



# City of Peoria, Arizona

## Notice of Request for Proposal

Request for Proposal No: **P09-0007** Proposal Due Date: **October 8, 2008**  
 Materials and/or Services: **Insurance Agent/Broker Services** Proposal Time: **5:00 P.M. AZ Time**  
 Contact: **Lisa Houg, CPPB**  
 Project No: Location: **City of Peoria, Materials Management** Phone: **(623) 773-7115**  
 Mailing Address: **8314 West Cinnabar Avenue, Peoria, AZ 85345**

In accordance with City of Peoria Procurement Code competitive sealed proposals for the material or services specified will be received by the City of Peoria Materials Management at the specified location until the date and time cited above. Proposals shall be in the actual possession of the City of Peoria Materials Management on or prior to the exact date and time indicated above. Late proposals will not be considered, except as provided in the City of Peoria Procurement Code. **Proposals shall be submitted in a sealed envelope with the Request for Proposal number and the offeror's name and address clearly indicated on the front of the envelope.** All proposals shall be completed in ink or typewritten. Offerors are strongly encouraged to carefully read the *entire* Request for Proposal Package.

### OFFER

To the City of Peoria: The undersigned on behalf of the entity, firm, company, partnership, or other legal entity listed below offers on its behalf to the City a proposal that contains all terms, conditions, specifications and amendments in the Notice of Request for Proposal issued by the City. Any exception to the terms contained in the Notice of Request for Proposal must be specifically indicated in writing and are subject to the approval of the City prior to acceptance. The signature below certifies your understanding and compliance with Paragraph 1 of the City of Peoria Standard Terms and Conditions (form COP 202) contained in the Request for Proposal package issued by the City.

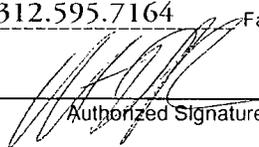
For clarification of this offer contact:

Name: Robert Dufkis

Telephone: 312.595.7164 Fax: 312.595.6279

Mesirow Insurance Services, Inc.

Company Name



Authorized Signature for Offer

321 N. Clark Street

Address

Robert Dufkis

Printed Name

Chicago, IL 60654

City State Zip Code

Managing Director

Title

### ACCEPTANCE OF OFFER AND CONTRACT AWARD (For City of Peoria Use Only)

Your offer is accepted by the City, subject to approval of each written exception that your proposal contained. The contract consists of the following documents: 1.) Request for Proposal issued by the City; 2.) Your offer in Response to the City's Request for Proposal; 3.) This written acceptance and contract award.

As the contractor, you are now legally bound to sell the materials and/or services listed by the attached award notice, based on the solicitation of proposals, including all terms, conditions, specifications, amendments and your offer as now accepted by the City. The Contractor shall not commence any billable work or provide any material, service or construction under this contract until the Contractor receives an executed Purchase Order or written Notice to Proceed.

Attested by:   
 Mary Jo Kief, City Clerk

City of Peoria, Arizona. Effective Date: 12/31/08

Approved as to form:   
 Ellen Van Riper, Assistant City Attorney

CC: \_\_\_\_\_

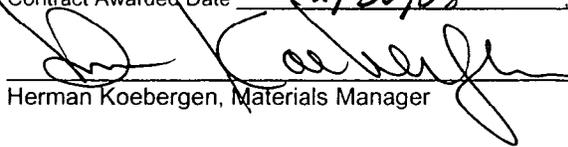
Stephen M. Kemp, City Attorney

Contract Number: **CON 68408**

Contract Awarded Date 12/30/08



Official File: \_\_\_\_\_

  
 Herman Koebergen, Materials Manager

**A CON 68408**

**ACORD™ CERTIFICATE OF LIABILITY INSURANCE** DATE (MM/DD/YYYY)  
1/27/09

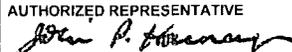
<b>PRODUCER</b> Price Team Mesirow Insurance Services, Inc. 321 N. Clark Street Chicago, IL 60610	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
<b>INSURED</b> Mesirow Insurance Services, Inc. 321 North Clark Street - 11th Floor Chicago, IL 60610	<b>INSURERS AFFORDING COVERAGE</b> INSURER A: <b>Indian Harbor Insurance Company</b> INSURER B: INSURER C: INSURER D: INSURER E:	<b>NAIC #</b> 36940

**COVERAGES**

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
		<b>GENERAL LIABILITY</b> <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR <hr/> GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$
		<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
		<b>GARAGE LIABILITY</b> <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$
		<b>EXCESS/UMBRELLA LIABILITY</b> <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <hr/> DEDUCTIBLE RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
		<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				<input type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
<b>A</b>		<b>OTHER Professional Liability - Insurance Agents</b>	<b>ELU10483308</b>	<b>05/24/08</b>	<b>05/24/09</b>	<b>\$5,000,000 Aggregate</b> <b>\$250,000 Retention</b>

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS**  
 Certificate issued as evidence of coverage.

<b>CERTIFICATE HOLDER</b> City of Peoria 8401 W. Monroe Peoria, AZ 85345	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL <u>30</u> DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE 
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## **IMPORTANT**

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

## **DISCLAIMER**

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.



321 North Clark Street, Chicago, Illinois 60654  
312.595.6200 • [www.mesirowfinancial.com](http://www.mesirowfinancial.com)

December 12, 2008

Ms. Lisa Houg, CPPB  
Contract Manager  
City of Peoria  
8401 W. Monroe Street  
Peoria, AZ 85345

RE: Service Fee Confirmation

Dear Ms. Houg:

We are pleased to advise you that we have accepted the City of Peoria's offer to keep our Service Fee in the amount of \$38,000 for the Property & Casualty and \$17,000 for the Workers Compensation for a total of \$55,000 for per year for five years. We will not increase our Service Fee for years four (4) and five (5).

If you have any questions, please call me directly.

Best regards,

A handwritten signature in black ink, appearing to read "Michael J. Alesia", written over the typed name and title.

Michael J. Alesia  
Senior Vice President  
Direct Line: 312-595-7161  
Fax: 312 595-7163  
E-Mail: [malesia@mesirowfinancial.com](mailto:malesia@mesirowfinancial.com)

Cc: Robert Dufkis – Mesirow Financial

2004870/MJA



321 North Clark Street, Chicago, Illinois 60610  
312.595.7164 • bdufkis@mesirofinancial.com  
www.mesirofinancial.com

Robert Dufkis  
Managing Director

November 25, 2008

Ms. Lisa Houg, CPPB  
Contract Officer  
City of Peoria  
8401 West Monroe Street  
Peoria, AZ 85345

RE: City of Peoria Solicitation Number P09-0007  
Insurance Agent/Broker Services  
Best and Final Offer

Dear Ms. Houg,

Per your letter of November 19, 2008 you have requested that we provide a best and final offer which responds to several additional questions submitted in your letter. Following please find our answers:

- 1. Indicate if the fees proposed will be capped over the entire term of the contract. If the fees will not be capped, indicate the percentage of increase your firm will request each renewal period. The initial term of the contract is one (1) year beginning January 1, 2009 with the option of renewing for four (4) additional one (1) year extensions beginning each calendar year through December 31, 2013.**

Our fees will be capped over the first three (3) years of the contract, after which we will evaluate with the City whether market conditions and servicing requirements necessitate an increase. If we mutually determine an increase is warranted, we agree to cap the increase in years four (4) and five (5) to no more than 5% of the contract.

- 2. Indicate what services your firm is proposing to provide under Miscellaneous Services, including but not limited to what is indicated in the RFP.**

Miscellaneous Services will include:

1. Financial Risk analysis for property, casualty and workers compensation; loss forecast, retention analysis benchmarking
2. Industry updates
3. Market updates
4. Feasibility studies when needed (including current self-insured workers compensation feasibility study)
5. Stewardship reports
6. Claim advocacy
7. Loss Control Advocacy
8. TPA RFP, review and evaluation (for self-insured workers compensation)

**3. List all services that are included as part of your Workers' Compensation Fee.**

Workers Compensation Fee Services will include:

1. Annual Marketing
2. Program Design
3. Ongoing TPA services review and evaluation
4. Loss Forecast
5. Retention Analysis
6. Claim Advocacy
7. Claim Fraud Advocacy
8. Annual Stewardship report for self-insured workers compensation
9. Large Loss Report
10. Loss Control Advocacy

**4. As indicated in the RFP, the City is looking into bringing the Workers' compensation program as self insured. The City would be interested in the Broker assisting in the preparation of specifications for the selection of the Workers' Compensation carrier. Provide explanation if and how your firm will provide this service.**

In order to move from a guarantee cost workers' compensation program to a self-insured retention program a feasibility study will need to be completed. The feasibility will include a loss forecast, retention analysis, TPA RFP and cost review.

As part of the analysis we will examine what the workers compensation costs are per department as well as the types of injuries. This will include a detailed analysis of all large losses. From that we will prepare claims demographic/benchmarking studies to assist the City with their marketing and decision making process.

We have a TPA RFP template that we would provide the City to facilitate the TPA selection process. Our claim advisors are adept at helping clients review the RFP responses in light of your specific servicing needs.

We would prepare a marketing plan (including a market selection list) and underwriting submission for the Excess Workers' Compensation program for the City to review and approve. Results of both the insured and self-insured option will be presented to the City so that a decision can be made whether to change how the program is currently structured.

**5. Please review your proposed fees for Property & Casualty and Workers' Compensation and provide your best and final offer.**

Our best and final offer is \$38,000 for the Property & Casualty and \$17,000 for the Workers' Compensation for a total of \$55,000 per year. As indicated in our response to question one (1) this would be capped at \$55,000 for the first three years of the contract then subject to mutual review of market conditions and servicing needs for years four (4) and five (5). Any increase in those years would be capped at no more than 5% of the contract.

We appreciate the opportunity to renew our contract with the City of Peoria and hope that we will have the opportunity to continue to serve as your insurance broker and risk management support provider. We value you as a client and believe our substantial experience in the public sector industry provides a benefit to the City.

Sincerely,

A handwritten signature in black ink, appearing to read 'RD', with a long horizontal flourish extending to the right.

Robert Dufkis  
Managing Director

The STANDARD TERMS AND CONDITIONS are amended to reflect the changes indicated below. Paragraph 3, Applicable Law; Paragraph 19, Right to Audit Records; Paragraph 32, Public Record, are hereby deleted and replaced with the following:

- 3. APPLICABLE LAW:** In the performance of this agreement, contractors shall abide by and conform to any and all laws of the United States, State of Arizona and City of Peoria including but not limited to federal and state executive orders providing for equal employment and procurement opportunities, the Federal Occupational Safety and Health Act and any other federal or state laws applicable to this agreement.

Contractor specifically understands and acknowledges the applicability to it of the Americans with Disabilities Act, the Immigration Reform and Control Act of 1986, and the Drug Free Workplace Act of 1989. In addition, if this agreement pertains to construction, Contractor must also comply with A.R.S. § 34-301, as amended (Employment of Aliens on Public Works Prohibited) and A.R.S. § 34-302, as amended (Residence Requirements for Employees).

Under the provisions of A.R.S. § 41-4401, Contractor hereby warrants to the City that Contractor and each of its subcontractors ("Subcontractors") will comply with, and are contractually obligated to comply with, all Federal immigration laws and regulations that relate to their employees and A.R.S. § 23-214(A) (hereinafter, "Contractor Immigration Warranty").

A breach of the Contractor Immigration Warranty shall constitute a material breach of this agreement and shall subject Contractor to penalties up to and including termination of this agreement at the sole discretion of the City. The City may, at its sole discretion, conduct random verification of the employment records of Contractor and any Subcontractors to ensure compliance with the Contractor Immigration Warranty. Contractor agrees to assist the City in regard to any random verifications performed.

Neither Contractor nor any Subcontractor shall be deemed to have materially breached the Contractor Immigration Warranty if Contractor or the Subcontractor establishes that it has complied with the employment verification provisions prescribed by §§ 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. §23-214(A).

The provisions of this Paragraph must be included in any contract Contractor enters into with any Subcontractors who provide services under this agreement or any subcontract. "Services" is defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.

