liability Insurance Policy
- Attachment 2 Austin Energy Excess Liability Historical Premium & Retention Information
- Attachment 3 Aegis Loss Runs
- Attachment 4 Austin Energy Claims Information Greater Than \$100,000
- Attachment 5 Austin Energy Vehicle List
- Attachment 6 Supplemental Dam Information
- Attachment 7 Workplace Chemical List

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SECTION 0600**

1. PROPOSAL FORMAT

Prefacing the proposal, the Proposer shall provide an Executive Summary of three (3) pages or less, which gives in brief, concise terms, a summation of the proposal. The proposal itself shall be organized in the following format and informational sequence:

A. Part I –Qualifications

1. State the legal name and address of your organization and identify your parent company if you are a subsidiary. Indicate whether you operate as a partnership, corporation, or individual, including the state in which you are incorporated or licensed to operate.
2. Specify the branch office or other subordinate element which will perform, or assist in performing, the Section 0500 Scope of Work and provide details on the number of years your organization has been in business, the current number of employees, and your annual revenues volume for the past five years.
3. Provide summary resume(s) for proposed key personnel who will be providing services to the City, including their specific roles and responsibilities as related to the Section 0500 Scope of Work, experience providing services of a type and scope similar to the Section 0500 Scope of Work, and number of years of employment with your organization.
4. Provide a customer reference list on the Section 0700 Reference Sheet of no less than three organizations with which your organization currently and/or previously provided services (within the past three years) of a type and scope similar to the Section 0500 Scope of Work.
5. Describe any difficulties your organization anticipates in performing the duties under the Section 0500 Scope of Work and how your organization plans to manage these difficulties.
6. Provide information regarding the history, organization, and service structure for each carrier providing insurance coverage quotations. Indicate the location of the underwriting office and the claims services office. Provide a summary resume of the lead underwriter.
7. Provide financial data for each carrier providing insurance coverage quotations,. Acceptable information would include a current Best's Rating, Standard & Poor's Rating, financial statements and/or annual reports.
8. Provide a list of current Texas and out-of-state policy holders with exposures analogous to those of the City for each carrier providing insurance coverage quotations.

B. Part II – Coverage and Limits

The City is interested in reviewing different coverage options in order to obtain a package of coverage that will be most beneficial for Austin Energy. Carriers should be financially sound with a proven track record in writing electric utility operations. Austin Energy prefers coverage written on a claims-made basis. Coverage and limits, at a minimum should include coverage analogous to the current Austin Energy excess liability policy.

1. Minimum Limits

Quotes shall be offered at no less than a \$2,000,000 self-insured retention and \$25,000,000 limit. This is the lowest limit indicated on the Excess Liability Quote Sheet. Austin Energy

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expects to have a \$2,000,000 retention with defense costs included within the retention amount.

2. Submission Requirements

- a. Proposers **must** complete a separate **0635 Excess Liability Quote Sheet** for each set of carrier(s) for which they are submitting quotes. The City has selected specific retention and limit options for quote purposes as outlined below. **All Proposers must provide a quote for Option 1.** Proposers may also provide a quote as outlined under Option 2, as well as up to two additional alternative limit options.

	Option 1	Option 2	Option 3	Option 4
SIR	\$2,000,000	\$2,000,000	\$	\$
Limit	\$35,000,000	\$25,000,000	\$	\$

The City desires to review quotes with the ability to define the final scope of coverage by adding premium charges for coverage enhancements to a defined base premium.

- b. Attach a sample policy form and endorsements that would be applicable to the coverage your organization is proposing.
- c. Highlight important exclusions, restrictions, and conditions that will be found in the coverage your organization is proposing.
- d. Provide a time frame in which binders, policies and endorsements will be issued. Provide a list of tasks that will be required before coverage can be bound if the carrier(s) quotations are selected.
- e. The City is interested in reviewing alternate coverage, limit and retention recommendations. Utilizing your experience and expertise in providing coverage for entities like the utility, up to two alternate quotations/options may be provided (Option 3; Option 4).

C. Part III - Claims Handling and Other Services

1. Describe in detail the carrier's philosophy with regard to litigation management. Also describe the carrier's practices and decision making criteria with regard to handling claims. Identify who retains the oversight and control of claims under these situations: 1) initial demand is within the established retention limit; 2) initial demand is over the established retention limit.
2. Describe proposed procedures in the event the claim evaluation changes the claim status from below retention to above retention and vice versa. Describe in detail the loss reporting requirements and claims notification processes as well as defense counsel selection.
3. If there are other services available, please describe these services and provide general costs that would be associated with them.

D. Part VII – Local Business Presence

The City seeks opportunities for businesses in the Austin Corporate City Limits to participate on City contracts. A firm (Offeror or Subcontractor) is considered to have a Local Business Presence if the firm is headquartered in the Austin Corporate City Limits, or has a branch office located in the Austin Corporate City Limits in operation for the last five (5) years, currently employs residents of the City of Austin, Texas, and will use employees that reside in the City of Austin, Texas, to support this contract.

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The City defines headquarters as the administrative center where most of the important functions and full responsibility for managing and coordinating the business activities of the firm are located. The City defines branch office as a smaller, remotely located office that is separate from a firm's headquarters that offers the services requested and required under this solicitation. Points will be awarded through a combination of the Offeror's Local Business Presence and/or the Local Business Presence of their subcontractors. Evaluation of the Team's Percentage of Local Business Presence will be based on the dollar amount of work as reflected in the Offeror's MBE/WBE Compliance Plan or MBE/WBE Utilization Plan. Specify if and by which definition the Offeror or Subcontractor(s) have a local business presence.

E. Part V - Non-Collusion, Non-Conflict of Interest, and Anti-Lobbying:

- i. On November 10, 2011, the Austin City Council adopted Ordinance No. 20111110-052 amending Chapter 2-7, Article 6 of the City Code relating to Anti-Lobbying and Procurement. The policy defined in this Code applies to Solicitations for goods and/or services requiring City Council approval under City Charter Article VII, Section 15 (Purchase Procedures). During the No-Contact Period, Offerors or potential Offerors are prohibited from making a representation to anyone other than the Authorized Contact Person in the Solicitation as the contact for questions and comments regarding the Solicitation.
- ii. If during the No-Contact Period an Offeror makes a representation to anyone other than the Authorized Contact Person for the Solicitation, the Offeror's Offer is disqualified from further consideration except as permitted in the Ordinance.
- iii. If a Respondent has been disqualified under this article more than two times in a sixty (60) month period, the Purchasing Officer shall debar the Offeror from doing business with the City for a period not to exceed three (3) years, provided the Respondent is given written notice and a hearing in advance of the debarment.
- iv. The City requires Offerors submitting Offers on this Solicitation to provide a signed Section 0810, Non-Collusion, Non-Conflict of Interest, and Anti-Lobbying Affidavit certifying that the Offeror has not in any way directly or indirectly made representations to anyone other than the Authorized Contact Person during the No-Contact Period as defined in the Ordinance. The text of the City Ordinance is posted on the Internet at:
<http://www.ci.austin.tx.us/edims/document.cfm?id=161145>

F. Part VI - Proposal Acceptance Period: All proposals are valid for a period of 120 calendar days subsequent to the RFP closing date unless a longer acceptance period is offered in the proposal

G. Part VII - Proprietary Information: All material submitted to the City becomes public property and is subject to the Texas Open Records Act upon receipt. If a Proposer does not desire proprietary information in the proposal to be disclosed, each page must be identified and marked proprietary at time of submittal. The City will, to the extent allowed by law, endeavor to protect such information from disclosure. The final decision as to what information must be disclosed, however, lies with the Texas Attorney General. Failure to identify proprietary information will result in all unmarked sections being deemed non-proprietary and available upon public request.

H. Part VIII - Authorized Negotiator: Include name, address, and telephone number of person in your organization authorized to negotiate contract terms and render binding decisions on contract matters.

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2. EXCEPTIONS:

Be advised that exceptions to any portion of the RFP may jeopardize acceptance of the proposal.

3. PROPOSAL PREPARATION COSTS:

All costs directly or indirectly related to preparation of a response to the RFP or any oral presentation required to supplement and/or clarify a proposal which may be required by the City shall be the sole responsibility of the Proposer.

4. EVALUATION FACTORS AND AWARD

A. **Competitive Selection:** This procurement will comply with applicable City of Austin Policy. The successful Proposer will be selected by the City on a rational basis. Evaluation factors outlined in Paragraph b below shall be applied to all eligible, responsive Proposers in comparing proposals and selecting the successful Proposer. Award of a contract may be made without discussion with Proposers after proposals are received. Proposals should, therefore, be submitted on the most favorable terms.

B. **Evaluation Factors:**

- i. 100 points.
 - a. **20 Points** – Qualifications (Part I).
 - b. **30 Points** - Coverage and Limits (Part II).
 - c. **25 Points** - Premium Quotations (Section 0635 Excess Liability Quote Sheet Part 5).
 - d. **15 Points** - Claims Handling And Other Services (Part III). Including carrier requirements for loss reporting, in-house expertise, claims philosophy, and defense practices and claims handling processes.
 - e. **10 Points** – Local Business Presence.

Team's Local Business Presence	Points Awarded
Local business presence of 90% to 100%	10
Local business presence of 75% to 89%	8
Local business presence of 50% to 74%	6
Local business presence of 25% to 49%	4
Local business presence of 1% to 24%	2
No local business presence	0

The City reserves the right to hold interviews. If interviews are held, the City reserves the right to re-score “short-listed” proposals as a result of the interviews and to make award recommendations on that basis.

Section 0605: Local Business Presence Identification

A firm (Offeror or Subcontractor) is considered to have a Local Business Presence if the firm is headquartered in the Austin Corporate City Limits, or has a branch office located in the Austin Corporate City Limits in operation for the last five (5) years, currently employs residents of the City of Austin, Texas, and will use employees that reside in the City of Austin, Texas, to support this Contract. The City defines headquarters as the administrative center where most of the important functions and full responsibility for managing and coordinating the business activities of the firm are located. The City defines branch office as a smaller, remotely located office that is separate from a firm's headquarters that offers the services requested and required under this solicitation.

