

217-2010 ADDENDUM 2

PROVISION OF INSURANCE AND RELATED RISK MANAGEMENT SERVICES

URGENT

PLEASE FORWARD THIS DOCUMENT TO WHOEVER IS IN POSSESSION OF THE BID OPPORTUNITY

ISSUED: July 26, 2010
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THIS ADDENDUM SHALL BE INCORPORATED INTO THE BID OPPORTUNITY AND SHALL FORM A PART OF THE CONTRACT DOCUMENTS

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Please note the following and attached changes, corrections, additions, deletions, information and/or instructions in connection with the Bid Opportunity, and be governed accordingly. Failure to acknowledge receipt of this Addendum in Paragraph 9 of Form A: Bid may render your Bid non-responsive.

- Q1:** Can you confirm the insurers for the City. CHUBB, Axa Assurance, Travelers, RSA, Global Aerospace, Manitoba Public Insurance. Any others?
A1 Please refer to Form N: B)1) and F)1). Our current insurers will be made available to the successful proponent.
- Q2:** Could you give us a ball park of overall premium and loss ratio? Broken down by liability vs. property might also be helpful. This will help us to determine how difficult marketing or developing any new program might be.
A2 Please see addendum 1 Q4 A4. The City will only be providing loss histories and premium details to successful bidders.
- Q3:** In the Related Services section – # 1 - what do you mean by Security?
A3 As the City does not want to limit the input of the bidders, bidders are asked to provide their definition of the related services that their organizations offer in areas such as Security. In the context of this RFP, the term security is not be limited to advice on physical and personal security services but would also include business applications such as information protection, controls to prevent/reduce both internal and external hostile acts, and security of technology systems.
- Q4:** How would it be best to quote our fees, what would your team like to see? As an example, we could quote a hard-line price for the placement of insurance, and Autopac with some other options. We will be looking to help you implement more of an Integrated model as well as use our PSIP structure, within your organization. How would it be most effective for you to judge our pricing.? Hourly, % on placement of insurance, theory of pricing making assumptions on how we will develop or use the PSIP structure, broken out per service, etc? This might be better to answer in a phone conversation as it is hard to ask in an email.
A4 Please refer to Q14 and A14 of Addendum 1 regarding fees. Again we look to bidders to provide their best description of their fees for services including advice on self-retentions or retention pools as they feel is necessary.
- Q5:** Could you give us an outline of the activity levels and current human resources required to do the base service of the account. As an example: how many certificates issued, how many touches with Autopac, etc. How many people does your current broker devote to this service? Did you find that level of service adequate or would you like us to try and improve on that?
A5 Please refer to part E - which includes specifications regarding the number of units included in the City's fleet as well as Table A which describes current coverage. It will be up to bidders to determine their requirements to provide their services to a program of our magnitude. The City will not comment on current service levels.

- Q6:** Q6 was a statement of services by one of bidders so it is not repeated - however response to questions (a) and (b) of Q6 is provided.
- a. It seems that this is what the RFP is looking for (is non-traditional risk management services), is that a correct assumption, or would you prefer we stick closer to traditional broker services.
- b. How many departments are within the City so that the structure of the Broker/Advisor Risk Team can be modelled?
- A6 a. The RFP does not want to limit the approach that a bidder may take regarding program(s) it proposes to the City and welcomes comments on different approaches. Yes we would be interested in being made aware of services that go beyond traditional insurance placement services.
- b. The City of Winnipeg website is a valuable resource that describes organizational structure, number of departments/divisions and both financial and operational data. Please see www.winnipeg.ca.
- Q7:** How current are the City Building Values?
- A7 There is a comprehensive internal system for setting City building values which is reviewed intermittently.
- Q8:** Can you provide details of the total number of Autopac transactions completed and the total Autopac premium paid annually?
- A8 Composition of the City's fleet has been provided in RFP under section E 2.3 and expected administrative requirements would be comparable to a fleet of similar composition and size.
- Q9:** At what time(s) of the year does the City of Winnipeg process its Autopac transactions?
- A9 (a) basic Autopac for general and transit fleet has a renewal date of March 31st (b) umbrella and excess policies related to auto insurance have a renewal date of May 1st.
- Q10:** Is the City of Winnipeg in a credit or surcharge position with respect to the Autopac program?
- A10 Consistent with A4 of addendum 1, this information will be provided to successful bidder.
- Q11:** In your view, what are the key financial and strategic risks that are currently not covered by operational risk and insurance that could/should be considered as part of the RFP response?
- A11 The City's risk profile, although not totally dissimilar to other municipal risks, does have unique traditional and non traditional risk areas that when identified are evaluated, ranked and managed accordingly. Our ongoing risk processes are under review and future risk process activity is planned.
- Q12:** Is ERM an initiative that is currently being led by the risk management department, if not, who is? What is the current level of your ERM framework? (eg. Looking to start vs. developed and implemented but not optimized)
- A12 ERM, or rather risk management processes that deal with both traditional and non traditional risk areas on an enterprise wide basis, was initiated a number of years ago under the City's Audit Services area. Going forward, the development and execution of risk processes working in concert with the different areas of the enterprise forms part of the Risk Management Division's current mandate.
- Q13:** Are the core services requested defined in Part E - Specifications - Instructions - E3.2?
- A13. Yes
- Q14:** What are is the approx. percentage of City of Winnipeg assets that are leased to and/or managed by third parties.
- A14 Details of the City's asset mix will be made available to successful bidders. Please refer to www.winnipeg.ca for available public information.
- Q15:** Given Autopac compensation is at standard commission rates for each Bidder, please confirm what Work the 15% score for fees applies to.
- A15 See section B.18.1.c relating to fees, commissions and value within which the City will be ranking bidders on the optimal mix of services provided vs. fees and commissions.
- Q16:** In the compensation rating, please elaborate on what the term "value" means and how this is measured.
- A16 Please see previous - Again the City seeks the optimal mix of price and service value.