Contractor warrants, for the term of this agreement and for six months thereafter, that it has fully complied with the requirements of the Immigration Reform and Control Act of 1986 and all related or similar legal authorities.

This contract shall be governed by the City and Contractor shall have all remedies afforded each by the Uniform Commercial Code, as adopted in the State of Arizona, except as otherwise provided in this contract or in statutes pertaining specifically to the City. This contract shall be governed by the laws of the State of Arizona and suit pertaining to this contract may be brought only in courts in the State of Arizona.

This contract is subject to the provisions of ARS §38-511; the City may cancel this contract without penalty or further obligations by the City or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City or any of its departments or agencies, is at any time while the contract or any extension of the contract is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract.

- 19. RIGHT TO AUDIT RECORDS:** The City may, at reasonable times and places, audit the books and records of any Contractor as related to any contract held with the City. This right to audit also empowers the City to inspect the papers of any Contractor or Subcontractor employee who works on this contract to ensure that the Contractor or Subcontractor is complying with the Contractor Immigration Warranty made pursuant to Paragraph 3 above.
- 32. PUBLIC RECORD:** All offers submitted in response to this solicitation shall become the property of the City and shall become a matter of public record available for review, subsequent to the award notification, in accordance with the City's Procurement Code. However, subsequent to the award of the contract, any information and documents obtained by the City during the course of an audit conducted in accordance with Paragraph 19 above for the purpose of determining compliance by Contractor or a Subcontractor with the Contractor Immigration Warranty mandated by Paragraph 3 above shall remain confidential and shall not be made available for public review or produced in response to a public records request, unless the City is ordered or otherwise directed to do so by a court of competent jurisdiction.



# REQUEST FOR PROPOSAL

## INSTRUCTIONS TO OFFEROR

### Materials Management Procurement

8314 West Cinnabar Avenue  
Peoria, Arizona 85345-6560

Phone: (623) 773-7115

Fax: (623) 773-7118

#### 1. PREPARATION OF PROPOSAL:

- a. All proposals shall be on the forms provided in this *Request For Proposal* package. It is permissible to copy these forms if required. Telegraphic (facsimile) or mailgram proposals will not be considered.
- b. The Offer and Contract Award document (COP Form 203) shall be submitted with an original ink signature by a person authorized to sign the offer.
- c. Erasures, interlineations, or other modifications in the proposal shall be initialed in original ink by the authorized person signing the Vendor Offer.
- d. If price is a consideration and in case of error in the extension of prices in the proposal, the unit price shall govern. No proposal shall be altered, amended, or withdrawn after the specified proposal due date and time.
- e. Periods of time, stated as a number of days, shall be calendar days.
- f. It is the responsibility of all Offerors to examine the entire *Request For Proposal* package and seek clarification of any item or requirement that may not be clear and to check all responses for accuracy before submitting a bid. Negligence in preparing a Proposal confers no right of withdrawal after proposal due date and time.

2. **INQUIRIES:** Any question related to the *Request For Proposal* shall be directed to the Buyer whose name appears on the front. The Offeror shall not contact or ask questions of the department for which the requirement is being procured. Questions should be submitted in writing when time permits. The Buyer may require any and all questions be submitted in writing at the Buyer's sole discretion. Any correspondence related to a *Request For Proposal* should refer to the appropriate *Request For Proposal* number, page, and paragraph number. However, the Offeror shall not place the *Request For Proposal* number on the outside of any envelope containing questions since such an envelope may be identified as a sealed proposal and may not be opened until after the official *Request For Proposal* due date and time.

3. **PROSPECTIVE OFFERORS CONFERENCE:** A prospective offerors conference may be held. If scheduled, the date and time of this conference will be indicated on the cover page of this document. The purpose of this conference will be to clarify the contents of this *Request For Proposal* in order to prevent any misunderstanding of the City's position. Any doubt as to the requirements of this *Request For Proposal* or any apparent omission or discrepancy should be presented to the City at this conference. The City will then determine if any action is necessary and may issue a written amendment to the *Request for Proposal*. Oral statements or instructions will not constitute an amendment to this *Request for Proposal*.

4. **LATE PROPOSALS:** Late Proposals will not be considered, except as provided by the **City of Peoria Procurement Code**. A vendor submitting a late proposal shall be so notified.

5. **WITHDRAWAL OF PROPOSAL:** At any time prior to the specified proposal due date and time, a Vendor (or designated representative) may withdraw the proposal. Telegraphic (facsimile) or mailgram proposal withdrawals will not be considered.

6. **AMENDMENT OF PROPOSAL:** Receipt of a Solicitation Amendment (COP Form 207) shall be acknowledged by signing and returning the document prior to the specified proposal due date and time.

7. **PAYMENT:** The City will make every effort to process payment for the purchase of goods or services within thirty (30) calendar days after receipt of goods or services and a correct notice of amount due, unless a good faith dispute exists as to any obligation to pay all or a portion of the account. Any proposal that requires payment in less than thirty (30) calendar days shall not be considered.

8. **NEW:** All items shall be new, unless otherwise stated in the specifications.

9. **DISCOUNTS:** Payment discount periods will be computed from the date of receipt of material/service or correct invoice, whichever is later, to the date Buyer's payment is mailed. Unless freight and other charges are itemized, any discount provided will be taken on full amount of invoice. Payment discounts of thirty (30) calendar days or more will be deducted from the proposal price in determining the low bid. However, the Buyer shall be entitled to take advantage of any payment discount offered by the Vendor provided payment is made within the discount period.

10. **TAXES:** The City of Peoria is exempt from Federal Excise Tax, including the Federal Transportation Tax. Sales tax, if any, shall be indicated as a separate item.

11. **VENDOR REGISTRATION:** After the award of a contract, the successful Vendor shall have a completed Vendor Registration Form (COP Form 200) on file with the City of Peoria Materials Management Division.

#### 12. AWARD OF CONTRACT:

a. Unless the Offeror states otherwise, or unless provided within this *Request For Proposal*, the City reserves the right to award by individual line item, by group of line items, or as a total, whichever is deemed most advantageous to the City.

b. Notwithstanding any other provision of this *Request For Proposal*, The City expressly reserves the right to:

- (1) Waive any immaterial defect or informality; or
- (2) Reject any or all proposals, or portions thereof, or
- (3) Reissue a *Request For Proposal*.

c. A response to a *Request For Proposal* is an offer to contract with the City based upon the terms, conditions and specifications contained in the City's *Request For Proposal* and the written amendments thereto, if any. Proposals do not become contracts unless and until they are accepted by the **City Council**. A contract is formed when written notice of award(s) is provided to the successful Offeror(s). The contract has its inception in the award document, eliminating a formal signing of a separate contract. For that reason, all of the terms and conditions of the procurement contract are contained in the *Request For Proposal*; unless modified by a Solicitation Amendment (COP Form 207) or a Contract Amendment (COP Form 217).



## STANDARD TERMS AND CONDITIONS

### Materials Management Procurement

8314 West Cinnabar Avenue  
Peoria, Arizona 85345-6560  
Phone: (623) 773-7115  
Fax: (623) 773-7118

THE FOLLOWING TERMS AND CONDITIONS ARE AN EXPLICIT PART OF THE SOLICITATION AND ANY RESULTANT CONTRACT.

1. **CERTIFICATION:** By signature in the Offer section of the Offer and Contract Award page (COP Form 203), the Vendor certifies:
  - a. The submission of the offer did not involve collusion or other anti-competitive practices.
  - b. The Vendor shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11456.
  - c. The Vendor has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip favor, or service to a public servant in connection with the submitted offer. Failure to sign the offer, or signing it with a false statement, shall void the submitted offer or any resulting contracts, and the vendor may be debarred.

2. **GRATUITIES:** The City may, by written notice to the Contractor, cancel this contract if it is found by the City that gratuities, in the form of entertainment, gifts or otherwise, were offered or given by the Contractor or any agent or representative of the Contractor, to any officer or employee of the City with a view toward securing an order, securing favorable treatment with respect to the awarding, amending, or the making of any determinations with respect to the performing of such order. In the event this contract is cancelled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold from the Contractor the amount of the gratuity. Paying the expense of normal business meals which are generally made available to all eligible city government customers shall not be prohibited by this paragraph.
3. **APPLICABLE LAW:** In the performance of this agreement, contractors shall abide by and conform to any and all laws of the United States, State of Arizona and City of Peoria including but not limited to federal and state executive orders providing for equal employment and procurement opportunities, the Federal Occupational Safety and Health Act and any other federal or state laws applicable to this agreement.

Contractor warrants, for the term of this agreement and for six months thereafter, that it has fully complied with the requirements of the Immigration Reform and Control Act of 1986 and all related or similar legal authorities.

This contract shall be governed by the City and Contractor shall have all remedies afforded each by the Uniform Commercial Code, as adopted in the State of Arizona, except as otherwise provided in this contract or in statutes pertaining specifically to the City. This contract shall be governed by the laws of the State of Arizona and suit pertaining to this contract may be brought only in courts in the State of Arizona.

This contract is subject to the provisions of ARS §38-511; the City may cancel this contract without penalty or further obligations by the City or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City or any of its departments or agencies, is at any time while the contract or any extension of the contract is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract.

4. **LEGAL REMEDIES:** All claims and controversies shall be subject to resolution according to the terms of the City of Peoria Procurement Code.
5. **CONTRACT:** The contract between the City and the Contractor shall consist of (1) the Solicitation, including instructions, all terms and conditions, specifications, scopes of work, attachments, and any amendments thereto, and (2) the offer submitted by the Vendor in response to the solicitation. In the event of a conflict in language between the Solicitation and the Offer, the provisions and requirements in the Solicitation shall govern. However, the City reserves the right to clarify, in writing, any contractual terms with the concurrence of the Contractor, and such written contract shall govern in case of conflict with the applicable requirements



## STANDARD TERMS AND CONDITIONS

### Materials Management Procurement

8314 West Cinnabar Avenue  
Peoria, Arizona 85345-6560

Phone: (623) 773-7115

Fax: (623) 773-7118

stated in the Solicitation or the Vendor's offer. The Solicitation shall govern in all other matters not affected by the written contract.

6. **CONTRACT AMENDMENTS:** This contract may be modified only by a written Contract Amendment (COP Form 217) signed by persons duly authorized to enter into contracts on behalf of the City and the Contractor.
7. **CONTRACT APPLICABILITY:** The Offeror shall substantially conform to the terms, conditions, specifications and other requirements found within the text of this specific Solicitation. All previous agreements, contracts, or other documents, which have been executed between the Offeror and the City are not applicable to this Solicitation or any resultant contract.
8. **PROVISIONS REQUIRED BY LAW:** Each and every provision of law and any clause required by law to be in the contract will be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, the contract will forthwith be physically amended to make such insertion or correction.
9. **SEVERABILITY:** The provisions of this contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the contract which may remain in effect without the invalid provision or application.
10. **RELATIONSHIP TO PARTIES:** It is clearly understood that each party will act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other for any purpose whatsoever. The Contractor is advised that taxes or Social Security payments will not be withheld from any City payments issued hereunder and that the Contractor should make arrangements to directly pay such expenses, if any.
11. **INTERPRETATION-PAROL EVIDENCE:** This contract represents the entire agreement of the Parties with respect to its subject matter, and all previous agreements, whether oral or written, entered into prior to this contract are hereby revoked and superseded by this contract. No representations, warranties, inducements or oral agreements have been made by any of the Parties except as expressly set forth herein, or in any other contemporaneous written agreement executed for the purposes of carrying out the provisions of this contract. This contract may not be changed, modified or rescinded except as provided for herein, absent a written agreement signed by both Parties. Any attempt at oral modification of this contract shall be void and of no effect.
12. **ASSIGNMENT-DELEGATION:** No right or interest in this contract shall be assigned by Contractor without prior written permission of the City and no delegation of any duty of Contractor shall be made without prior written permission of the City.
13. **SUBCONTRACTS:** No subcontract shall be entered into by the contractor with any other party to furnish any of the material, service or construction specified herein without the advance written approval of the City. The prime contractor shall itemize all sub-contractors which shall be utilized on the project. Any substitution of sub-contractors by the prime contractor shall be approved by the City and any cost savings will be reduced from the prime contractor's bid amount. All subcontracts shall comply with Federal and State laws and regulations which are applicable to the services covered by the subcontract and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract and if the Subcontractor were the Contractor referred to herein. The Contractor is responsible for contract performance whether or not Subcontractors are used.
14. **RIGHTS AND REMEDIES:** No provision in this document or in the vendor's offer shall be construed, expressly or by implication, as waiver by the City of any existing or future right and/or remedy available by law in the event of any claim of default or breach of contract. The failure of the City to insist upon the strict performance of any term or condition of the contract or to exercise or delay the exercise of any right or remedy provided in the contract, or by law, or the City's acceptance of and payment for materials or services, shall not release the Contractor from any responsibilities or obligations imposed by this contract or by law, and shall not be deemed a waiver of any right of the City to insist upon the strict performance of the Contract.