OFFEROR MUST SUBMIT THE FOLLOWING INFORMATION FOR EACH LOCAL BUSINESS (INCLUDING THE OFFEROR, IF APPLICABLE) TO BE CONSIDERED FOR LOCAL PRESENCE.

NOTE: ALL FIRMS MUST BE IDENTIFIED ON THE MBE/WBE COMPLIANCE PLAN OR NO GOALS UTILIZATION PLAN (REFERENCE SECTION 0900).

USE ADDITIONAL PAGES AS NECESSARY

OFFEROR:

Name of Local Firm		
Physical Address		
Is your headquarters located in the Corporate City Limits? (circle one)	Yes	No
or		
Has your branch office been located in the Corporate City Limits for the last 5 years?		
Will your business be providing additional economic development opportunities created by the contract award? (e.g., hiring, or employing residents of the City of Austin or increasing tax revenue?)	Yes	No

SUBCONTRACTOR(S):

Name of Local Firm		
Physical Address		
Is your headquarters located in the Corporate City Limits? (circle one)	Yes	No
or		
Has your branch office been located in the Corporate City Limits for the last 5 years	Yes	No

Will your business be providing additional economic development opportunities created by the contract award? (e.g., hiring, or employing residents of the City of Austin or increasing tax revenue?)	Yes	No

SUBCONTRACTOR(S):

Name of Local Firm		
Physical Address		
Is your headquarters located in the Corporate City Limits? (circle one)	Yes	No
or		
Has your branch office been located in the Corporate City Limits for the last 5 years	Yes	No
Will your business be providing additional economic development opportunities created by the contract award? (e.g., hiring, or employing residents of the City of Austin or increasing tax revenue?)	Yes	No

0635 Quote Sheet

Excess Liability Quote Sheet

Proposers **must** complete a separate quote sheet for each set of carrier(s) for they are submitting quotes. Please do not leave any item blank. If the item is not applicable, indicate this with a "N/A" or "O." If space is needed to clarify items, please attach a separate sheet.

1. Please list the carrier(s) quoting the below excess liability coverage and provide each carrier's AM Best Rating information:

YES/NO

- a. Is the carrier(s) admitted and licensed to write business in Texas? _____
- b. Is the carrier(s) registered with Texas as an approved surplus lines carrier? _____

2. GENERAL PROVISIONS SECTION

(PLACE AN "X" IN THE APPLICABLE BOX)

a. Is the insuring agreement:

- _____ Indemnity
- _____ Indemnity based on legal obligation
- _____ Pay on behalf of

b. Is the coverage trigger:

- _____ Claims made
- _____ Occurrence

YES/NO

c. If the coverage is claims made, answer the following:

- Is the retroactive date 9/1/97? _____
- Is an unlimited ERP available if the carrier cancels or non-renews the coverage? _____

0635 Quote Sheet

- | | <u>YES/NO</u> |
|--|---------------|
| d. Do the entities below qualify as insureds under the policy? | |
| 1. Those obligated by contract to extent of operations | _____ |
| 2. Officers, directors, employees within scope of duties | _____ |
| 3. Any person using insured's auto (with permission) | _____ |
| e. Does the self-insured status of Austin Energy fall within the definition of "other insurance" in the policy provisions? | _____ |
| f. Does the ultimate net loss include defense, investigation and settlement costs as well as supplementary payments? | _____ |
| g. Are defense costs provided in addition to the policy limits? | _____ |
| h. Do defense costs count toward fulfilling the underlying self-insured retention amount? | _____ |
| i. Are punitive damages insured unless barred by statute or court of law? | _____ |
| j. Will the policy provide defense for suits alleging liability insured by the policy even if such suit is considered groundless, false or fraudulent? | _____ |
| k. Does the policy contain a general aggregate limit of liability? | _____ |
| l. Does the policy contain any other type of aggregate limits of liability? | _____ |

3. SPECIFIC COVERAGE PROVISIONS

Does the excess liability quote provide coverage for:

- | | |
|---|-------|
| 1. Bodily injury liability (due to GL, EL, & AL exposures) | _____ |
| 2. Property damage liability (due to GL, EL & AL exposures) | _____ |
| 3. Advertising injury liability | _____ |
| 4. Liability assumed under a contract | _____ |
| 5. Personal Injury Liability including discrimination | _____ |
| 6. Watercraft < 75 feet in length | _____ |
| 7. Fire legal liability | _____ |
| 8. Care, custody and control | _____ |
| 9. Liquor legal liability | _____ |
| 10. Explosion, collapse and underground damage | _____ |

0635 Quote Sheet

11. Independent contractors _____
12. Broad form property damage _____
13. Products/completed operations _____
14. Employers liability _____
15. Employers liability with respect to occupational disease _____
16. Sudden and accidental pollution , incl. from asbestos and PCB exposures? _____
17. Gradual pollution, including from asbestos and PCB exposures? _____
18. Failure to supply liability _____
19. Diminished value of property from electric and/or magnetic fields _____
20. Community service activity _____
21. Standards boards activity _____
22. Medical malpractice injury _____
23. Wild fire liability _____
24. How many days' notice of cancellation will be provided except for non-payment of premium? _____
25. Can quarterly or semiannual payment plan be provided at no interest? _____
26. How many months prior to renewal will a firm rate or premium quotation be given? _____
27. Can the rate be guaranteed for longer than 1 year? _____

4. CLAIMS PROVISIONS

- a. The policy defines a claim as: (check the applicable definition)

- _____ When received and recorded by insured or insurer
- _____ Made against insured and reported to insurer
- _____ Written notice or demand against insured or insurer
- _____ Written notice or demand against insured and written notice to insurer

0635 Quote Sheet

5. PREMIUM QUOTATIONS

All Proposers must provide a quote for Option 1. Proposers may also provide a quote as outlined under Option 2, as well as up to two (2) additional alternative limit options. **Proposals will be scored based on Option 1.**

The City desires to review quotes with the ability to determine the final scope of coverage by adding premium charges for coverage enhancements to a defined base premium.

Option 1 MANDATORY

SIR \$ 2 Million Limit \$35 Million each Occurrence

Base Premium without charges for coverage enhancements:

Stamping Fee

Taxes

TOTAL COST

Optional coverage enhancements which can be provided for an additional premium:

Coverage Name

Premium Charge

Option 2

SIR \$ 2 Million Limit \$25 Million each Occurrence

Base Premium without charges for coverage enhancements:

Stamping Fee

Taxes

TOTAL COST

Optional coverage enhancements which can be provided for an additional premium:

Coverage Name

Premium Charge

0635 Quote Sheet

Option 3

SIR \$ ____ Million Limit \$ ____ Million each Occurrence

Base Premium without charges for coverage enhancements:

Stamping Fee

Taxes

TOTAL COST

Optional coverage enhancements which can be provided for an additional premium:

Coverage Name

Premium Charge

Option 4

SIR \$ ____ Million Limit \$ ____ Million each Occurrence

Base Premium without charges for coverage enhancements:

Stamping Fee

Taxes

TOTAL COST

Optional coverage enhancements which can be provided for an additional premium:

Coverage Name

Premium Charge

Section 0700: Reference Sheet

Responding Company Name _____

The City at its discretion may check references in order to determine the Offeror's experience and ability to provide the products and/or services described in this Solicitation. The Offeror shall furnish at least three complete and verifiable references. References shall consist of customers to whom the offeror has provided the same or similar services within the last three years. References shall indicate a record of positive past performance.

1. Company's Name _____
Name and Title of Contact _____
Project Name _____
Present Address _____
City, State, Zip Code _____
Telephone Number (____) _____ Fax Number (____) _____
Email Address _____

2. Company's Name _____
Name and Title of Contact _____
Project Name _____
Present Address _____
City, State, Zip Code _____
Telephone Number (____) _____ Fax Number (____) _____
Email Address _____

3. Company's Name _____
Name and Title of Contact _____
Project Name _____
Present Address _____
City, State, Zip Code _____
Telephone Number (____) _____ Fax Number (____) _____
Email Address _____

**AUSTIN ENERGY EXCESS LIABILITY
SECTION 0645: PERFORMANCE GUARANTEES**

	PERFORMANCE MEASURE	ACCEPTABLE PERFORMANCE	LIQUIDATED DAMAGE	AGREE YES/NO
1	Timely Delivery of Insurance Binder to City	A complete binder on Carrier letterhead showing limits, terms, provisions, exclusions and retentions is due by no later than December 31 st of every year of this contract.	\$2,000 City can experience significant costs should proof of insurance being bound be unavailable.	
2	Delivery of Policy to City within 3 months of Binding.	A complete policy with all endorsements, exclusions, retentions and provisions shall be delivered to the City by March 31 st of every year of this contract.	\$4,000 City can experience significant costs associated with lack of a policy if a large loss occurs and exact coverage provisions are unavailable.	
3	Written Claims Handling Procedure	Within 60 days of binding coverage, A written claims handling procedure which documents the flow of information and the delineation of handling of claims within the SIR, When the excess carrier is placed on notice and the types of information required by the excess carrier. Tracking methods shall also be documented.	\$2,000 City can experience significant costs associated with lack of communication as to the handling of claims.	
6	Provide Insurance Carrier's Loss Runs within 5 business days of Request	Loss runs must be carrier issued loss runs and indicate a full description of all losses received, current status, paid amounts and current reserve amounts as of the date of the issuance of the loss run.	\$4,000 City will be unable to market insurance coverage without credible and transparent data from carrier	

Section 0835: Non-Resident Bidder Provisions

Company Name _____

- A. Bidder must answer the following questions in accordance with Vernon's Texas Statutes and Codes Annotated Government Code 2252.002, as amended:

Is the Bidder that is making and submitting this Bid a "Resident Bidder" or a "non-resident Bidder"?

Answer: _____

- (1) Texas Resident Bidder- A Bidder whose principle place of business is in Texas and includes a Contractor whose ultimate parent company or majority owner has its principal place of business in Texas.
(2) Nonresident Bidder- A Bidder who is not a Texas Resident Bidder.

- B. If the Bidder is a "Nonresident Bidder" does the state, in which the Nonresident Bidder's principal place of business is located, have a law requiring a Nonresident Bidder of that state to bid a certain amount or percentage under the Bid of a Resident Bidder of that state in order for the nonresident Bidder of that state to be awarded a Contract on such bid in said state?

Answer: _____ Which State: _____

- C. If the answer to Question B is "yes", then what amount or percentage must a Texas Resident Bidder bid under the bid price of a Resident Bidder of that state in order to be awarded a Contract on such bid in said state?

Answer: _____

Section 0900: Minority- and Women-Owned Business Enterprise (MBE/WBE) Procurement Program No Goals Form

SOLICITATION NUMBER:
PROJECT NAME:

The City of Austin has determined that no goals are appropriate for this project. Even though goals were not assigned for this solicitation, the Bidder/Proposer is required to comply with the City's MBE/WBE Procurement Program, if areas of subcontracting are identified.

If any service is needed to perform the Contract and the Bidder/Proposer does not perform the service with its own workforce or if supplies or materials are required and the Bidder/Proposer does not have the supplies or materials in its inventory, the Bidder/Proposer shall contact the Small and Minority Business Resources Department (SMBR) at (512) 974-7600 to obtain a list of MBE and WBE firms available to perform the service or provide the supplies or materials. The Bidder/Proposer must also make a Good Faith Effort to use available MBE and WBE firms. Good Faith Efforts include but are not limited to contacting the listed MBE and WBE firms to solicit their interest in performing on the Contract, using MBE and WBE firms that have shown an interest, meet qualifications, and are competitive in the market; and documenting the results of the contacts.

Will subcontractors or sub-consultants or suppliers be used to perform portions of this Contract?

No _____	If no, please sign the No Goals Form and submit it with your Bid/Proposal in a sealed envelope
Yes _____	If yes, please contact SMBR to obtain further instructions and an availability list and perform Good Faith Efforts. Complete and submit the No Goals Form and the No Goals Utilization Plan with your Bid/Proposal in a sealed envelope.

After Contract award, if your firm subcontracts any portion of the Contract, it is a requirement to complete Good Faith Efforts and the No Goals Utilization Plan, listing any subcontractor, sub-consultant, or supplier. Return the completed Plan to the Project Manager or the Contract Manager.

I understand that even though goals were not assigned, I must comply with the City's MBE/WBE Procurement Program if subcontracting areas are identified. I agree that this No Goals Form and No Goals Utilization Plan shall become a part of my Contract with the City of Austin.	
_____ Company Name	
_____ Name and Title of Authorized Representative (Print or Type)	
_____ Signature	_____ Date

Minority- and Women-Owned Business Enterprise (MBE/WBE) Procurement Program No Goals Utilization Plan
(Please duplicate as needed)

SOLICITATION NUMBER:
PROJECT NAME:

PRIME CONTRACTOR / CONSULTANT COMPANY INFORMATION

Name of Contractor/Consultant			
Address			
City, State Zip			
Phone Number		Fax Number	
Name of Contact Person			
Is Company City certified?	Yes <input type="checkbox"/> No <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> MBE/WBE Joint Venture <input type="checkbox"/>		

I certify that the information included in this No Goals Utilization Plan is true and complete to the best of my knowledge and belief. I further understand and agree that the information in this document shall become part of my Contract with the City of Austin.

Name and Title of Authorized Representative (Print or Type)

Signature

Date

Provide a list of all proposed subcontractors / sub-consultants / suppliers that will be used in the performance of this Contract.
Attach Good Faith Effort documentation if non MBE/WBE firms will be used.

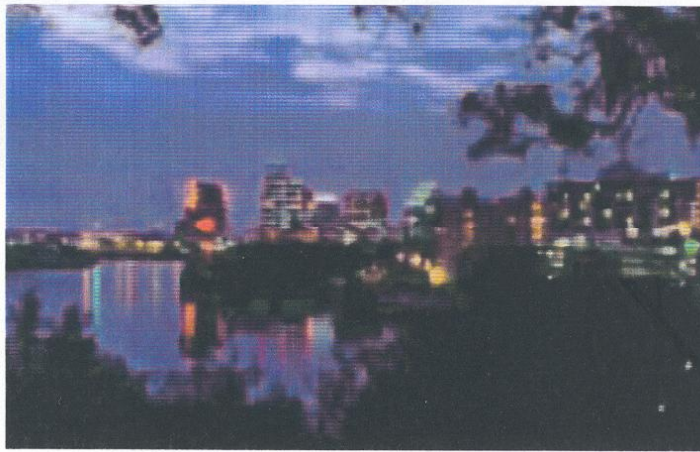
Sub-Contractor / Sub-Consultant			
City of Austin Certified	MBE <input type="checkbox"/> WBE <input type="checkbox"/> Ethics / Gender Code: <input type="checkbox"/> Non-Certified		
Vendor ID Code			
Contact Person		Phone Number	
Amount of Subcontract	\$		
List commodity codes & description of services			

Sub-Contractor / Sub-Consultant			
City of Austin Certified	MBE <input type="checkbox"/> WBE <input type="checkbox"/> Ethics / Gender Code: <input type="checkbox"/> Non-Certified		
Vendor ID Code			
Contact Person		Phone Number	
Amount of Subcontract	\$		
List commodity codes & description of services			

FOR SMALL AND MINORITY BUSINESS RESOURCES DEPARTMENT USE ONLY:	
Having reviewed this plan, I acknowledge that the proposer (HAS) or (HAS NOT) complied with City Code Chapter 2-9A/B/C/D, as amended.	
Reviewing Counselor _____ Date _____	Director/Deputy Director _____ Date _____

RFP No: 5800 TLF0303

**Excess Liability Insurance
for
Austin Energy**



September 2016

Presented By



Wortham

*Insuring the Future
Since 1915*

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EXECUTIVE SUMMARY

Wortham is honored to have an opportunity to serve AUSTIN ENERGY.

Advocacy

Wortham will work for AUSTIN ENERGY as an advocate in all aspects of their insurance program. Unlike direct writers, it is our job to represent AUSTIN ENERGY and not the insurance company.

Experience

We feel our Electric Power Generation experience is second to none. Following is a partial list of Electric Power Generation Clients that have been provided service by our team:

Lower Colorado River Authority	Austin Energy
Brownsville Public Utility Board	Dynegy
ERCOT	El Paso Electric



George Adkins is your Account Executive and is a Managing Director at Wortham. His Electric Power industry experience includes Nuclear Submarine Power Plant Operator, Claims Adjuster, Inspector, Sr. Underwriter and Director of Marketing for Hartford Steam Boiler. George is also the Account Executive for Electric Generation clients such as the Lower Colorado River Authority, Austin Energy, and Brownsville Public Utility Board. George has an Industrial Engineering Degree from Southern Illinois University and an MBA from John F. Kennedy University. George is also the immediate past Chairman of the Board of Directors for the Texas Surplus Lines Stamping Office.

THE WORTHAM STORY

- Founded in 1915
- Largest privately held independent insurance broker in Texas
- Largest market share of any one broker in a major U.S. city
- Strong relationships with many entities within the energy business sector
- Over \$1.2 billion in client premiums annually

The firm of John L. Wortham & Son, L.P. (Wortham) is honored to provide a response to the Request for Proposal. We believe the particular strengths of our firm qualify us to service your insurance needs. You will find it to be a persuasive outline of the many benefits Wortham has to offer.

Wortham is one of the most unique organizations in the insurance industry. With our 100 years of continuous service and the consistent placement of over \$1.4 billion in client premiums annually, Wortham is a strong voice throughout the global insurance community. We consistently rank in the top 25 in premium volume and size when compared to all U.S. brokers and among the highest in productivity per employee. We feel that these strengths offer distinct advantages for our clients.

Wortham serves as insurance broker for several of the country's largest public companies, and a myriad of institutional and not-for-profit companies.

Our staff of over 450 is located in Houston, Austin, San Antonio, Fort Worth, and Dallas. This concentration of talent allows our clients' insurance departments a remarkable extension of their own organizations and a portfolio of the most professional and innovative risk management services available today.

Size and Reputation

Our firm is the largest independent retail broker in Texas and 19th largest in the United States. With a staff of 450 personnel, including 90 Managing Directors, we place over \$1.4 billion of insurance premiums annually.

Wortham has remained in continuous operation for 90 years. Because we are a privately held partnership, our Managing Directors have a proprietary interest in the firm's standing and reputation.

Carrier Qualifications

Associated Electric & Gas Insurance Services Limited (AEGIS), a non-assessable mutual insurance company owned by its policyholders, was established in Bermuda in 1975 to meet the insurance needs of the public utility industry in the United States of America.

Best Rating of A- XII

Coverage and Limits

The quote submitted by AEGIS meets and exceeds the Minimum Coverage Requirements listed in the RFP. Also note that the quote includes coverage for Electric and/or magnetic Fields (EMF), Pollution liability, and Failure to Supply.

Premium (and Taxes).

	Option 1	Option 2
SIR	\$2,000,000	\$2,000,000
Limit	\$35,000,000	\$25,000,000
AEGIS Total Cost	\$976,197.51	\$922,897.51

Option to add Terrorism = \$78,559

Part I – Proposer Qualifications:

1. State legal name and address of your organization and identify parent company if you are a subsidiary. Indicate whether you operate as a partnership, corporation, or individual, including the State in which incorporated or licensed to operate.

Wortham is a privately held Texas partnership whose headquarters is in Houston. We also have office locations in Austin, Fort Worth, Dallas and San Antonio.

2. Specify the branch office or other subordinate element which will perform, or assist in performing, the Section 0500 Scope of Work and provide details on the number of years your organization has been in business, the current number of employees, and your annual revenues volume for the past five years.