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### Materials Management Procurement

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15. **INDEMNIFICATION:** To the fullest extent permitted by law, the Contractor shall defend, indemnify and hold harmless the City, its agents, representatives, officers, directors, officials and employees from and against all claims, damages, losses and expenses (including but not limited to attorney fees, court costs, and the cost of appellate proceedings), relating to, arising out of, or alleged to have resulted from the acts, errors, mistakes, omissions, work or services of the Contractor, its employees, agents, or any tier of subcontractors in the performance of this Contract. Contractor's duty to defend, hold harmless and indemnify the City, its agents, representatives, officers, directors, officials and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property including loss of use resulting therefrom, caused by any acts, errors, mistakes, omissions, work or services in the performance of this Contract including any employee of the Contractor or any tier of subcontractor or any other person for whose acts, errors, mistakes, omissions, work or services the Contractor may be legally liable.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

16. **OVERCHARGES BY ANTITRUST VIOLATIONS:** The City maintains that, in practice, overcharges resulting from antitrust violations are borne by the purchaser. Therefore, to the extent permitted by law, the Contractor hereby assigns to the City any and all claims for such overcharges as to the goods and services used to fulfill the Contract.

17. **FORCE MAJEURE:** Except for payment for sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force Majeure. The term "*force majeure*" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; acts of terror, hate crimes affecting public order; riots; strikes; mobilization; labor disputes; civil disorders; fire; floods; lockouts, injunctions-intervention-acts, or failures or refusals to act by government authority; events or obstacles resulting from a governmental authority's response to the foregoing; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence. The force majeure shall be deemed to commence when the party declaring force majeure notifies the other party of the existence of the force majeure and shall be deemed to continue as long as the results or effects of the force majeure prevent the party from resuming performance in accordance with this Contract.

Force majeure shall not include the following occurrences:

- a. Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, an oversold condition of the market, inefficiencies, or similar occurrences.
- b. Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this Force Majeure term and Condition.

Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure. If either party is delayed at any time in the progress of the work by force majeure, then the delayed party shall notify the other party in writing of such delay within forty-eight (48) hours commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be hand delivered or mailed *Certified-Return Receipt* and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing. The time of completion shall be extended by contract modification for a period of time equal to the time that the results or effects of such delay prevent the delayed party from performing in accordance with this contract.



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18. **RIGHT TO ASSURANCE:** Whenever one party to this contract in good faith has reason to question the other party's intent to perform he may demand that the other party give a written assurance of this intent to perform. In the event that a demand is made and no written assurance is given within five (5) days, the demanding party may treat this failure as an anticipatory repudiation of the Contract.
19. **RIGHT TO AUDIT RECORDS:** The City may, at reasonable times and places, audit the books and records of any Contractor as related to any contract held with the City.
20. **RIGHT TO INSPECT PLANT:** The City may, at reasonable times, inspect the part of the plant or place of business of a Contractor or Subcontractor which is related to the performance of any contract as awarded or to be awarded.
21. **WARRANTIES:** Contractor warrants that all material, service or construction delivered under this contract shall conform to the specifications of this contract. Unless otherwise stated in Contractor's response, the City is responsible for selecting items, their use, and the results obtained from any other items used with the items furnished under this contract. Mere receipt of shipment of the material/service specified and any inspection incidental thereto by the City shall not alter or affect the obligations of the Contractor or the rights of the City under the foregoing warranties. Additional warranty requirements may be set forth in the solicitation.
22. **INSPECTION:** All material and/or services are subject to final inspection and acceptance by the City. Materials and/or services failing to conform to the specifications of this Contract will be held at Contractor's risk and may be returned to the Contractor. If so returned, all costs are the responsibility of the Contractor. The City may elect to do any or all:
  - a. Waive the non-conformance.
  - b. Stop the work immediately.
  - c. Bring material into compliance.This shall be accomplished by a written determination for the City.
23. **TITLE AND RISK OF LOSS:** The title and risk of loss of material and/or service shall not pass to the City until the City actually receives the material or service at the point of delivery, unless otherwise provided within this Contract.
24. **NO REPLACEMENT OF DEFECTIVE TENDER:** Every tender of materials shall fully comply with all provisions of the Contract. If a tender is made which does not fully conform, this shall constitute a breach of the Contract as a whole.
25. **DEFAULT IN ONE INSTALLMENT TO CONSTITUTE TOTAL BREACH:** Contractor shall deliver conforming materials in each installment of lot of this Contract and may not substitute nonconforming materials. Delivery of nonconforming materials or a default of any nature, at the option of the City, shall constitute a breach of the Contract as a whole.
26. **SHIPMENT UNDER RESERVATION PROHIBITED:** Contractor is not authorized to ship materials under reservation and no tender of a bill of lading will operate as a tender of the materials.
27. **LIENS:** All materials, service or construction shall be free of all liens, and if the City requests, a formal release of all liens shall be delivered to the City.
28. **LICENSES:** Contractor shall maintain in current status all Federal, State and Local licenses and permits required for the operation of the business conducted by the Contractor as applicable to this Contract.



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29. **PATENTS AND COPYRIGHTS:** All services, information, computer program elements, reports and other deliverables, which may be patented or copyrighted and created under this contract are the property of the City and shall not be used or released by the Contractor or any other person except with the prior written permission of the City.
30. **PREPARATION OF SPECIFICATIONS BY PERSONS OTHER THAN CITY PERSONNEL:** All specifications shall seek to promote overall economy for the purposes intended and encourage competition and not be unduly restrictive in satisfying the City's needs. No person preparing specifications shall receive any direct or indirect benefit from the utilization of specifications, other than fees paid for the preparation of specifications.
31. **COST OF BID/PROPOSAL PREPARATION:** The City shall not reimburse the cost of developing presenting or providing any response to this solicitation. Offers submitted for consideration should be prepared simply and economically, providing adequate information in a straightforward and concise manner.
32. **PUBLIC RECORD:** All offers submitted in response to this solicitation shall become the property of the City and shall become a matter of public record available for review, subsequent to the award notification, in accordance with the City's Procurement Code.
33. **ADVERTISING:** Contractor shall not advertise or publish information concerning this Contract, without prior written consent of the City.
34. **DELIVERY ORDERS:** The City shall issue a Purchase Order for the material and/or services covered by this contract. All such documents shall reference the contract number as indicated on the Offer and Contract Award (COP Form 203).
35. **FUNDING:** Any contract entered into by the City of Peoria is subject to funding availability. Fiscal years for the City of Peoria are July 1 to June 30. The City Council approves all budget requests. If a specific funding request is not approved, the contract shall be terminated.
36. **PAYMENT:** A separate invoice shall be issued for each shipment of material or service performed, and no payment will be issued prior to receipt of material and/or services and correct invoice.



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1. **Purpose:** Pursuant to provisions of the City Procurement Code, the City of Peoria, Materials Management Division intends to establish a contract for **Insurance Agent/Broker Services**.
2. **Authority:** This Solicitation as well as any resultant contract is issued under the authority of the City. No alteration of any resultant contract may be made without the express written approval of the City Materials Manager in the form of an official contract amendment. Any attempt to alter any contract without such approval is a violation of the contract and the City Procurement Code. Any such action is subject to the legal and contractual remedies available to the City inclusive of, but not limited to, contract cancellation, suspension and/or debarment of the contractor.
3. **Offer Acceptance Period:** In order to allow for an adequate evaluation, the City requires an offer in response to this Solicitation to be valid and irrevocable for sixty (60) days after the opening time and date.
4. **Cooperative Purchasing:** Any contract resulting from this solicitation shall be for the use of the City of Peoria. In addition, specific eligible political subdivisions and nonprofit educational or public health institutions may also participate at their discretion. In order to participate in any resultant contract, a political subdivision or nonprofit educational or public health institution must have been invited to participate in this specific solicitation and the contractor must be in agreement with the cooperative transaction. In addition to cooperative purchasing, any eligible agency may elect to participate (piggyback) on any resultant contract; the specific eligible political subdivision, nonprofit educational or public health institution and the contractor must be in agreement.  
  
Any orders placed to the successful contractor will be placed by the specific agencies participating in this purchase. Payment for purchases made under this agreement will be the sole responsibility of each participating agency. The City shall not be responsible for any disputes arising out of transactions made by others.
5. **Contract Type:** Fixed Price
6. **Term of Contract:** The term of any resultant contract shall commence on **January 1, 2009**, and shall continue for a period of one (1) year thereafter, unless terminated, cancelled or extended as otherwise provided herein.
7. **Contract Extension:** By mutual written contract amendment, any resultant contract may be extended for supplemental periods of up to a maximum of forty-eight (48) months.
8. **Affirmative Action Report:** It is the policy of the City of Peoria that suppliers of goods or services to the City adhere to a policy of equal employment opportunity and demonstrate an affirmative effort to recruit, hire, and promote regardless of race, color, religion, gender, national origin, age or disability.
9. **Proposal Format:** Proposals shall be submitted in one (1) original and five (5) copies on the forms and in the format as contained in the Request for Proposal. Proposals shall be on 8 1/2" & 11" paper with the text on one side only. All submittal information must contain data for only the local office(s) which will be performing the work. The proposals should be submitted in the maximum length of 25 pages.
10. **Interview Guidelines:** During any requested interview, which would be scheduled in the future, be prepared to discuss your firm's proposal, staff assignments, project approach and other pertinent information. The presentation shall be approximately 30 minutes, allowing 15 minutes for a question and answer session. The Consultant's Project/Team Manager shall lead the presentation team and answer questions on behalf of the Consultant. If work involves a major sub-consultant, the firms Project/Team Manager's presence may also be requested (by the City) at the interview.
11. **Evaluation:** In accordance with the City of Peoria Procurement Code, awards shall be made to the responsible offeror whose proposal is determined in writing to be the most advantageous to the City, based upon the evaluation criteria listed below. The evaluation factors are listed in their relative order of importance.



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- a. Method of Approach.
- b. Qualifications and Experience.
- c. Cost Considerations.
- d. Conformance to RFP.

12. **Discussions:** In accordance with the City of Peoria Procurement Code, after the initial receipt of proposals, discussions may be conducted with offerors who submit proposals determined to be reasonably susceptible of being selected for award.
13. **Proposal Opening:** Proposals shall be submitted at the time and place designated in the request for proposals. All information contained in the proposals shall be deemed as exempt from public disclosure based on the City's need to avoid disclosure of contents prejudicial to competing offerors during the process of negotiation. The proposals shall not be open for public inspection until after contract award. PRICES SHALL NOT BE READ. After contract award, the successful proposal and the evaluation documentation shall be open for public inspection.
14. **Performance Warranty:** Contractor warrants that the services rendered in performance will conform to the requirements and to the highest professional standards in the insurance field.
15. **Permits and Approvals:** Contractor agrees and undertakes to obtain necessary permits and approvals from all local, state and federal authorities for the project.
16. **Investigation of Conditions:** The Contractor warrants and agrees familiarity of the work that is required, is satisfied as to the conditions under which is performed and enters into this contract based upon the Contractor's own investigation.
17. **Compensation:** Compensation for services shall be based upon fees negotiated, including all approved costs and expenses incurred in connection with the project; including but not limited to, telephone and other communications, reproduction of documents, special consultants (as approved by the City) and computer costs.
18. **Acceptance:** Determination of the acceptability of work shall be completed in a responsive and professional manner and in accordance with the specifications, schedules, or plans which are incorporated in the Scope of Work.
19. **Price Adjustment:** The City of Peoria Purchasing Office will review fully documented requests for price increases after any contract has been in effect for one (1) year. Any price increase adjustment will only be made at the time of contract extension and will be a factor in the extension review process. The City of Peoria Materials Management Division will determine whether the requested price increase or an alternate option, is in the best interest of the City. Any price adjustment will be effective upon the effective date of the contract extension.
20. **Price Reduction:** A price reduction adjustment may be offered at any time during the term of a contract and shall become effective upon notice.
21. **Insurance Requirements:** The Contractor, at Contractor's own expense, shall purchase and maintain the herein stipulated minimum insurance with companies duly licensed, possessing a current A.M. Best, Inc. Rating of A-, or approved unlicensed in the State of Arizona with policies and forms satisfactory to the City.