Service and Marketing Office

Wortham Insurance & Risk Management
Wortham Tower, 24th Floor
2727 Allen Parkway
Houston, Texas 77019-2189

Firm Experience

- Founded in 1915. Headquartered in Texas with 500 employees & 5 offices.
 - Largest privately owned insurance partnership in the U.S.
 - Continuity of staff – employees’ tenure averages over 12 years, Managing Directors tenure is over 20 years, and client retention is over 95%.
 - Excess of \$1.4 billion in client premiums into the Commercial Market
3. Provide summary resume(s) for proposed key personnel who will be providing services to the City, including their specific roles and responsibilities as related to the Section 0500 Scope of Work, experience providing services of a type and scope similar to the Section 0500 Scope of Work, and number of years of employment with your organization.

Name, Title	Primary Assignment	Years @ Wortham
George Adkins, Managing Director	Account Executive	20
Mike Feighl, Managing Director	Casualty Broker	21
Vernett Johnson, Executive Assistant	Assistant to Account Executive	6

Account Team

George Adkins is your Account Executive and has been with Wortham for 20 years. He was elected a Managing Director at Wortham in 1999 and works with clients in the municipal, educational and power generation areas. His insurance industry experience includes Claims Adjuster, Inspector, Sr. Underwriter and Director of Marketing for Hartford Steam Boiler. George is also the Account Executive for Austin area clients such as the Lower Colorado River Authority & Austin Energy. George has an Industrial Engineering Degree from Southern Illinois University and an MBA from John F. Kennedy University.

Mike Feighl, is your Co-Account Executive and Wortham Managing Director with over 27 years experience in the industry. Mike is a broker marketing specialist in our Casualty Department. He has 25+ years in marketing and underwriting experience serving in various underwriting positions with American General Fire and Casualty and Maryland Casualty and then serving as Director of Property and Casualty Division for a large competitive insurance broker. He joined Wortham in 1995 and specializes in designing, brokering and servicing large national account risk management programs, self-insurance arrangements, onshore and offshore captives, captive reinsurance, fronting arrangements and other Alternative Risk Financing structures. His focus areas are in Energy, Healthcare(Multi-Unit Hospital Systems, Multi-Specialty Clinics and Ancillary Contractors/Group Practices), and Construction. Mike has a B.B.A. in Management from Stephen F. Austin State University.

Vernett Johnson Executive Assistant to George Adkins. She began her career in the insurance industry in 1996 and joined Wortham in 2010. Vernet is a licensed Property & Casualty Agent and a Notary Public.

4. Provide a customer reference list on the Section 0700 Reference Sheet of no less than three organizations with which your organization currently and/or previously provided services (within the past three years) of a type and scope similar to the Section 0500 Scope of Work.

Name	Contact	Contact Phone	Length of Relationship	Description
City of Austin	Carol Vance	512-322-6185	15 Years	Property Broker
El Paso Electric	Wayne Soza	915-543-4097	15 Years	All Lines Broker
Whole Foods	Margot Roth l'Heureux	541-908-2967	10 Years	All Line Broker

5. Describe any difficulties your organization anticipates in performing the duties under the Section 0500 Scope of Work and how your organization plans to manage these difficulties.

No difficulties in performing the duties under the Scope of Services

6. Provide information regarding the history, organization, and service structure for each carrier providing insurance coverage quotations. Indicate the location of the underwriting office and the claims services office. Provide a summary resume of the lead underwriter.

AEGIS

History

Associated Electric & Gas Insurance Services Limited (AEGIS), a non-assessable mutual insurance company owned by its policyholders, was established in Bermuda in 1975 to meet the insurance needs of the public utility industry in the United States of America.

Organization/Service Structure

Concentrates staff in one location in Jersey City, New Jersey.

Underwriting Office

Aegis Insurance Services
10 Exchange Place
Jersey City, NJ 07302
Phone (201) 521-4663 Fax (201) 521-4642

Claims Service Office

Aegis Insurance Services Claims Division
Harborside Financial Center
700 Plaza Two
Jersey City, NJ 07311-3994
Phone (201) 915-7200 Fax (201) 451-0715

Ricardo King began his insurance career working for CIGNA in 1993. After working for Kemper in the Large Risk dept., and Willis as an insurance broker, he moved to Chubb to help develop the energy book of business. His nine years there were spent developing his skill and growing the book as an energy underwriter. His last five years has been spent as a sr. Underwriter in the Excess Liability department at AEGIS. He accepted this opportunity because it allowed him to work on the larger Utilities throughout the country vs. the smaller regional IPP'S. When not trying to get some time in at the gym and practicing what some people call golf, he loves working in his garden and spending time with family. He can be contacted at ricardoking@aegislimited.com.

7. Provide **financial** data for each carrier providing insurance coverage quotations,. Acceptable information would include a current Best's Rating, Standard & Poor's Rating, financial statements and/or annual reports.

Best Rating of A- XII

8. Provide a list of current Texas and out-of-state policy holders with exposures analogous to those of the City for each carrier providing insurance coverage quotations.

The following is a partial list of AEGIS clients with exposures analogous to Austin Energy.

Board of Public Utilities of Kansas City, Kansas	Kansas City, KS
Clark Public Utilities	Vancouver, WA
City of Anaheim	Anaheim, CA
City of Fremont, Department of Utilities	Fremont, NE
City Utilities of Springfield	Springfield, MO
Colectric Partners, Inc.	Jacksonville, FL
Decatur Utilities	Decatur, AL
Don Pedro Project	Turlock, CA
The Energy Authority	Jacksonville, FL
Energy Northwest	Richland, WA
Eugene Water and Electric Board	Eugene, OR
Florida Municipal Power Agency	Orlando, FL
Hastings Utilities	Hastings, NE
Hudson (MA) Light and Power Department	Hudson, MA
Kissimmee Utility Authority	Kissimmee, FL
Massachusetts Mutual Wholesale Electric Co.	Ludlow, MA
Municipal Electric Authority of Georgia	Atlanta, GA
Muscatine Power and Water	Muscatine, IA
New York Public Power Authority	New York, NY
Nebraska Public Power District	Columbus, NE
Omaha Public Power District	Omaha, NE
Owensboro Municipal Utilities	Owensboro, KY
Orlando Utilities Commission	Orlando, FL
Rochester Public Utilities	Rochester, MN
South Carolina Public Service Authority (Santee Cooper)	Moncks Corner, SC
Southern Minnesota Municipal Power Agency	Rochester, MN
Western Generation Agency	Eugene, OR

B. Part II — Coverage and Limits

The City is interested in reviewing different coverage options in order to obtain a package of coverage that will be most beneficial for Austin Energy. Carriers should be financially sound with a proven track record in writing electric utility operations. Austin Energy prefers coverage written on a claims-made basis. Coverage and limits, at a minimum should include coverage analogous to the current Austin Energy excess liability policy.

1. Minimum Limits

Quotes shall be offered at no less than a \$2,000,000 self-insured retention and \$25,000,000 limit. This is the lowest limit indicated on the Excess Liability Quote Sheet. Austin Energy expects to have a \$2,000,000 retention with defense costs included within the retention amount.

2. Submission Requirements

- a. Proposers **must** complete a separate **0635 Excess Liability Quote Sheet** for each set of carrier(s) for which they are submitting quotes. The City has selected specific retention and limit options for quote purposes as outlined below. **All Proposers must provide a quote for Option 1.** Proposers may also provide a quote as outlined under Option 2, as well as up to two additional alternative limit options.

	Option 1	Option 2	Option 3	Option 4
SIR	\$2,000,000	\$2,000,000	\$	\$
Limit	\$35,000,000	\$25,000,000	\$	\$

The City desires to review quotes with the ability to define the final scope of coverage by adding premium charges for coverage enhancements to a defined base premium.

- b. Attach a sample policy form and endorsements that would be applicable to the coverage your organization is proposing.

Sample policy form included in Appendix.

- c. Highlight important exclusions, restrictions, and conditions that will be found in the coverage your organization is proposing.

The AEGIS policy form is the broadest in the industry and meets and exceeds the Minimum Coverage Requirements. Also note that the quote includes coverage for Electric and/or Magnetic Fields (EMF), Pollution Liability, and Failure to Supply

- d. Provide a time frame in which binders, policies and endorsements will be issued. Provide a list of tasks that will be required before coverage can be bound if the carrier(s) quotations are selected.

Binders will be issued within 48 hours of coverage being requested by Austin Energy.
Policies/endorsements will be delivered within 30 days of the effective date of coverage.
There are no tasks required of Austin Energy to bind coverage.

- e. The City is interested in reviewing alternate coverage, limit and retention recommendations. Utilizing your experience and expertise in providing coverage for entities like the utility, up to two alternate quotations/options may be provided (Option 3; Option 4). See Attached.

0635 Quote Sheet

Excess Liability Quote Sheet

Proposers must complete a separate quote sheet for each set of carrier(s) for they are submitting quotes. Please do not leave any item blank. If the item is not applicable, indicate this with a "N/A" or "O." If space is needed to clarify items, please attach a separate sheet.

1. Please list the carrier(s) quoting the below excess liability coverage and provide each carrier's AM Best Rating information:

YES/NO

a. Is the carrier(s) admitted and licensed to write business in Texas? N

b. Is the carrier(s) registered with Texas as an approved surplus lines carrier? Y

2. GENERAL PROVISIONS SECTION

(PLACE AN "X" IN THE APPLICABLE BOX)

a. Is the insuring agreement:

 X Indemnity

 Indemnity based on legal obligation

 Pay on behalf of

b. Is the coverage trigger:

 X Claims made

 Occurrence

YES/NO

c. If the coverage is claims made, answer the following:

Is the retroactive date 9/1/97?

 Y

Is an unlimited ERP available if the carrier cancels or non-renews the coverage?

 Y

0635 Quote Sheet

- | | <u>YES/NO</u> |
|--|----------------------|
| d. Do the entities below qualify as insureds under the policy? | |
| 1. Those obligated by contract to extent of operations | <u>Y</u> |
| 2. Officers, directors, employees within scope of duties | <u>Y</u> |
| 3. Any person using insured's auto (with permission) | <u>Y</u> |
| e. Does the self-insured status of Austin Energy fall within the definition of "other insurance" in the policy provisions? | <u>N</u> |
| f. Does the ultimate net loss include defense, investigation and settlement costs as well as supplementary payments? | <u>Y</u> |
| g. Are defense costs provided in addition to the policy limits? | <u>N</u> |
| h. Do defense costs count toward fulfilling the underlying self-insured retention amount? | <u>Y</u> |
| i. Are punitive damages insured unless barred by statute or court of law? | <u>Y</u> |
| j. Will the policy provide defense for suits alleging liability insured by the policy even if such suit is considered groundless, false or fraudulent? | <u>Y</u> |
| k. Does the policy contain a general aggregate limit of liability? | <u>Y</u> |
| l. Does the policy contain any other type of aggregate limits of liability? | <u>Y</u> |

3. SPECIFIC COVERAGE PROVISIONS

Does the excess liability quote provide coverage for:

- | | |
|---|----------|
| 1. Bodily injury liability (due to GL, EL, & AL exposures) | <u>Y</u> |
| 2. Property damage liability (due to GL, EL & AL exposures) | <u>Y</u> |
| 3. Advertising injury liability | <u>Y</u> |
| 4. Liability assumed under a contract | <u>Y</u> |
| 5. Personal Injury Liability including discrimination | <u>Y</u> |
| 6. Watercraft < 75 feet in length | <u>Y</u> |
| 7. Fire legal liability | <u>Y</u> |
| 8. Care, custody and control | <u>N</u> |
| 9. Liquor legal liability | <u>Y</u> |
| 10. Explosion, collapse and underground damage | <u>Y</u> |

0635 Quote Sheet

11. Independent contractors	<u>Y</u>
12. Broad form property damage	<u>Y</u>
13. Products/completed operations	<u>Y</u>
14. Employers liability	<u>Y</u>
15. Employers liability with respect to occupational disease	<u>Y</u>
16. Sudden and accidental pollution , incl. from asbestos and PCB exposures?	<u>Y</u>
17. Gradual pollution, including from asbestos and PCB exposures?	<u>Y</u>
18. Failure to supply liability	<u>Y</u>
19. Diminished value of property from electric and/or magnetic fields	<u>Y</u>
20. Community service activity	<u>Y</u>
21. Standards boards activity	<u>Y</u>
22. Medical malpractice injury	<u>Y</u>
23. Wild fire liability	<u>Y</u>
24. How many days' notice of cancellation will be provided except for non-payment of premium?	<u>90</u>
25. Can quarterly or semiannual payment plan be provided at no interest?	<u>N</u>
26. How many months prior to renewal will a firm rate or premium quotation be given?	<u>60</u>
27. Can the rate be guaranteed for longer than 1 year?	<u>N</u>

4. CLAIMS PROVISIONS

a. The policy defines a claim as: (check the applicable definition)

- When received and recorded by insured or insurer
- Made against insured and reported to insurer
- X Written notice or demand against insured or insurer when estimated net loss is in excess of 50% of the underlying limits shown in schedule of underlying limits
- Written notice or demand against insured and written notice to insurer

0635 Quote Sheet

5. PREMIUM QUOTATIONS

All Proposers must provide a quote for Option 1. Proposers may also provide a quote as outlined under Option 2, as well as up to two (2) additional alternative limit options. **Proposals will be scored based on Option 1.**

The City desires to review quotes with the ability to determine the final scope of coverage by adding premium charges for coverage enhancements to a defined base premium.

Option 1 MANDATORY

SIR \$ 2 Million Limit \$35 Million each Occurrence

Base Premium without charges for coverage enhancements:	\$928,950
Stamping Fee	\$1,393.43
surplus lines Taxes	\$45,854.08
TOTAL COST	\$976,197.51

Optional coverage enhancements which can be provided for an additional premium:

<u>Coverage Name</u>	<u>Premium Charge</u>
Terrorism Coverage	\$78,559
_____	_____
_____	_____

Option 2

SIR \$ 2 Million Limit \$25 Million each Occurrence

Base Premium without charges for coverage enhancements:	\$878,950
Stamping Fee	\$1,318.43
Taxes	\$42,629.08
TOTAL COST	\$922,897.51

Optional coverage enhancements which can be provided for an additional premium:

<u>Coverage Name</u>	<u>Premium Charge</u>
Terrorism Coverage	\$78,559
_____	_____
_____	_____

Alan J. Maguire
President and Chief Executive Officer



May 26, 2016

Ms. Carol Vance
Risk Analyst (Enterprise Risk Management)
City of Austin Electric Utility Department
721 Barton Springs Rd
Austin, TX 78704-1145

Re: Member # 0651: City of Austin Electric Utility Department

Dear Ms. Vance:

We use our member credit programs to help maintain a balance between the lowest long-term cost of risk for members and the financial strength of the mutual. We work closely with our members and brokers to collect enough premium to fund the losses of the membership, promote measured surplus growth and maintain our financial strength ratings. With a long-term history of solid results, we've been able to maintain this balance and return more than \$1.1 billion to eligible members in credits of one kind or another, including more than \$376 million to members who purchase excess liability coverage.

Our overall financial results were positive in 2015 and our overall combined ratio for U.S. and London operations was a very satisfactory 81%. Most importantly, after years of persistently high ratios, the combined ratio for our flagship excess liability line was 93% for the most recent three-policy-year period. Based on these favorable underwriting results, and taking into account the disappointing recent returns (and low forecasts) for our investment portfolio, the Board of Directors believes it will be prudent to reinstate the excess liability continuity credit for the 2016 – 2017 year at 3%.

The total calculated credit available for distribution to all excess liability members is \$10,150,747 and the credit available to your company is \$ 10,199. Your credit is based on your proportionate share of total surplus allocated to excess liability at December 31, 2015. Your company is eligible to receive this continuity credit upon the renewal of your excess liability policy with a term of at least twelve months, incepting during the period July 1, 2016 to June 30, 2017. Please see the attached information sheet for additional conditions and information.

These credits are a tangible benefit of your ongoing relationship with AEGIS and they help you achieve the lowest long-term cost of risk for your company – regardless of how the commercial market ebbs and flows in terms of its interest in the energy industry and how it prices risk.

We thank you for your continued support because it is with member support and involvement that AEGIS continues to be the insurer of choice for the energy industry.

Please call if you have any questions or comments.

Sincerely,

A handwritten signature in dark ink that reads "Alan Maguire".

Alan J. Maguire

cc: Mr. Michael R. Feighl
John L. Wortham & Son, L.P.

1 Meadowlands Plaza, East Rutherford, NJ 07073
201 508-2694 Facsimile 201 508-5615 AlanMaguire@aegisltd.com

**Associated Electric & Gas Insurance Services Limited
2016 – 2017 Excess Liability Continuity Credit Distribution**

Set forth below is information regarding AEGIS' Total Surplus at December 31, 2015, your company's Proportionate Share of Excess Liability Total Surplus at that date, and your company's MAXIMUM 2016 – 2017 Excess Liability Continuity Credit.

AEGIS Total Surplus ¹	\$1,290,105,000
Total Surplus Allocated to Excess Liability Members ¹	\$339,319,000
City of Austin Electric Utility Department Proportionate Share of Surplus: Percentage (%) Amount (\$)	.10019% \$ 339,966
City of Austin Electric Utility Department 2016 – 2017 Excess Liability Continuity Credit	\$ 10,199

Continuity Credits are applied to reduce the annualized rated premium of your AEGIS Excess Liability or Joint Venture² policy, and are subject to the limitation that such credits shall not exceed 100% of that rated premium amount. Your company is eligible to receive this Continuity Credit upon the renewal of its Excess Liability policy with a term of at least twelve months, attaching during the period July 1, 2016 – June 30, 2017. At your election, the amount of Continuity Credits which exceed 100% of the annual rated premium may be applied to the invoices of future additional, renewal or new rated premiums of other AEGIS policies, and will be subject to the rules in effect at the time of application. Any additional credits that have not been applied will be held by AEGIS in a non-interest bearing account.

Continuity Credits are earned over the term of the policy. With regard to policies that are either cancelled or converted into a Discovery or Runoff policy, AEGIS shall retain the prorated unearned portion of Continuity Credits that have been applied to that policy. Discovery and Runoff policies are not eligible for Continuity Credits.

If you chose to replace a policy, either during the policy period or at any renewal, with a policy with lower limits, higher retentions or at a higher layer than any prior policy, AEGIS will reduce the amount of the credit available to your company for that line of business and the amount of any such reduction is forfeited. The amount forfeited cannot be carried forward or applied to other policies.

¹ Total Surplus supports all insurance policies issued by AEGIS regardless of type. The amount of Total Surplus allocated to the Excess Liability line of business is presented solely for informational purposes.

² Joint Venture policy for those Members whose principal policy under the Excess Liability program is a Joint Venture policy.

Ms. Carol Vance
City of Austin Electric Utility Department, Member # 0651

May 26, 2016

C. Part III - Claims Handling and Other Services

1. Describe **in** detail the carrier's philosophy with regard to litigation management. Also describe the carrier's practices and decision making criteria with regard to handling claims. Identify who retains the oversight and control of claims under these situations: 1) initial demand is within the established retention limit; 2) initial demand is over the established retention limit.

Wortham will provide technical representation for Austin Energy in any claims settlement/negotiation/inspections. We have expert Casualty Claims personnel on site with well over 20 years experience in both lines of coverage.

- With regard litigation management, AEGIS and the City attorney's office have an agreement on list of council and whom to utilize. – Essentially to use the best available.
 - Who retains oversight and control of claim when
 - i. initial demand is within retention limit? City of Austin
 - ii. initial demand is over the retention limit? AEGIS
2. Describe proposed procedures in the event the claim evaluation changes the claim status from below retention to above retention and vice versa. Describe in detail the loss reporting requirements and claims notification processes as well as defense counsel selection.
 - Procedure in event claim evaluation changes claims status from below retention to above and visa versa - AEGIS would retain oversight in both cases.
 - Describe loss reporting requirements and claims notification processes – No duty to defend. Must report to AEGIS when retention exceeds 50% of SIR.
 - Describe defense council selection – Utilizes best available.
 3. If there are other services available, please describe these services and provide general costs that would be associated with them.