All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Contract is satisfactorily completed and formally accepted; failure to do so may, at the sole discretion of the City, constitute a material breach of this Contract.

The Contractor's insurance shall be primary insurance as respects the City, and any insurance or self-insurance maintained by the City shall not contribute to it.



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Any failure to comply with the claim reporting provisions of the insurance policies or any breach of an insurance policy warranty shall not affect coverage afforded under the insurance policies to protect the City.

The insurance policies, except Workers' Compensation, shall contain a waiver of transfer rights of recovery (subrogation) against the City, its agents, representatives, directors, officers, and employees for any claims arising out of the Contractor's acts, errors, mistakes, omissions, work or service.

The insurance policies may provide coverage which contain deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to the City under such policies. The Contractor shall be solely responsible for the deductible and/or self-insured retention and the City, at its option, may require the Contractor to secure payment of such deductibles or self-insured retentions by a Surety Bond or an irrevocable and unconditional letter of credit.

The City reserves the right to request and to receive, within 10 working days, certified copies of any or all of the herein required insurance policies and/or endorsements. The City shall not be obligated, however, to review same or to advise Contractor of any deficiencies in such policies and endorsements, and such receipt shall not relieve Contractor from, or be deemed a waiver of the City's right to insist on, strict fulfillment of Contractor's obligations under this Contract.

The insurance policies, except Workers' Compensation and Professional Liability, required by this Contract, shall name the City, its agents, representatives, officers, directors, officials and employees as Additional Insureds.

#### 22. Required Insurance Coverage:

##### a. Commercial General Liability

Contractor shall maintain Commercial General Liability insurance with a limit of not less than \$1,000,000 for each occurrence with a \$2,000,000 Products/Completed Operations Aggregate and a \$2,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage including, but not limited to, the liability assumed under the indemnification provisions of this Contract which coverage will be at least as broad as Insurance Service Office, Inc. Policy Form CG 00011093 or any replacements thereof. The coverage shall not exclude X, C, U.

Such policy shall contain a severability of interest provision, and shall not contain a sunset provision or commutation clause, nor any provision which would serve to limit third party action over claims.

The Commercial General Liability additional insured endorsement shall be at least as broad as the Insurance Service Office, Inc.'s Additional Insured, Form B, CG 20101185, and shall include coverage for Contractor's operations and products and completed operations.

Any Contractor subletting any part of the work, services or operations awarded to the Contractor shall purchase and maintain, at all times during prosecution of the work, services or operations under this Contract, an Owner's and Contractor's Protective Liability insurance policy for bodily injury and property damage, including death, which may arise in the prosecution of the Contractor's work, service or operations under this Contract. Coverage shall be on an occurrence basis with a limit not less than \$1,000,000 per occurrence, and the policy shall be issued by the same insurance company that issues the Contractor's Commercial General Liability insurance.

##### b. Automobile Liability

Contractor shall maintain Commercial/Business Automobile Liability insurance with a combined single limit for bodily injury and property damage of not less than \$1,000,000 each occurrence with respect to the Contractor's any owned, hired, and non-owned vehicles assigned to or used in performance of the Contractor's work. Coverage will be at least as broad as



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coverage code 1, "any auto", (Insurance Service Office, Inc. Policy Form CA 00011293, or any replacements thereof). Such insurance shall include coverage for loading and off loading hazards. If hazardous substances, materials or wastes are to be transported, MCS 90 endorsement shall be included and \$5,000,000 per accident limits for bodily injury and property damage shall apply.

c. Workers' Compensation

The Contractor shall carry Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor's employees engaged in the performance of the work or services; and, Employer's Liability insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee, and \$500,000 disease policy limit.

In case any work is subcontracted, the Contractor will require the Subcontractor to provide Workers' Compensation and Employer's Liability to at least the same extent as required of the Contractor.

d. Professional Liability

The Contractor retained by the City to provide the work or service required by this Contract will maintain Professional Liability insurance covering acts, errors, mistakes and omissions arising out of the work or services performed by the Contractor, or any person employed by the Contractor, with a limit of not less than \$1,000,000 each claim.

23. **Certificates of Insurance:** Prior to commencing work or services under this Contract, Contractor shall furnish the City with Certificates of Insurance, or formal endorsements as required by the Contract, issued by Contractor's insurer(s), as evidence that policies providing the required coverages, conditions and limits required by this Contract are in full force and effect.

In the event any insurance policy(ies) required by this contract is(are) written on a "Claims made" basis, coverage shall extend for two years past completion and acceptance of the Contractor's work or services and as evidenced by annual Certificates of Insurance.

If a policy does expire during the life of the Contract, a renewal certificate must be sent to the City fifteen (15) days prior to the expiration date.

All Certificates of Insurance shall be identified with bid serial number and title. A \$25.00 administrative fee will be assessed for all certificates received without the appropriate bid serial number and title.

24. **Cancellation and Expiration Notice:** Insurance required herein shall not expire, be canceled, or materially changed without thirty (30) days prior written notice to the City.

25. **Independent Contractor:**

a. General

- i. The Contractor acknowledges that all services provided under this Agreement are being provided by him as an independent contractor, not as an employee or agent of the City Manager or the City of Peoria.
- ii. Both parties agree that this Agreement is nonexclusive and that Contractor is not prohibited from entering into other contracts nor prohibited from practicing his profession elsewhere.

b. Liability

- i. The City of Peoria shall not be liable for any acts of Contractor outside the scope of authority granted under this Agreement or as the result of Contractor's acts, errors, misconduct, negligence, omissions and intentional acts.



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- ii. To the fullest extent permitted by law, the Contractor shall defend, indemnify and hold harmless the City, its agents, representatives, officers, directors, officials and employees from and against all claims, damages, losses and expenses (including but not limited to attorney fees, court costs, and the cost of appellate proceedings), relating to, arising out of, or alleged to have resulted from the acts, errors, mistakes, omissions, work or services of the Contractor, its employees, agents, or any tier of subcontractors in the performance of this Contract. Contractor's duty to defend, hold harmless and indemnify the City, its agents, representatives, officers, directors, officials and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property including loss of use resulting therefrom, caused by any acts, errors, mistakes, omissions, work or services in the performance of this Contract including any employee of the Contractor or any tier of subcontractor or any other person for whose acts, errors, mistakes, omissions, work or services the Contractor may be legally liable.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

c. Other Benefits

The Contractor is an independent contractor, therefore, the City Manager will not provide the Contractor with health insurance, life insurance, workmen's compensation, sick leave, vacation leave, or any other fringe benefits. Further, Contractor acknowledges that he is exempt from coverage of the Comprehensive Benefit and Retirement Act (COBRA). Any such fringe benefits shall be the sole responsibility of Contractor.

26. **Key Personnel:** It is essential that the Contractor provide adequate experienced personnel, capable of and devoted to the successful accomplishment of work to be performed under this contract. The Contractor must agree to assign specific individuals to the key positions.

- a. The Contractor agrees that, once assigned to work under this contract, key personnel shall not be removed or replaced without written notice to the City.
- b. If key personnel are not available for work under this contract for a continuous period exceeding 30 calendar days, or are expected to devote substantially less effort to the work than initially anticipated, the Contractor shall immediately notify the City, and shall, subject to the concurrence of the City, replace such personnel with personnel of substantially equal ability and qualifications.

27. **Unifier Project Management System:** Awarded vendors may be required to utilize the City's Project Management System, Unifier, for the management of business processes and information regarding the awarded contract. Unifier is an on-line application and will be made available to awarded vendors at no additional charge. Vendors will utilize Unifier to submit and process information to the City such as: Field Change Order Requests, RFI's, Submittals, Payment Applications, Meeting Minutes, etc. Training will be offered to the vendors at no additional charge.

28. **Confidential Information:**

- a. If a person believes that a bid, proposal, offer, specification, or protest contains information that should be withheld, a statement advising the Materials Supervisor of this fact shall accompany the submission and the information shall be identified.
- b. The information identified by the person as confidential shall not be disclosed until the Materials Supervisor makes a written determination.



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- c. The Materials Supervisor shall review the statement and information and shall determine in writing whether the information shall be withheld.
- d. If the Materials Supervisor determines to disclose the information, the Materials Supervisor shall inform the bidder in writing of such determination.

29. **Confidentiality of Records:** The contractor shall establish and maintain procedures and controls that are acceptable to the City for the purpose of assuring that information contained in its records or obtained from the City or from others in carrying out its functions under the contract shall not be used or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the contract. Persons requesting such information should be referred to the City. Contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of contractor as needed for the performance of duties under the contract.

30. **Ordering Process:** Upon award of a contract by the City of Peoria, Materials Management Division may procure the specific material and/or service awarded by the issuance of a purchase order to the appropriate contractor. The award of a contract shall be in accordance with the City of Peoria Procurement Code and all transactions and procedures required by the Code for public bidding have been complied with. A purchase order for the awarded material and/or service that cites the correct contract number is the only document required for the department to order and the contractor to deliver the material and/or service.

Any attempt to represent any material and/or service not specifically awarded as being under contract with the City of Peoria is a violation of the contract and the City of Peoria Procurement Code. Any such action is subject to the legal and contractual remedies available to the City inclusive of, but not limited to, contract cancellation, suspension and/or debarment of the contractor.

31. **Licenses:** Contractor shall maintain in current status all Federal, State and Local licenses and permits required for the operation of the business conducted by the Contractor.

32. **Cancellation:** The City reserves the right to cancel the whole or any part of this contract due to failure by the contractor to carry out any obligation, term or condition of the contract. The City will issue written notice to the contractor for acting or failing to act as in any of the following:

- a. The contractor provides material that does not meet the specifications of the contract;
- b. The contractor fails to adequately perform the services set forth in the specifications of the contract;
- c. The contractor fails to complete the work required or to furnish the materials required within the time stipulated in the contract;
- d. The contractor fails to make progress in the performance of the contract and/or gives the City reason to believe that the contractor will not or cannot perform to the requirements of the contract.

Upon receipt of the written notice of concern, the contractor shall have ten (10) days to provide a satisfactory response to the City. Failure on the part of the contractor to adequately address all issues of concern may result in the City resorting to any single or combination of the following remedies:

- a. Cancel any contract;
- b. Reserve all rights or claims to damage for breach of any covenants of the contract;



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- c. Perform any test or analysis on materials for compliance with the specifications of the contract. If the results of any test or analysis find a material non-compliant with the specifications, the actual expense of testing shall be borne by the contractor;
- d. In case of default, the City reserves the right to purchase materials, or to complete the required work in accordance with the City Procurement Code. The City may recover any actual excess costs from the contractor by:
  - i. Deduction from an unpaid balance;
  - ii. Any combination of the above or any other remedies as provided by law.

33. **Project Travel Reimbursable Expenses:** If travel expenses are allowed as part of the contract the reimbursable expenses will be as follows. All expenses will be billed to the City at cost without markup. Copies of bills for expenses are to be submitted with the invoice. Travel time to and from job site is excluded from this contract. There will be no allowances for parking or personal car mileage. No incidentals for travel of any kind are allowed under this contract.