Other Services included at no cost

- Insurance Brokerage services including
 - Exposure identification and evaluation
 - Insurance program design
 - Marketing and negotiation of coverage and pricing
 - Servicing of accounts
- Claim Management services including
 - Claims review
 - Monitoring of questionable claims
 - Active involvement in large claim settlements
 - Claim status reports and action recommendations
- Loss Control services including
 - Review of Carrier Loss control survey, evaluation and monitoring
 - Disaster plan consultation
 - Specific project loss control consulting and troubleshooting

D. Part IV — Local Business Presence

The City seeks opportunities for businesses in the Austin Corporate City Limits to participate on City contracts.

A firm (Offeror or Subcontractor) is considered to have a Local Business Presence if the firm is headquartered in the Austin Corporate City Limits, or has a branch office located in the Austin Corporate City Limits in operation for the last five (5) years, currently employs residents of the City of Austin, Texas, and will use employees that reside in the City of Austin, Texas, to support this contract.

The City defines headquarters as the administrative center where most of the important functions and full responsibility for managing and coordinating the business activities of the firm are located. The City defines branch office as a smaller, remotely located office that is separate from a firm's headquarters that offers the services requested and required under this solicitation. Points will be awarded through a combination of the Offeror's Local Business Presence and/or the Local Business Presence of their subcontractors. Evaluation of the Team's Percentage of Local Business Presence will be based on the dollar amount of work as reflected in the Offeror's MBE/WBE Compliance Plan or MBE/WBE Utilization Plan. Specify if and by which definition the Offeror or Subcontractor(s) have a local business presence.

The Wortham-Austin Office has been in business for 40+ years and employs 70 Austin Area residents.

E. Part V - Non-Collusion, Non-Conflict of Interest, and Anti-Lobbying:

- i. On November 10, 2011, the Austin City Council adopted Ordinance No. 20111110-052 amending Chapter 2-7, Article 6 of the City Code relating to Anti-Lobbying and Procurement. The policy defined in this Code applies to Solicitations for goods and/or services requiring City Council approval under City Charter Article VII, Section 15 (Purchase Procedures). During the No-Contact Period, Offerors or potential Offerors are prohibited from making a representation to anyone other than the Authorized Contact Person in the Solicitation as the contact for questions and comments regarding the Solicitation.
- ii. If during the No-Contact Period an Offeror makes a representation to anyone other than the Authorized Contact Person for the Solicitation, the Offeror's Offer is disqualified from further consideration except as permitted in the Ordinance.
- iii. If a Respondent has been disqualified under this article more than two times in a sixty (60) month period, the Purchasing Officer shall debar the Offeror from doing business with the City for a period not to exceed three (3) years, provided the Respondent is given written notice and a hearing in advance of the debarment.
- iv. The City requires Offerors submitting Offers on this Solicitation to provide a signed Section 0810, Non-Collusion, Non-Conflict of Interest, and Anti-Lobbying Affidavit certifying that the Offeror has not in any way directly or indirectly made representations to anyone other than the Authorized Contact Person during the No-Contact Period as defined in the Ordinance. The text of the City Ordinance is posted on the Internet at: <http://www.ci.austin.tx.us/edims/document.cfm?id=161145>

F. Part VI - Proposal Acceptance Period:

All proposals are valid for a period of 120 calendar days subsequent to the RFP closing date unless a longer acceptance period is offered in the proposal

Wortham agrees that this proposal is valid for a minimum of one hundred and twenty (120) days from the closing date of the RFP for these services.

G. Part VII - Proprietary Information:

All material submitted to the City becomes public property and is subject to the Texas Open Records Act upon receipt. If a Proposer does not desire proprietary information in the proposal to be disclosed, each page must be identified and marked proprietary at time of submittal. The City will, to the extent allowed by law, endeavor to protect such information from disclosure. The final decision as to what information must be disclosed, however, lies with the Texas Attorney General. Failure to identify proprietary information will result in all unmarked sections being deemed non-proprietary and available upon public request.

The information provided herein is the sole, complete and exclusive property of John L. Wortham & Son L.P. (Wortham).

The Customer understands and agrees that this information and any information or other material derived from or related to this information, including without limit any data, analysis, or reports which are derivative of or resultant from manipulation, examination or processing of this information are confidential and/or proprietary, subject to trade secret protection and privacy laws and regulations. The Customer is not permitted to transmit or publicly disclose or disclose to a third party this information and any information or other material derived from or related to this information. The Customer acknowledges and agrees that it has no property interest or right to this information and any information or other material derived from or related to this information.

The Customer understands and agrees that any use or reproduction of this confidential and proprietary information and data, in whole or in part, shall be internal to its organization, solely for the purposes of evaluating its insurance program. The Customer shall not under any circumstances use or reproduce this information, data, or other material derived from or related to this information to perform any compilation, aggregation, extraction, calculation, analysis or other manipulation of information for any other purpose.

We also understand that the final decision as to what information must be disclosed lies with the Texas Attorney General

H. Part VIII - Authorized Negotiator:

Include name, address, and telephone number of person in your organization authorized to negotiate contract terms and render binding decisions on contract matters.

George Adkins, Managing Director
Wortham Insurance & Risk Management
John L. Wortham & Son L.P.
P. O. Box 1388
Houston, Texas 77251-1388

Office: 713-346-1295
Cell: 281-935-7586
Fax: 713-521-8295
george.adkins@worthaminsurance.com

Wortham is in full compliance with all applicable rules and regulations of Federal, State and Local governing entities, and with the terms of this Request for Proposal.

APPENDIX



CITY OF AUSTIN, TEXAS
Purchasing Office
REQUEST FOR PROPOSAL (RFP)
OFFER SHEET

SOLICITATION NO: RFP 5800 TLF0303

DATE ISSUED: August 15, 2016

COMMODITY/SERVICE DESCRIPTION: Excess Liability Insurance for Austin Energy

REQUISITION NO.: 16062800547

COMMODITY CODES: 95356, 95377, 96247

PRE-PROPOSAL CONFERENCE TIME AND DATE: Thursday, September 1, 2016 at 10:00am CST.

LOCATION: Municipal Building, 124 West 8th Street, Conference Room 330.1, Austin, Texas 78701

Call in by dialing (512) 974-9300, participant code 464410

FOR CONTRACTUAL AND TECHNICAL ISSUES CONTACT THE FOLLOWING AUTHORIZED CONTACT PERSON:

Tracy Franklin
Corporate Contract Administrator

Phone: (512) 974-2034

E-Mail: tracy.franklin@austintexas.gov

Sandy Brandt
Senior Buyer Specialist

Phone: (512) 974-1783

E-Mail: sandy.brandt@austintexas.gov

PROPOSAL DUE PRIOR TO: Thursday, September 29, 2016 at 2:00pm CST

PROPOSAL CLOSING TIME AND DATE: Thursday, September 29, 2016 at 2:00pm CST

LOCATION: MUNICIPAL BUILDING, 124 W 8th STREET
RM 308, AUSTIN, TEXAS 78701

LIVE SOLICITATION CLOSING ONLINE: For RFPs, only the names of respondents will be read aloud.

For information on how to attend the Solicitation Closing online, please select this link:

<http://www.austintexas.gov/departments/bid-opening-webinars>

When submitting a sealed Offer and/or Compliance Plan, use the proper address for the type of service desired, as shown below:

Address for US Mail (Only)	Address for FedEx, UPS, Hand Delivery or Courier Service
City of Austin	City of Austin, Municipal Building
Purchasing Office-Response Enclosed for RFP 5800 TLF0303	Purchasing Office-Response Enclosed for RFP 5800 TLF0303
P.O. Box 1088	124 W 8 th Street, Rm 308
Austin, Texas 78767-8845	Austin, Texas 78701
	Reception Phone: (512) 974-2500

NOTE: Offers must be received and time stamped in the Purchasing Office prior to the Due Date and Time. It is the responsibility of the Offeror to ensure that their Offer arrives at the receptionist's desk in the Purchasing Office prior to the time and date indicated. Arrival at the City's mailroom, mail terminal, or post office box will not constitute the Offer arriving on time. See Section 0200 for additional solicitation instructions.

All Offers (including Compliance Plans) that are not submitted in a sealed envelope or container will not be considered.

SUBMIT 1 ORIGINAL AND 1 ELECTRONIC COPY OF YOUR RESPONSE ON FLASH DRIVE
*****SIGNATURE FOR SUBMITTAL REQUIRED ON PAGE 3 OF THIS DOCUMENT*****

INTERESTED PARTIES DISCLOSURE

In addition, Section 2252.908 of the Texas Government Code requires the successful offeror to complete a Form 1295 "Certificate of Interested Parties" that is signed and notarized for a contract award requiring council authorization. The "Certificate of Interested Parties" form must be completed on the Texas Ethics Commission website, printed, signed and submitted to the City by the authorized agent of the Business Entity with acknowledgment that disclosure is made under oath and under penalty of perjury prior to final contract execution.

https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm

The undersigned, by his/her signature, represents that he/she is submitting a binding offer and is authorized to bind the respondent to fully comply with the solicitation document contained herein. The Respondent, by submitting and signing below, acknowledges that he/she has received and read the entire document packet sections defined above including all documents incorporated by reference, and agrees to be bound by the terms therein.

Company Name: Wortham Insurance & Risk Management


Company Address: P. O. Box 1388

City, State, Zip: Houston, TX 77251-1388

Federal Tax ID No. [REDACTED]

Printed Name of Officer or Authorized Representative: George Z. Adkins

Title: Managing Director

Signature of Officer or Authorized Representative: 

Date: September 27, 2016

Email Address: george.adkins@worthaminsurance.com

Phone Number: 713-346-1295

*** Proposal response must be submitted with this Offer sheet to be considered for award**



**ADDENDUM
CITY OF AUSTIN, TEXAS**

Solicitation: RFP 5800 TLF0303

Addendum No: 1

Date of Addendum: 09/02/16

This addendum is to incorporate the following changes to the above referenced solicitation:

- I. **Additional Information:** The sign-in sheet for the pre-proposal conference is attached.
- II. ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

APPROVED BY: _____

Tracy Franklin, Senior Buyer Specialist
Purchasing Office, (512) 974-2034

9/2/16

Date

ACKNOWLEDGED BY: _____

George Z. Adkins

Name

Authorized Signature

9/27/2016

Date

RETURN ONE COPY OF THIS ADDENDUM TO THE PURCHASING OFFICE, CITY OF AUSTIN, WITH YOUR RESPONSE OR PRIOR TO THE SOLICITATION CLOSING DATE. FAILURE TO DO SO MAY CONSTITUTE GROUNDS FOR REJECTION.