The following is a list of allowable travel expenses under this contract agreement:

- a. Transportation:
  - i. Air Transportation – coach class fares, minimum 14 days advanced purchase, unless otherwise agreed upon.
  - ii. Car Rental – mid size car, gas for rental car (City assumes no liability regarding additional insurance costs).
- b. Lodging and Meals:
  - i. Meals – three meals per day, at the current federal per diem rate for Maricopa County.
  - ii. Lodging – not to exceed the current federal rate for Maricopa County. Vendors are encouraged to stay in hotels located within the City of Peoria when practical. A listing of accommodations within Peoria can be found on the following website: <http://visitpeoriaaz.com/accommodations.php>



## SCOPE OF WORK

Solicitation Number: P09-0007

### Materials Management Procurement

8314 West Cinnabar Avenue  
Peoria, Arizona 85345-6560

Phone: (623) 773-7115

Fax: (623) 773-7118

## INSURANCE AGENT/BROKER SERVICES

The City of Peoria hereby solicits qualified and interested firms to submit proposals to provide the City with Insurance Agent/Broker Services. The selected firm will work with the Office of the City Attorney staff on a daily basis to assure that the most effective and efficient risk management organization is operating on behalf of the City.

### I. SCOPE OF SERVICES

The City seeks a qualified firm to provide insurance agent/broker services and shall have full access to the entire property and casualty insurance marketplace. The firm's services will include, but will not be limited to the following:

1. Place all insurance and bonds required by the City;
2. Reports of market conditions;
3. Analysis of potential insurer;
4. Marketing reports;
5. Assistance in resolving disputes with insurers; and
6. Assisting the City with risk management technical advice and expertise.

### II. SPECIFIC REQUIREMENTS

#### 1. Marketing

- A. Identify and analyze all viable markets for the City's insurance and bond needs.
- B. Prepare appropriate marketing and underwriting information to be submitted to potential insurers and related service companies.
- C. Arrange meetings between appropriate underwriters or service providers and the City's risk management personnel for the purpose of presenting the City's account in the most favorable light.
- D. Obtain insurance or related service quotations as appropriate.
- E. Assist the City's risk management personnel in negotiating the most favorable rates and coverages of service contracts.
- F. Provide actuarial analysis to ensure adequacy of funding levels specifically for the self-insured risks.



## SCOPE OF WORK

Solicitation Number: P09-0007

### Materials Management Procurement

8314 West Cinnabar Avenue  
Peoria, Arizona 85345-6560

Phone: (623) 773-7115

Fax: (623) 773-7118

#### 2. Training

The Firm shall provide training to the City's personnel on an as needed basis on insurance and risk management issues.

#### 3. Safety and Loss Control

The Firm shall provide safety and loss control consulting engineering services on an as needed basis.

#### 4. Miscellaneous Services

The Firm shall assist in the settlements of disputes between the City and the City's insurers, review reserves on specific claims, provide one claim audit per year, provide risk management related technical information, and provide related services on insurance and risk management issues. The Firm shall retain the past history of City claims.

The Firm shall establish formal evaluation and quality control procedures to monitor each facet of the final contract. The evaluation and quality control procedures must provide sufficient information to allow the City to monitor the program's progress and effectiveness. The City will use the quality control report to evaluate the effectiveness of the program on an annual basis. The Firm shall submit the quality control report to the City's Claims Coordinator by no later than June 1 of each contract year.

#### 5. Account Representative

The Firm shall designate an Account Representative who shall be responsible for the overall administration of the contract and who shall be the City's point of contact on issues related to the contract.

The Firm shall designate the staff to be assigned responsibility for daily communication with the City. This staff shall be named, and qualifications disclosed, to the City within your proposal.

#### 6. Proposal Content – The following items shall be addressed in the proposal:

A. Plan and Method of Approach to accomplish the Scope of Work – Include how your firm plans to accomplish the Scope of Work. Also include the method used for selection of Insurance Firms.

B. Qualification Statement - Include a narrative description of the proposed offer and a list of services that will be rendered. This section must also include resumes' of key staff members. It should specifically state the employees assigned to this task. Experience



## SCOPE OF WORK

Solicitation Number: P09-0007

### Materials Management Procurement

8314 West Cinnabar Avenue  
Peoria, Arizona 85345-6560  
Phone: (623) 773-7115  
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and qualifications of respondent's personnel, including a list of specific personnel who will be committed to this work and their respective qualifications. Indicate the names of the individuals and the professional designations held for those consulting personnel likely to be providing direct consulting services for risk management, loss control, property, casualty, and general liability matters.

- C. All offerors shall include a list of a minimum of three (3) references, prefer references from similar municipal projects, who could attest to the firm's knowledge, quality of work, timeliness, diligence, flexibility, and ability to meet budget constraints. Include names, contact persons, and phone numbers of all references.
- D. Fee Schedule shall list the rate or set fee for the following (*Specific Requirements, 1-4 above*):
- 1) Marketing.
  - 2) Training.
  - 3) Safety and Loss Control.
  - 4) Miscellaneous Services.
  - 5) List any other fee(s) that may apply.

#### 7. Personnel

The personnel designated in the proposal for key positions shall not be changed except with the permission of the City. The City will only approve such change when, in its opinion, the substitute personnel have equal or greater qualifications and experience than those they replace.

#### 8. Property of Work

Any work resulting from the award of this contract will become the sole property of the City. The successful offer shall not copyright any material and/or reports. And, upon request, the firm must turn over all work papers and related documents to the City.

### III. CONTRACTOR QUALIFICATIONS

The Firm shall be an independent, duly licensed and/or certified firm and possess the staff, experience, equipment and abilities to successfully provide all needed services. The Firm, and all employees and agents of the firm, shall fully comply with all City, state and federal laws and/or mandates applicable to the services to be furnished. The City anticipates all insurance will be placed net of commissions.



## SCOPE OF WORK

Solicitation Number: P09-0007

### Materials Management Procurement

8314 West Cinnabar Avenue  
Peoria, Arizona 85345-6560  
Phone: (623) 773-7115  
Fax: (623) 773-7118

#### IV. RESPONSIBILITIES OF THE CITY OF PEORIA

The City shall:

1. Provide to Firm all information in possession of the City which relates to the City's requirements for the services or which is relevant to the contract.
2. Assist the Firm in obtaining permission to enter public or private property as required for Contractor to perform its services.
3. Examine all reports, analysis, studies, tests, results, proposals and any other documents presented by the Firm.
4. Designate a person to act as the City's representative with respect to the services to be performed under any resulting contract. Such person shall have the authority to transmit instructions, receive information, interpret and define locality policy and decisions pertaining to Firm's services.

#### V. BASIS FOR AWARD

Information and/or factors gathered during interviews, negotiations and any reference checks, in addition to the evaluation criteria stated in the RFP, and any other information or factors deemed relevant by the City, shall be utilized in the final award.

#### VI. ADDITIONAL WORK

The City is looking into bringing the Workers' Compensation program as self insured. A price quote for Workers' Compensation shall be provided separately from the Fee Schedule.

#### VII. PROPOSAL SUBMITTAL AND CONTACT INFORMATION

Proposals will be submitted in one (1) original and five (5) copies and shall be delivered to:  
City of Peoria, Materials Management  
8314 W. Cinnabar, Peoria, AZ 85345

The proposal shall be due no later than **5:00 p.m. on October 8, 2008.**

All questions regarding the proposal should be directed to Lisa Houg at [Lisa.Houg@peoriaaz.gov](mailto:Lisa.Houg@peoriaaz.gov)



## QUESTIONNAIRE

**Materials Management  
Procurement**  
8314 West Cinnabar Avenue  
Peoria, Arizona 85345-6560  
Phone: (623) 773-7115  
Fax: (623) 773-7118

Solicitation Number: **P09-0007**

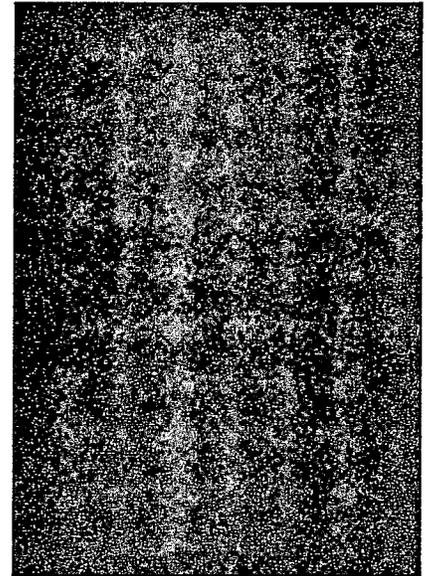
Has your firm been certified by any jurisdiction in Arizona as a minority or woman owned business enterprise? Yes \_\_\_\_\_, No  X .

If yes, please provide details and documentation of the certification.

Presented to



# Response to Request for Proposal P09-0007 for Insurance Agent/Broker Services



**October 8, 2008**

Presented by  
**Robert Dufkis**  
Managing Director

**Michael Alesia**  
Senior Vice President

**ORIGINAL**

This response includes data that shall not be disclosed outside of the City of Peoria, AZ and shall not be duplicated nor used, in whole or in part, for any purpose other than to evaluate this proposal. The data subject to this restriction are on pages 3.14 and 5.2 through 5.3.

Insurance Services offered through Mesirow Insurance Services, Inc.

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for Proposal P09-0007  
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Agent/Broker Services

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# Executive Narrative

Mesirow Financial's Insurance Services Division is pleased to respond to the City of Peoria's (City) request for proposal (RFP). We have read and understand the City's needs as stated in the RFP, and are confident that as your incumbent broker, we have proven that we have the experience, skills and depth of resources needed to continue to successfully manage your insurance program and deliver superior results.

Mesirow Financial has assigned a team of professionals — led by managing director, Robert Dufkis and senior vice president, Michael Alesia. They can be contacted as follows:

Robert Dufkis  
Managing Director

Mesirow Insurance Services, Inc.  
321 North Clark Street, 4th Floor  
Chicago, Illinois 60610

Telephone: 312.595.7164/Fax: 312.595.6279  
E-mail: [bdufkis@mesirofinancial.com](mailto:bdufkis@mesirofinancial.com)

Michael Alesia  
Senior Vice President

Mesirow Insurance Services, Inc.  
350 North Clark Street, 4th Floor  
Chicago, Illinois 60610

Telephone: 312.595.7161/Fax: 312.595.7163  
E-mail: [malesia@mesirofinancial.com](mailto:malesia@mesirofinancial.com)

As a senior decision maker and principal within Mesirow Financial, Robert Dufkis is authorized to contract for the work required by the City and commit our extensive resources to this contract.

Our Insurance Services Division is a full service brokerage and consulting firm comprised of over 360 dedicated professionals who work hard to serve our clients. The firm has developed a broad range of experience derived from over thirty years in the insurance industry. As a majority employee owned firm with an entrepreneurial culture and the resources to provide institutional infrastructure, we continually strive to develop unique approaches to address the varied needs of our clients.

**Mesirow Financial's Insurance Services Division is the largest independent insurance broker in the Midwest and our Public Sector practice presently handles the largest book of taxing bodies in Illinois.** Working extensively with the public sector community, we have developed client-specific risk management solutions for public and quasi-governmental risks of all sizes and complexities. Our clients include a diverse array of public risks including cities, counties, housing authorities, museums, school districts, states, state colleges, universities, venues and villages.

We strive to be a leader among financial services providers. As your incumbent insurance brokerage partner, we provide a full range of integrated brokerage and specialized services that address the property, casualty and surety bond exposures within your industry. Our experience and expertise with public sector exposures to loss are demonstrated throughout this proposal.

As you know, Mesirow Insurance Services, Inc. is one of the few brokerages with a dedicated staff of professionals turning their experience and skills to the public entity arena. Within that role, we have several strong working relationships with various carriers, wholesalers and managing general agents who provide a myriad of products and services. Our background in this field spans more than one marketing cycle and our relationships with clients and carriers testify to our ability in this area.

There is a commitment to integrity within our organization and we work hard to earn our clients' trust by meeting their goals and keeping our word. Mesirow Financial's Insurance Services Division has earned a reputation for providing superior services and is proud of that.

We are confident that we can continue to use our resources to provide an integrated program of appropriate products and services that are unparalleled in the insurance industry.



# Proposal Content

## PLAN AND METHOD OF APPROACH

### A. Plan and Method of Approach to accomplish the Scope of Work – Include how your firm plans to accomplish the Scope of Work. Also include the method used for selection of Insurance Firms.

Risk management is flexible and responsive to the needs and goals of the organization involved. Mesirow Financial utilizes a well-defined step-by-step approach to control our clients' exposures. This analysis enhances the decision-making process and assist in the reduction of costs and losses (risk control).

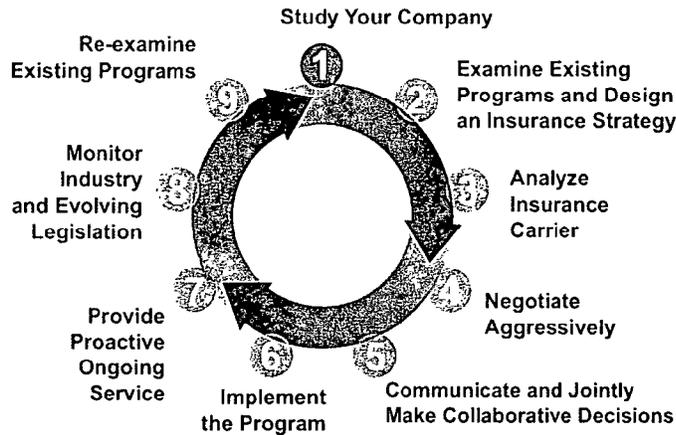
#### Study Your Company

Mesirow Financial's commitment is demonstrated through the development of a clear understanding of your operations, exposures, risk management objectives and financial condition.

Our service team will create a partnership and involve you, to the extent you wish, in all major decisions with respect to planning, implementing and handling all important ongoing issues.

During this process, we will:

- Review corporate goals and financial objectives
- Identify and analyze types of coverage
- Determine service needs
- Jointly develop short- and long-term goals



### Property/Casualty Risk Management Step-By-Step Approach

Property/Casualty	Current	Recommended
<b>Limits of Liability</b>		
Combined blanket property, boiler and machinery, business interruption/RVEE per occurrence	Not Applicable	\$325,000,000
Blanket real and personal property per occurrence	\$300,000,000	Combine with time element
Blanket business interruption/RVEE per occurrence	\$20,000,000	Combine with property
Mold	\$250,000	Higher limits with goal to full property limit
Debris removal	\$1 million	Increase additional amount to \$5 million
Newly acquired buildings - non-catastrophic areas	\$25,000,000	\$50,000,000
Newly acquired buildings - catastrophic areas (i.e. Florida wind/earthquake/flood)	\$5,000,000	Include with non-catastrophic limit of \$25 million
Flood, aggregate limit (Zone A, B, Shaded X)	\$10,000,000	\$25,000,000
Flood, aggregate limit (Zone A & D)	\$2,500,000	\$10,000,000
Flood, aggregate limit (Zone B, Shaded X)	\$10,000,000	Incorporate with Zones C and X
Windstorm - Florida "named storms" only	\$100,000,000	Full coverage to property limit
Earthquake including California, New Madrid and Pacific Northwest, aggregate	\$25,000,000	\$50,000,000
Earthquake - New Madrid, aggregate	\$10,000,000	\$25,000,000
Earthquake - California (not XYZ which is under builder's risk) aggregate	\$55,000,000	Include XYZ Shopping Center
Builders risk	Per project basis	Open reporting form with \$50 million limit
Progress and egress	\$5,000,000	\$5,000,000

### Coverage Analysis

#### Examine Existing Insurance Programs and Design an Insurance Strategy

Prior to the marketing strategy meeting, we will:

- Review prior-year plan's financial performance
- Evaluate coverage structure
- Examine current claims management program
- Analyze current funding arrangement
- Identify alternate funding options
- Prepare and submit proposal requests to appropriate markets
- Review statistics and data/reports
- Evaluate internal accident and loss prevention programs



We will then hold strategy meetings to discuss program design, potential markets, potential servicing companies and marketing strategy. Our marketing plan will include those items listed in graphic at right. Together we will establish timetables for new and renewal specifications.

Once the client has agreed with the marketing plan, we will prepare a marketing submission, which will be submitted to the client's risk management staff for final approval prior to each renewal.

Our submissions will be complete, innovative in program design, and anticipatory of underwriters questions. Once approved by the client, we will submit the submissions in person whenever feasible.

**Analyze Market Alternatives**

The secret to working efficiently and competitively in today's marketplace resides in the ability to identify each insurance company's strengths and weaknesses and work with them within the framework of their best capabilities.

Carriers with significant capacity, flexibility and minimal reliance on reinsurance to supplement any quotation would be strong partners on accounts with those risks. While there are common factors affecting all markets such as coverage limitations, minimum premium concepts and engineering qualifications, each carrier has its own capabilities.

During the market analysis phase, we will:

- Examine insurance carrier's financial stability and ratings
- Enforce adherence to client deadlines
- Evaluate alternate funding solutions
- Review results
- Examine current loss control services from carrier

**Typical Marketing Plan**

- Goals and objectives
- Market trends/forecast of market conditions
- Coverage specifications
- Markets to be accessed
- Estimate of premium cost
- Time line for placement
- Information needs from Inland
- Anticipated results

**Typical Property/Casualty Marketing Submission**

- Overview of operations
- Annual reports and financial statements
- Limits of insurance desired
- Deductible/self-insured retention levels desired
- Major policy terms and conditions
- Risk financing arrangements, if appropriate
- List of locations
- List of Insured Interest - named insured, additional insured, mortgagee, lost payee
- Statement of values, revenues, payroll, auto schedule, etc.
- Loss summaries and loss runs (minimum five years with a very recent valuation date)
- Historical data (minimum five years values, revenues, payroll, autos)
- Safety procedures or any other information which provides a positive view of your operations

Premium Rate Changes By Line of Business

	Down 2-30%	Down 20-30%	Down 10-20%	Down 1-10%	No Change	Up 1-10%	Up 10-20%	Up 20-30%	Up 30-50%	Up 50-100%
Comm. Auto	1%	10%	33%	33%	8%	1%	0%	0%	0%	0%
Workers Comp	2%	15%	34%	22%	10%	1%	0%	0%	0%	0%
General Liability	1%	13%	41%	29%	6%	0%	0%	0%	0%	0%
Comm. Umbrella	1%	13%	35%	36%	10%	1%	0%	0%	0%	0%
DAO	1%	7%	25%	35%	11%	3%	0%	0%	0%	0%
EPLI	1%	2%	22%	33%	20%	2%	0%	1%	0%	0%
Comm. Property	2%	16%	34%	23%	7%	1%	0%	0%	0%	0%
Construction	1%	11%	32%	28%	10%	0%	0%	0%	0%	0%
Terrorism	0%	3%	9%	15%	48%	1%	0%	0%	0%	0%
Business Interr	1%	7%	24%	32%	17%	0%	0%	0%	0%	0%
Surety Bonds	0%	1%	10%	10%	77%	3%	0%	0%	0%	0%
Med Malpractice	0%	4%	10%	22%	16%	0%	0%	0%	0%	0%

Source: Council of Insurance Agents & Brokers - Second Quarter 2008 Rate Survey

**Council of Insurance Agents & Brokers Rate Survey By Major Line of Coverage (Second Quarter 2008)**



## Negotiate Aggressively

Mesirow Financial understands that the client has the most comprehensive knowledge of your operations. That is why we encourage your participation in the marketing and negotiation process as we firmly believe that it will have a positive impact on underwriter decisions. We will arrange and coordinate meetings, to the extent that you may wish, between insurance underwriters, the client and our organization. This will help us present the client in the most effective manner.

We will negotiate with underwriters and intermediaries to obtain the most favorable terms and conditions at the most economical price. We will share all communications between underwriters with you. In this way, each party is kept apprised of the various stages of negotiations. Any underwriting concerns will then receive immediate responses.

Our goal is to keep negotiations as positive as possible. The ultimate result is a program with broad coverage that is competitively priced.

During the negotiation phase, we will:

- Conduct risk financing comparison
- Negotiate with current carrier
- Negotiate offers with alternate markets

## Make Decisions

Once the client has agreed with our recommendation, we will bind coverage with the selected carrier for each policy in a timely manner. Mesirow Financial usually allocates 3-4 months for the entire renewal process in order to ensure that our clients' have uninterrupted coverage. On binding coverage, we will present certification of coverage as well as an invoice for payment to the client.

In addition to accepting the carrier's proposal, we will:

- Identify loss control initiatives
- Identify claim service initiatives
- Establish information technology requirements

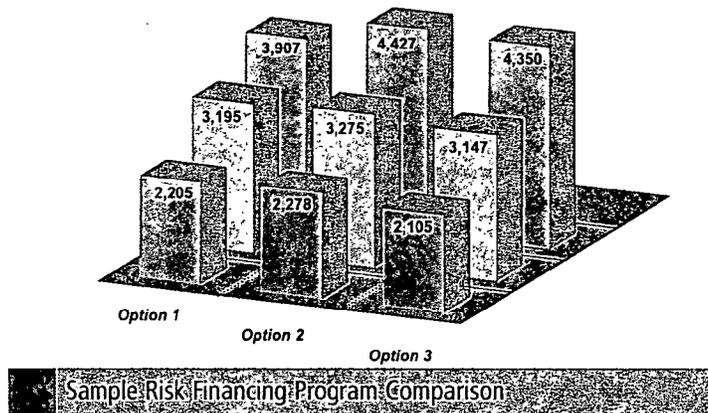
## Implement the Program

In implementing the client's risk management program, we will:

- Establish carrier's loss control services protocol
- Establish claims management protocol
- Initiate certificate of insurance program

Sample Risk Financing Comparison  
In Thousands

■ Pessimistic Loss Scenario  
■ Expected Loss Scenario  
■ Optimistic Loss Scenario



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### General Claim Procedures

- Report all claims within 48 hours of occurrence.
- All claims must be reported as accurately as possible.
- Cooperate fully with claims personnel and assist in the investigation of all losses.
- Preserve evidence, do not disturb the scene.
- As a general rule, never discuss accidents or claims with anyone except authorized representatives of claims adjuster, ABC, Mesirow Financial or law enforcement agencies.
- Take photos of the accident scene and return camera to storage location.
- Use Mesirow Financial's 24-hour claim service telephone numbers; use specific instructions for the handling and reporting of various coverage claims.

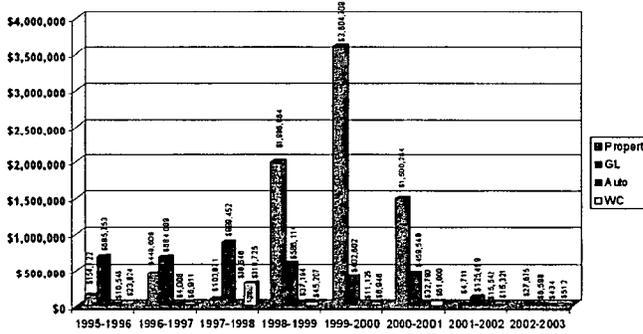
**Mesirow Financial**  
INSURANCE SERVICES

**Provide Proactive Ongoing Service**

Mesirow Financial will administer all aspects of your relationships with insurers and act as an intermediary between the client and the insurers.