Revised 12/13/2015

Pre-Proposal Conference for RFP 5800 TLF0303 Excess Liability Insurance for Austin Energy

Meeting Date: 09/01/2016

Buyer: Tracy Franklin/Sandy Brandt	Place/Room: Purchasing Office Conference Room
---	--

Name	Company/Agency/Dept.	Phone	Email
TRACY FRANKLIN	COA - PURCHASING	(512) 974-2034	TRACY.FRANKLIN@AUSTINTEXAS.GOV
Harold Tolbert Jr	COA SMBR	512-974-7736	harold.tolbert@austintexas.gov
DONALD MEEK	AE LIGHT MANAGING	512-322-6549	DONALD.MEEK@AUSTINENERGY.COM
Sandy Brandt	COA Purchasing	974-1783	Sandy.brandt@austintexas

Revised 8/4/2014



**ADDENDUM
CITY OF AUSTIN, TEXAS**

Solicitation: RFP 5800 TLF0303

Addendum No: 2

Date of Addendum: 09/14/16

This addendum is to incorporate the following changes to the above referenced solicitation:

I. Questions and Answers:

A. The data provided does not contain any 2016 projected data. The latest exposure data that was included with the RFP says Fiscal 2015. What are the actual dates of your Fiscal Year, when did Fiscal 2015 start, for example 01/01/15 - 6/30/15? If the 2015 Fiscal year is 01/01/2015 - 12/31/2015, will any exposure projected data for 2016 be made available?

The City's Fiscal Year is October 1 – September 30. Fiscal Year 2015 started October 1, 2014. Unaudited and preliminary data for Fiscal Year 2016 are on the attached page.

B. Please confirm that the two Dams shown on the exposure information are the only two dams AE operates.

Longhorn and Decker Dams are owned and operated by AE. Tom Miller Dam is owned by AE but leased to and operated by the Lower Colorado River Authority.

C. The RFP has asked for the inclusion of Care, Custody and Control. Do you transport, distribute, store or otherwise have control over 'Gas and Oil' belonging to others?


AE does not transport, distribute, store, or otherwise have control over gas and oil belonging to others.

D. In regards to the request for Medical Malpractice Injury Coverage in the RFP, how many of each, if any, does AE employ? Doctors? Physician Assistants? Nurses? Physical Therapists?

No medical personnel are employed by AE.

II. ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

APPROVED BY:


Tracy Franklin, Senior Buyer Specialist
Purchasing Office, (512) 974-2034

9/14/16
Date

ACKNOWLEDGED BY:

George Z. Adkins

Name


Authorized Signature

9/27/2016
Date

RETURN ONE COPY OF THIS ADDENDUM TO THE PURCHASING OFFICE, CITY OF AUSTIN, WITH YOUR RESPONSE OR PRIOR TO THE SOLICITATION CLOSING DATE. FAILURE TO DO SO MAY CONSTITUTE GROUNDS FOR REJECTION.

Data for FY Ending 9/30/2016
All Numbers are Unaudited and Preliminary

Number of Employees	Municipal - 1535; Executives - 9; temporary - 157
Annual Gross Revenue	austintexas.gov - please see the City budget containing AE information
Electric Operation - Sales Breakdown	
Kilowatt Hours	
Residential	3,769,552,238
Commercial (non-industrial Business)	5,178,567,521
Industrial (Manufacturing)	2,552,726,105
Wholesale (public authorities & other utilities)	47,333,131
Total	11,548,178,995
Number of Customers	
Residential	410,675
Commercial (non-industrial Business)	49,807
Industrial (Manufacturing)	112
Wholesale (public authorities & other utilities)	7
Total	460,601
Automobile Data – All located in Austin, TX	
Passenger	127
Small Trucks <15,000 Gross	194
Medium Trucks 15,000-30,000 Gross	126
Large Trucks >35,000 Gross	102
Electric Vehicles	None owned; 1 leased
Vehicles powered by Natural Gas	36 bi-fuel vehicles able to operate on propane or gasoline
Buses	None
Truck/Tractors	5
Capacity	60,000 Gallons
Materials Carried or Nature of Use	Used transformer oil
Projected Payroll	\$204,015,067
Projected Budget	\$1,308,585,911

Section 0605: Local Business Presence Identification

A firm (Offeror or Subcontractor) is considered to have a Local Business Presence if the firm is headquartered in the Austin Corporate City Limits, or has a branch office located in the Austin Corporate City Limits in operation for the last five (5) years, currently employs residents of the City of Austin, Texas, and will use employees that reside in the City of Austin, Texas, to support this Contract. The City defines headquarters as the administrative center where most of the important functions and full responsibility for managing and coordinating the business activities of the firm are located. The City defines branch office as a smaller, remotely located office that is separate from a firm's headquarters that offers the services requested and required under this solicitation.

OFFEROR MUST SUBMIT THE FOLLOWING INFORMATION FOR EACH LOCAL BUSINESS (INCLUDING THE OFFEROR, IF APPLICABLE) TO BE CONSIDERED FOR LOCAL PRESENCE.

NOTE: ALL FIRMS MUST BE IDENTIFIED ON THE MBE/WBE COMPLIANCE PLAN OR NO GOALS UTILIZATION PLAN (REFERENCE SECTION 0900).

USE ADDITIONAL PAGES AS NECESSARY

OFFEROR:

Name of Local Firm	Wortham Insurance & Risk Management	
Physical Address	221 West 8 th Street, Suite 1400; Austin, TX 78701	
Is your headquarters located in the Corporate City Limits? (circle one)	Yes	No
or		
Has your branch office been located in the Corporate City Limits for the last 5 years?	Yes	
Will your business be providing additional economic development opportunities created by the contract award? (e.g., hiring, or employing residents of the City of Austin or increasing tax revenue?)	Yes	No

SUBCONTRACTOR(S):

Name of Local Firm	N/A	
Physical Address		
Is your headquarters located in the Corporate City Limits? (circle one)	Yes	No
or		
Has your branch office been located in the Corporate City Limits for the last 5 years	Yes	No

Will your business be providing additional economic development opportunities created by the contract award? (e.g., hiring, or employing residents of the City of Austin or increasing tax revenue?)	Yes	No

SUBCONTRACTOR(S):

Name of Local Firm	N/A	
Physical Address		
Is your headquarters located in the Corporate City Limits? (circle one)	Yes	No
or		
Has your branch office been located in the Corporate City Limits for the last 5 years	Yes	No
Will your business be providing additional economic development opportunities created by the contract award? (e.g., hiring, or employing residents of the City of Austin or increasing tax revenue?)	Yes	No

**AUSTIN ENERGY EXCESS LIABILITY
SECTION 0645: PERFORMANCE GUARANTEES**

	PERFORMANCE MEASURE	ACCEPTABLE PERFORMANCE	LIQUIDATED DAMAGE	AGREE YES/NO
1	Timely Delivery of Insurance Binder to City	A complete binder on Carrier letterhead showing limits, terms, provisions, exclusions and retentions is due by no later than December 31st of every year of this contract.	\$2,000 City can experience significant costs should proof of insurance being bound be unavailable.	Yes
2	Delivery of Policy to City within 3 months of Binding.	A complete policy with all endorsements, exclusions, retentions and provisions shall be delivered to the City by March 31st of every year of this contract.	\$4,000 City can experience significant costs associated with lack of a policy if a large loss occurs and exact coverage provisions are unavailable.	Yes
3	Written Claims Handling Procedure	Within 60 days of binding coverage, A written claims handling procedure which documents the flow of information and the delineation of handling of claims within the SIR, When the excess carrier is placed on notice and the types of information required by the excess carrier. Tracking methods shall also be documented.	\$2,000 City can experience significant costs associated with lack of communication as to the handling of claims.	Yes
6	Provide Insurance Carrier's Loss Runs within 5 business days of Request	Loss runs must be carrier issued loss runs and indicate a full description of all losses received, current status, paid amounts and current reserve amounts as of the date of the issuance of the loss run.	\$4,000 City will be unable to market insurance coverage without credible and transparent data from carrier	Yes

0645 Performance Guarantees

Section 0700: Reference SheetResponding Company Name Wortham Insurance & Risk Management

The City at its discretion may check references in order to determine the Offeror's experience and ability to provide the products and/or services described in this Solicitation. The Offeror shall furnish at least three complete and verifiable references. References shall consist of customers to whom the offeror has provided the same or similar services within the last three years. References shall indicate a record of positive past performance.

- | | | |
|------|---------------------------|---|
| 1. | Company's Name | <u>City of Austin</u> |
| | Name and Title of Contact | <u>Carol Vance, Risk Analyst</u> |
| | Project Name | <u></u> |
| | Present Address | <u>721 Barton Springs Rd</u> |
| | City, State, Zip Code | <u>Austin, TX 78704-1145</u> |
| | Telephone Number | <u>() 512-322-6185 </u> |
| | Email Address | <u>Carol.vance@austinenergy.com</u> |
|
 | | |
| 2. | Company's Name | <u>El Paso Electric</u> |
| | Name and Title of Contact | <u>Wayne Soza, Chief Risk Manager</u> |
| | Project Name | <u></u> |
| | Present Address | <u>100 N Stanton St</u> |
| | City, State, Zip Code | <u>El Paso, TX 79901</u> |
| | Telephone Number | <u>() 915-543-4097 </u> |
| | Email Address | <u>Wayne.soza@epelectric.com</u> |
|
 | | |
| 3. | Company's Name | <u>Whole Foods</u> |
| | Name and Title of Contact | <u>Margot Roth, Risk Manager</u> |
| | Project Name | <u></u> |
| | Present Address | <u>550 Bowie Street</u> |
| | City, State, Zip Code | <u>Austin, TX 78703</u> |
| | Telephone Number | <u>() Margot.roth@wholefoods.com </u> |
| | Email Address | <u></u> |

Section 0835: Non-Resident Bidder Provisions

Company Name Wortham Insurance & Risk Management

- A. Bidder must answer the following questions in accordance with Vernon's Texas Statutes and Codes Annotated Government Code 2252.002, as amended:

Is the Bidder that is making and submitting this Bid a "Resident Bidder" or a "non-resident Bidder"?

Answer: (1)

- (1) Texas Resident Bidder- A Bidder whose principle place of business is in Texas and includes a Contractor whose ultimate parent company or majority owner has its principal place of business in Texas.
(2) Nonresident Bidder- A Bidder who is not a Texas Resident Bidder.

- B. If the Bidder id a "Nonresident Bidder" does the state, in which the Nonresident Bidder's principal place of business is located, have a law requiring a Nonresident Bidder of that state to bid a certain amount or percentage under the Bid of a Resident Bidder of that state in order for the nonresident Bidder of that state to be awarded a Contract on such bid in said state?

Answer: _____ Which State: _____

- C. If the answer to Question B is "yes", then what amount or percentage must a Texas Resident Bidder bid under the bid price of a Resident Bidder of that state in order to be awarded a Contract on such bid in said state?
Answer: _____

Section 0900: Minority- and Women-Owned Business Enterprise (MBE/WBE) Procurement Program No Goals Form

SOLICITATION NUMBER: RFP 5800 TLF0303
PROJECT NAME: Excess Liability Insurance for Austin Energy

The City of Austin has determined that no goals are appropriate for this project. Even though goals were not assigned for this solicitation, the Bidder/Proposer is required to comply with the City's MBE/WBE Procurement Program, if areas of subcontracting are identified.

If any service is needed to perform the Contract and the Bidder/Proposer does not perform the service with its own workforce or if supplies or materials are required and the Bidder/Proposer does not have the supplies or materials in its inventory, the Bidder/Proposer shall contact the Small and Minority Business Resources Department (SMBR) at (512) 974-7600 to obtain a list of MBE and WBE firms available to perform the service or provide the supplies or materials. The Bidder/Proposer must also make a Good Faith Effort to use available MBE and WBE firms. Good Faith Efforts include but are not limited to contacting the listed MBE and WBE firms to solicit their interest in performing on the Contract, using MBE and WBE firms that have shown an interest, meet qualifications, and are competitive in the market; and documenting the results of the contacts.

Will subcontractors or sub-consultants or suppliers be used to perform portions of this Contract?

No ☒ If no, please sign the No Goals Form and submit it with your Bid/Proposal in a sealed envelope

If yes, please contact SMBR to obtain further instructions and an availability list and perform Good Faith Efforts. Complete and submit the No Goals Form and the No Goals Utilization Plan with your Bid/Proposal in a sealed envelope.
Yes _____

After Contract award, if your firm subcontracts any portion of the Contract, it is a requirement to complete Good Faith Efforts and the No Goals Utilization Plan, listing any subcontractor, sub-consultant, or supplier. Return the completed Plan to the Project Manager or the Contract Manager.

I understand that even though goals were not assigned, I must comply with the City's MBE/WBE Procurement Program if subcontracting areas are identified. I agree that this No Goals Form and No Goals Utilization Plan shall become a part of my Contract with the City of Austin.

Wortham Insurance & Risk Management

Company Name

George Z. Adkins

Name and Title of Authorized Representative (Print or Type)



September 27, 2016

Signature

Date

Minority- and Women-Owned Business Enterprise (MBE/WBE) Procurement Program No Goals Utilization Plan
(Please duplicate as needed)

SOLICITATION NUMBER: N/A
PROJECT NAME:

PRIME CONTRACTOR / CONSULTANT COMPANY INFORMATION

Name of Contractor/Consultant			
Address			
City, State Zip			
Phone Number	Fax Number		
Name of Contact Person			
Is Company City certified?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	MBE <input type="checkbox"/> WBE <input type="checkbox"/> MBE/WBE Joint Venture <input type="checkbox"/>

I certify that the information included in this No Goals Utilization Plan is true and complete to the best of my knowledge and belief. I further understand and agree that the information in this document shall become part of my Contract with the City of Austin.

Name and Title of Authorized Representative (Print or Type)

Signature

Date

Provide a list of all proposed subcontractors / sub-consultants / suppliers that will be used in the performance of this Contract. **Attach Good Faith Effort documentation if non MBE/WBE firms will be used.**

Sub-Contractor / Sub-Consultant			
City of Austin Certified	MBE <input type="checkbox"/>	WBE <input type="checkbox"/>	Ethics / Gender Code: <input type="checkbox"/> Non-
Vendor ID Code			
Contact Person	Phone Number		
Amount of Subcontract	\$		
List commodity codes & description of services			

Sub-Contractor / Sub-Consultant			
City of Austin Certified	MBE <input type="checkbox"/>	WBE <input type="checkbox"/>	Ethics / Gender Code: <input type="checkbox"/> Non-
Vendor ID Code			
Contact Person	Phone Number		
Amount of Subcontract	\$		
List commodity codes & description of services			

FOR SMALL AND MINORITY BUSINESS RESOURCES DEPARTMENT USE ONLY:

Having reviewed this plan, I acknowledge that the proposer (HAS) or (HAS NOT) complied with City Code Chapter 2-9A/B/C/D, as amended.

Reviewing Counselor _____ Date _____ Director/Deputy Director _____ Date _____
Section 0900 No Goals Form _____ RFP 5800 TLF0303 _____ Page | 2

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY CERTIFICATION OF FILING

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

Wortham Insurance & Risk Management
Houston, TX United States

Certificate Number:
2016-149159

Date Filed:
12/28/2016

Date Acknowledged:

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

City of Austin

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

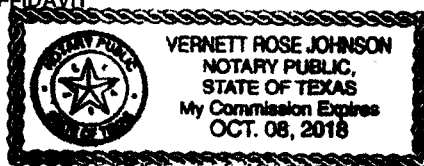
MA 5800 NA 170000054
EXCESS LIABILITY INSURANCE FOR AUSTIN ENERGY

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary

5 Check only if there is NO Interested Party.



6 AFFIDAVIT



I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.

[Signature]

Signature of authorized agent of contracting business entity

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said George Z. Adkins, this the 28th day of December, 2016 to certify which, witness my hand and seal of office.

[Signature]

Signature of officer administering oath

Vernett Rose Johnson

Printed name of officer administering oath

Executive Assistant

Title of officer administering oath

GOAL DETERMINATION REQUEST FORM

Buyer Name/Phone	Tracy Franklin/42034	PM Name/Phone	Leslie Milvo/43245
Sponsor/User Dept.	Human Resources	Sponsor Name/Phone	Leslie Milvo/43245
Solicitation No	RFP 5800 TLF0303	Project Name	Excess Liability Insurance for Austin Energy
Contract Amount	\$9,300,000	Ad Date (if applicable)	8/15/16
Procurement Type			
<input type="checkbox"/> AD – CSP <input type="checkbox"/> AD – Design Build Op Maint <input type="checkbox"/> IFB – IDIQ <input type="checkbox"/> Nonprofessional Services <input type="checkbox"/> Critical Business Need <input type="checkbox"/> Sole Source*			
<input type="checkbox"/> AD – CM@R <input type="checkbox"/> AD – JOC <input type="checkbox"/> PS – Project Specific <input type="checkbox"/> Commodities/Goods <input type="checkbox"/> Interlocal Agreement			
<input type="checkbox"/> AD – Design Build <input type="checkbox"/> IFB – Construction <input type="checkbox"/> PS – Rotation List <input type="checkbox"/> Cooperative Agreement <input type="checkbox"/> Ratification			
Provide Project Description**			
This is a Request For Proposal for excess liability insurance for Austin Energy.			
Project History: Was a solicitation previously issued; if so were goals established? Were subcontractors/subconsultants utilized? Include prior Solicitation No.			
Previously solicited under MRH1042. No goals under previous solicitation.			
List the scopes of work (commodity codes) for this project. (Attach commodity breakdown by percentage; eCAPRIS printout acceptable)			
95356 (Liability, General Insurance), 95377 (Property and Casualty Insurance) and 96247 (Insurance and Risk Management)			
Tracy Franklin		7/28/2016	
Buyer Confirmation		Date	

* Sole Source must include Certificate of Exemption

**Project Description not required for Sole Source

FOR SMBR USE ONLY			
Date Received	7/29/2016	Date Assigned to BDC	7/29/2016
In accordance with Chapter 2-9(A-D)-19 of the Austin City Code, SMBR makes the following determination:			
<input type="checkbox"/> Goals	% MBE	% WBE	
<input type="checkbox"/> Subgoals	% African American	% Hispanic	
	% Asian/Native American	% WBE	
<input type="checkbox"/> Exempt from MBE/WBE Procurement Program		<input checked="" type="checkbox"/> No Goals	

GOAL DETERMINATION REQUEST FORM

This determination is based upon the following:

- | | |
|--|---|
| <input type="checkbox"/> Insufficient availability of M/WBEs | <input type="checkbox"/> No availability of M/WBEs |
| <input type="checkbox"/> Insufficient subcontracting opportunities | <input checked="" type="checkbox"/> No subcontracting opportunities |
| <input type="checkbox"/> Sufficient availability of M/WBEs | <input type="checkbox"/> Sufficient subcontracting opportunities |
| <input type="checkbox"/> Sole Source | <input type="checkbox"/> Other |


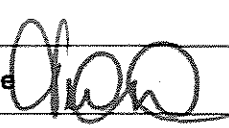
If Other was selected, provide reasoning:

MBE/WBE/DBE Availability

There are only 1 MBE and 1 WBE available.

Subcontracting Opportunities Identified

No subcontracting opportunities identified.

Counselor Name	
SMBR Staff	Signature/ Date  8/2/16
SMBR Director or Designee 	Date 8/3/16
Returned to/ Date:	