Specifically, we will:

- Evaluate loss control programs
- Regularly review operations to identify new exposures
- Provide claim intervention when required
- Review claim activity and present findings
- Monitor underwriting and administrative performance and adherence to commitments



**Sample Loss Comparison**

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Response to Request  
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Agent/Broker Services

**Monitor Industry and Evolving Legislation**

An important part of our service is to monitor industry and evolving legislation that may affect the client. Hence, we will:

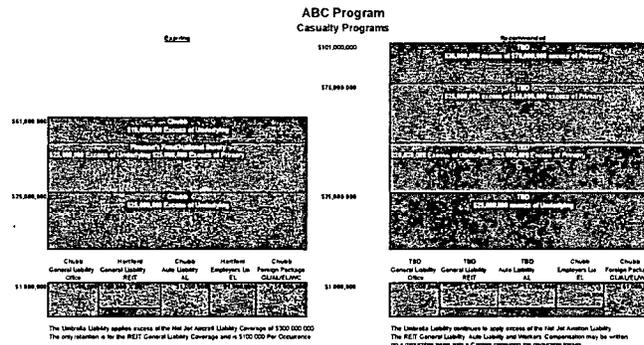
- Watch insurance industry's product development
- Monitor industry trends
- Review insurance carrier's financial stability and ratings



**Re-examine Existing Programs**

At each renewal, we will review alternative approaches to the insurance program. We will:

- Conduct pre-renewal strategy sessions and develop renewal strategy
- Conduct program analysis
- Review pricing of program
- Secure timely receipt of insurance company renewal
- Obtain competitive market information



**Sample Casualty Renewal Program Strategy**

QUALIFICATION STATEMENT

**B. Qualification Statement - Include a narrative description of the proposed offer and a list of services that will be rendered.**

CITY OF PEORIA, AZ  
Response to Request  
for Proposal P09-0007  
for Insurance  
Agent/Broker Services

We know that risk managers must protect assets and control insurance costs, yet be prepared against all probable losses by maintaining thorough coverage. Mesirow Financial's insurance consultants work closely with associates from other practices to provide clients with a variety of integrated services which reduce reserves, bolster legal defense initiatives and help risk managers protect budgets by aggressively containing costs. This is the core of our success. As an insurance broker and risk management advisor to many public sector risks, our team has an extensive knowledge of the property and casualty issues that face your organization. In meeting today's risk management challenges, we take pride in the diversity and scope of our capabilities, knowledge and resources.

We can provide clients with the following services:

- Account management services, which includes program review, exposure analysis, program design, account administration and stewardship reporting
- Marketing, which includes market submission, market selection and market negotiation
- Financial risk management services, which includes loss, variability and retention analyses, risk financing program comparison, cost-of-risk allocation and finite feasibility analysis
- Safety/loss control services, which includes program training/implementation, loss analysis/review, property valuation/tracking, safety manual development and fire protection service evaluation
- Claims consulting services, which includes administrative claim processing, claim audits, vendor claim handling instructions, claim re-views, carrier/TPA evaluation, selection and transition, contract analysis, coverage advocacy, fraudulent claim investigation, litigation management, 24-hour catastrophic response, and summit meetings to discuss and resolve claim problems
- Claims demographic/benchmarking studies, which graphically illustrates losses



**Public Sector Services Practice Developed Master Crime Policy For Public Risk**

**CHALLENGE**

This public risk, responsible for managing more than 50 residential locations, allowed each management location to secure their own fidelity coverage. Due to the number of contacts and locations, they were unable to determine whether or not each location actually entertained coverage at any point in time.

**ACTION**

Our public sector and fidelity consultants worked with the entity and insurance underwriter to build a customized program that consolidated all locations to one fidelity policy encompassing the exposure for all.

**RESULT**

Through this program, the team was able to achieve true management and control over the fidelity exposure. The public risk can determine whether or not a managed location has coverage at any given time. The program also provided us with the opportunity to suggest tighter internal controls, if necessary, which will reduce the risk of loss. Lastly, consolidating the locations to one policy allowed for a premium savings as the total premium for multiple policies would be higher than this "master" policy.

## Account Management

We recognize the importance of day-to-day account servicing. It is this dedication that allows our team to maintain one of the highest client retention rates in the industry.



### Document and Resource Management

- Provide complete coverage analysis of proposed and existing policies
- Review policies for accuracy and completeness, setting target dates for the delivery of the documents
- Negotiate letter of credit/bond requirements
- Review insurance provisions of leases, contracts for compliance and recommend modification and/or additional coverage or limits where required
- Be available to negotiate insurance issues with outside parties, i.e., landlords, contractors, tenants
- Issue certificates of insurance, auto ID cards, and other evidence of coverage as required, and compile for review
- Manage document flow of endorsements and agreements for appropriateness and accuracy
- Manage services provided by carrier to ensure timetables are kept and quality is consistent
- Coordinate claims management and loss control services provided by Mesirow Financial to solve client service problems
- Provide stewardship reports which summarize current and future service and industry issues



### Data Management

- Provide schedules of insurance and location information in a spreadsheet format
- Allocate premium by location for by line of coverage, formulated on your internal standards (if required)
- Provide Internet/e-mail tie-in to access critical data and request changes to your insurance program online
- Utilize on-line system for workers' compensation experience calculations, immediate access to self-insurance requirements by state and other online data



### Stewardship Reporting

Report that covers the following:

- Program changes
- Problems and solutions
- Communication with clients, markets and Mesirow Financial resources
- Market developments
- Items accomplished
- Open items
- Renewal updates
- Risk Management (Safety and Loss Control, Claims Consulting and Claims Demographics) performance
- Future goals, as mutually agreed

## Marketing

Our team's service-oriented delivery system is complimented by a project management philosophy that is based on close-working partnerships with our clients and insurance carriers. We achieve this through:

- An expert understanding of key trade-offs between pooling, quota sharing, excess loss retention, stop-loss measures, and how they affect program design and marketing strategy
- Regular evaluation of existing contracts for coverage adequacy, identification of ways to reduce program costs and assessment of the financial strength of insurance carriers
- In-house financial risk management, property and casualty expertise to isolate public risk exposures
- Development of close-working relationships with insurance carriers that specialize in public risks to produce consensus between Mesirow Financial and client on key project goals and marketing strategies
- Regular face-to-face meetings between underwriters and client team members to promote more productive negotiating sessions
- Long-standing market relationships nurtured with key municipal insurance carrier personnel ranging from elected officials through quasi-governmental underwriters and management

CITY OF PEORIA, AZ  
Response to Request  
for Proposal P09-0007  
for Insurance  
Agent/Broker Services



### Mesirow Financial Secured \$100 Million Umbrella Liability Policy While Reducing Pricing By 35%

#### CHALLENGE

A large municipality decided to privatize the operations of one of its facilities. Under the concession agreement, the leasing company was required to purchase \$100 million in umbrella liability limits. A New York-based national broker was assigned to the account and secured quotations that exceeded the private company's insurance budget. With less than 30 days from the transaction, the company approached Mesirow Financial to secure these limits with alternative carriers.

#### ACTION

Mesirow Financial's marketing strategy was to utilize our relationships with local carriers who were familiar with the project. We contacted all viable markets that were not previously approached and used a layered program to attempt to secure more favorable terms and pricing.

#### RESULT

Mesirow Financial successfully reduced the umbrella pricing by over 35% from the competing broker. In fact, we were awarded with a broker of record letter on the other casualty lines of coverage because we met their targeted budget for their umbrella pricing.



### Mesirow Financial's Public Sector Team Placed \$3 Billion TIV Excess Property Program

#### CHALLENGE

This public sector organization issued a request for proposal for their excess property placement that had a total insured value (TIV) over \$3 billion dollars. The prospect had terrorism exposure and a very limited insurance budget.

#### ACTION

Due to the "softening" marketplace, Mesirow Financial's Public Sector team was able to take advantage of the increased capacity to restructure the program. The goal of our marketing strategy was to move the account from a layered non-admitted property program to one admitted carrier.

#### RESULT

Mesirow Financial successfully placed this excess property coverage for a significantly lower premium with an A+ XV-rated carrier. This carrier also provided coverage for certified acts for terrorism.

## Financial Risk Management

Our financial risk management consultants will help devise creative solutions to financing problems using sophisticated analytical, modeling and simulation techniques which determine the impact of risk on operations and provide GASB 10 statistical data for self-insured areas. The optimal risk financing solution is influenced by factors that are both internal and external to client operations.

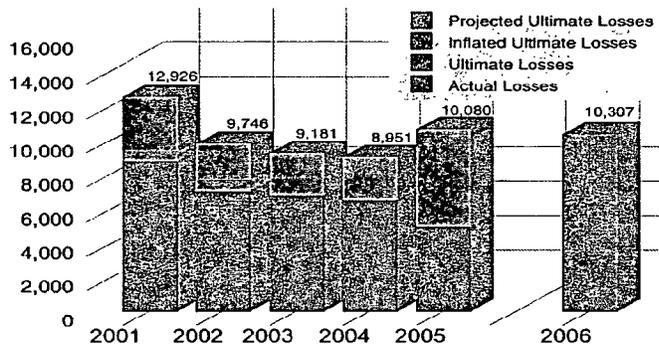
We seek to structure strategic alternatives that improve long-term risk financing economics, including:

- Loss, frictional and opportunity costs
- Cash flow considerations
- Insurance, reinsurance and market capabilities
- Accounting and finance considerations

Our financial analysts utilize advanced analytical techniques to create a decision support framework that defines and prioritizes key issues and risk management challenges. This allows us to implement unique risk financing arrangements at the lowest cost. We offer the following:

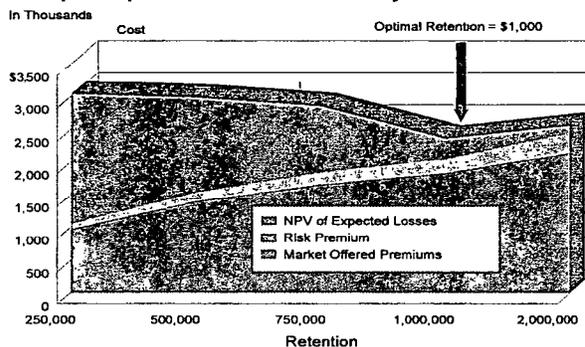
- Loss forecasting/reserve analysis
- Variability analysis
- Retention analysis
- Risk financing program comparisons
- Cost of risk allocations
- Finite insurance feasibility
- Captive feasibility

### Sample Loss Analysis In Thousands



Sample Loss Analysis (In Thousands)

### Sample Optimal Retention Analysis



Sample Optimal Retention Analysis (In Thousands)

CITY OF PEORIA, AZ  
Response to Request  
for Proposal P09-0007  
for Insurance  
Agent/Broker Services

**Mesrow Financial**  
INSURANCE SERVICES

## Financial Analyst Helped Public Sector Client Determine Best Coverage Option

### CHALLENGE

A public sector client received quotes from three different insurance carriers during the renewal. Each carrier provided a quote with financing options including guaranteed cost and incurred and paid loss retros. As each insurance carrier had different fee structures, it was difficult to compare the quotes on an apples-to-apples basis.

### ACTION

Our financial analyst used customized computer spreadsheets to analyze the programs. Each program's costs were mapped out and the timing of these payments displayed. All losses and program costs were then discounted at several different discount rates to provide a net present value cost of each program. The results of this analysis allowed the programs to be compared on both a before and after-tax basis.

### RESULTS

Our analysis showed that although one of the carriers was clearly better than the others on the loss sensitive programs, another had produced a guaranteed cost quote that was superior to the loss sensitive programs on a net present value basis.

## Risk Management — Safety And Loss Control

Managing exposures to loss, through either loss prevention or loss control, is vital to effective risk management. We provide professional property and casualty loss control management services that aid clients in developing and implementing effective programs to manage risk.

CITY OF PEORIA, AZ  
Response to Request  
for Proposal P09-0007  
for Insurance  
Agent/Broker Services



### Mesirow Financial Developed Comprehensive Property Engineering Plan for Large Risk

#### CHALLENGE

As part of overall privatization process, a large property client needed a method to simply and effectively evaluate the safety and loss prevention of the newly assigned 25 private firms that managed their 500 sites throughout the metropolitan area.

#### ACTION

Our Loss Control Management assessed our client's needs and developed a simple, but comprehensive inspection process designed to quickly evaluate each site as well as each private manager's safety implementation. The inspection process focused on key indicators of property management: fire prevention, life safety, security, interior and exterior maintenance, and overall management skills in safety. Designing a simple numerical scoring system for the 500 inspections and tracking via a custom designed database, the inspection process was implemented using local subcontracted safety consultants for efficiency and cost savings.

#### RESULT

In its third year of implementation, our client has multiple years of data and has identified opportunity trends giving senior management the information needed to effectively manage their private managers and determine critical areas for capital improvements, changes in private manager's contractual responsibilities in safety and security.

The diagram at right lists some of the general loss control management services that we perform.



#### General Loss Control Management Activities

- Site visits
- Pre-planning/exposure identification
- Safety program(s) review
- Participation in loss control/safety meetings
- Training and seminars

Our property loss control specialists can provide organizations with the services described in the diagram at right.



#### Property-Related Loss Control Management Activities

- Property/HPR consulting
- Property management system development
- Natural hazards exposure analysis
- Property valuations
- New construction/fire protection specifications

At right, please find a brief overview of the casualty-related programs and services that we can provide.



#### Casualty-Related Loss Control Management Activities

- Safety accountability program
- Fleet safety program
- OSHA inspection program
- Safety management diagnostic
- Safety program audit
- Life safety audit
- General liability audit
- Hearing conservation analysis
- Benchmarking program
- Executive loss-cause analysis
- Occupational disease exposure identification
- Emergency preparedness planning
- Customized OSHA compliance manuals
- Mock OSHA audits
- Program development
- Pre-planning/exposure identification
- Safety program(s) review
- Participation in loss control/safety meetings
- Training and seminars



## Risk Management - Claims Consulting

Mesirow Financial's claims management consultants provide technical insight and strategic direction that can help organizations handle the claims process. Services may include:

- Administrative claim processing — Timely, accurate claims reporting is a key factor in controlling claim costs. We help set up direct-to-carrier reporting procedures, provide coverage determination and disseminate loss information on a 24/7 basis.
- Claim audits — Claims consultants perform file audits that help determine how effectively a TPA or carrier is managing claims. The primary goal is to identify policy and procedural changes that could produce cost savings.
- Vendor claim handling instructions — To ensure that vendors understand exactly how a client wants claims handled, we establish procedural specifications, including benchmarks and timelines. We are also available to help implement and monitor the program.
- Claim reviews — Reviews help reveal underlying loss causes, determine reserve adequacy, identify cost reduction/subrogation opportunities and accelerate resolution process.
- Carrier/TPA evaluation, selection and transition — We compare the breadth and cost of services a client receives from a carrier or TPA with historical and industry data. If necessary, we conduct extensive searches to select the most qualified TPA or carrier, and are available to facilitate the transition.
- Contract analysis — By reviewing proposed contracts, particularly indemnification/hold harmless provisions, waivers of subrogation and additional insured provisions, we are able to prevent clients from unnecessarily or unknowingly assuming liability.
- Coverage advocacy — When a client is confronted with a reservation of rights or disclaimer of coverage, our claims specialists can help obtain a favorable outcome.
- Fraudulent claim investigation — When fraud is suspected, we recommend investigation and surveillance companies. If fraud is detected, we identify the most cost-effective actions for resolving the situation.
- Litigation management — To prevent legal costs from spiraling out of control, we create customized litigation guidelines for clients to refer to when a loss occurs. If a claim reaches litigation, we evaluate defense strategies and audit legal bills to ensure high-quality, cost-effective legal representation.
- 24-hour, catastrophic assistance — Our representatives are available 7 days a week, 24-hours a day to assist in catastrophic losses nationwide.



### Risk Management's Claims Consultants Dramatically Reduces Premiums and Claim Costs for Public Entity

#### **CHALLENGE**

Our organization successfully competed on an request for proposal and was among the finalists. When all the exposure data was received concern was raised as to the casualty loss history and the potential for increased premium.

#### **ACTION**

Claim Management performed a thorough review of all outstanding claims with high reserves. Our review revealed that the TPA handling claims was not acting as the client's advocate. For example, one claim was reduced from \$800,000 to \$130,000 after our review. Vocational programs were developed in place of permanent disability for other claims. We also did a complete program review and developed an in-depth market submission.

#### **RESULT**

We were selected broker for both property and casualty. The program was renewed with a 49% reduction in premium (workers compensation premium was reduced 35%). Quarterly claim review meetings were established for the first time.

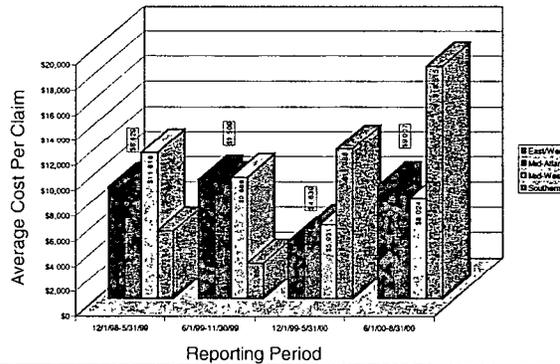
**Risk Management — Claims Demographics**

Our claims demographics consultant utilizes statistics from carriers and third party administrators to analyze your loss data.

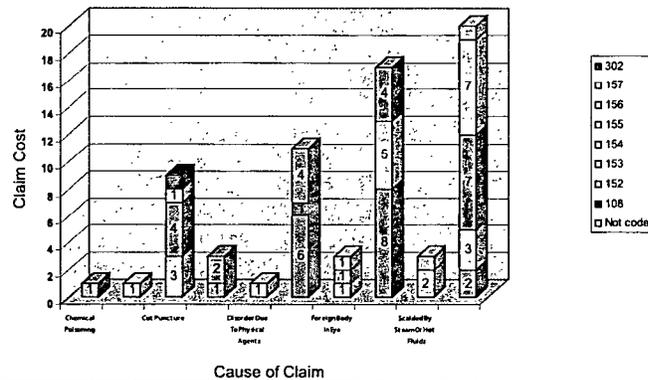
We provide clients with many useful reports or benchmarking tools.

They include, but are not limited to, the following:

- Average cost of medical/indemnity claim (e.g. by region, department)
- Severity/frequency analysis reports by location and/or policy year
- Lag time reports
- Cause of loss analysis
- Type of claim
- Multi-year severity claim analysis



ABC Corporation (Average Cost Per Indemnity Claims)



ABC Corporation (Number of Claims by Cause of Loss by Division)

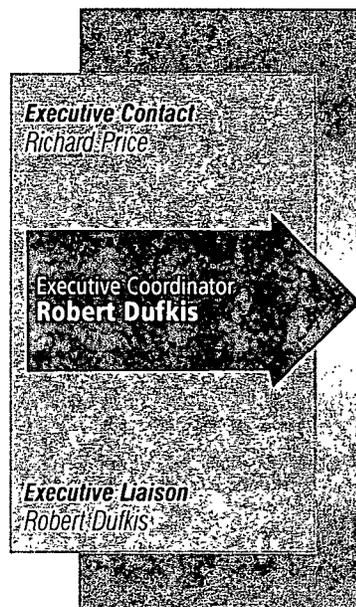
CITY OF PEORIA, AZ  
Response to Request  
for Proposal P09-0007  
for Insurance  
Agent/Broker Services

..... This section must also include resumes' of key staff members. It should specifically state the employees assigned to this task. Experience and qualifications of respondent's personnel, including a list of specific personnel who will be committed to this work and their respective qualifications. Indicate the names of the individuals and the professional designations held for those consulting personnel likely to be providing direct consulting services for risk management, loss control, property, casualty, and general liability matters.



Mesirow Financial's success is predicated on our ability to effectively manage the development and distribution of our professional services. While there are many elements that contribute to the successful management of any organization, our ability to translate experience and intellectual capital into valuable and meaningful business solutions for our clients is paramount. Ultimately, this distinguishes us from our competition.

Our team structure is designed to meet your needs and expectations in an effective and expedient manner. Mesirow Financial's corporate philosophy provides that a principal of the firm oversees the delivery of all services.



Program Design, Marketing and Administration  
**Michael Alesia**  
**Cherita Perry**

Risk Management (Safety/Loss Control)  
**Terry Ries**

Risk Management (Claims Management)  
**Larry Rosen**

Risk Management (Financial Risk Analysis)  
**Emily Toy**

As a senior decision maker within this organization, Robert Dufkisy, will ensure that all of our resources will be made available to the City and he will be accountable throughout the entire process.

We have assigned a dedicated team of professionals that includes Michael Alesia, who will serve as your primary account executive. The diagram above defines the roles of members of your proposed account service team.

Our highly motivated consultants have been organized into an integrated service team that includes specialized practices with Mesirow Financial.

In addition to your primary account team, we have included associates from the Public Sector and Risk Management (Loss Control Management, Claims Management and Financial Risk Management) practices. This team will work together to create an effective risk management program for the City of Peoria. Following please find the resumes of your proposed account team.

#### **Robert Dufkis, Managing Director - Business Development**

Robert Dufkis is responsible for originating the development of property/casualty and employee benefits programs as well as expanding client relationships throughout Mesirow Financial. He has extensive experience working with numerous types of organizations such as Illinois' most prominent municipalities, educational institutions, and public transportation agencies, as well as mid-size private companies throughout the country. Robert joined Mesirow Financial in 2003 after his position as Senior Vice President in the Public Sector Division of a major regional insurance brokerage firm. Earlier, he was a senior casualty specialist at Travelers where he managed litigated commercial liability claims for clients ranging from large retail conglomerates to transportation agencies. Robert has a Bachelor of Arts degree in marketing from Lewis University.

#### **Michael J. Alesia, Senior Vice President – Public Sector Services**

Michael Alesia is a senior vice president in Mesirow Financial's Public Sector Services practice. His primary focus is developing and managing some of the Insurance Services Division's largest governmental, commercial and educational entities. Prior to joining Mesirow Financial, Michael served as an assistant vice president in the Public Sector Services Practice at Near North Insurance Brokerage, Inc. from 1997 to 2003. Michael's insurance career started in 1993 with Aon Reinsurance as an account executive. In this position, he ceded business within the treaty reinsurance marketplace. Michael has a bachelor of science degree in economics and political science from Illinois State University.

#### **Cherita C. Perry, Assistant Account Manager – Public Sector Services**

Cherita Perry assists her team with daily client service activities, including preparing market submissions and proposals, issuing certificates of insurance, and maintaining a current record of client information in the company database. Cherita has tremendous experience selling, servicing and administering property and casualty programs for clients in the public and private sector. Prior to joining Mesirow Financial, she was an account manager at Anderson Group, where she marketed and serviced a variety of products for general property and casualty as well as transportation insurance. In this position, Cherita was responsible for issuing proposals and quotes; updating policy binders; issuing certificates of insurance and auto identification cards; and processing change requests and endorsements. Earlier, she worked for Euclid Insurance Agency as a technical assistant servicing large commercial and transportation accounts. From 1997 until 1999, Cherita was a customer service representative at MGA Insurers, Inc. Cherita began her insurance carrier in 1995 as a provider data entry clerk for United Healthcare of Illinois. Cherita is currently pursuing a bachelor's degree in risk management from Roosevelt University.



**Larry N. Rosen, Senior Vice President – Claims Management**

Larry Rosen, senior vice president, Risk Management Services, is an expert in developing and implementing client-specific claim management programs. He has extensive experience managing complex, multiple-line claims including first party property, fidelity, professional liability, products liability, and workers compensation. Larry began his insurance career in 1972, and has since worked with clients in various industries, including real estate, manufacturing, hospitality, entertainment, gaming, healthcare and public sector. Prior to joining Mesirow Financial, Larry served as a senior vice president and manager of the Claims Management Practice at Near North Insurance Brokerage, Inc. Earlier, he spent 12 years at Aon Risk Services, most recently as a senior vice president and claim director. Larry has a bachelor of science degree in marketing from Northern Illinois University.

**Terry L. Ries, ALCM, Senior Vice President — Risk Management**

Terry Ries, senior vice president in the Risk Management Services practice of Mesirow Financial, specializes in developing and implementing customized safety and loss prevention programs for a variety of organizations, including large public risks and national entertainment, manufacturing, and real estate clients. Terry has 27 years of experience in loss control. Before joining Mesirow Financial, he managed the Loss Control Management practice at Near North Insurance Brokerage, Inc. From 1995 to 1997, Terry was a manufacturing segment manager at Zurich American Insurance. In this position, he managed risk engineers responsible for providing loss control services for national accounts. From 1976 to 1995, he worked in various loss control positions at Travelers Insurance Company including director of the National Accounts Marketing division of Constitution State Service Company, a Travelers subsidiary that provides loss control services under fee contracts. Earlier in his career, Terry held engineering management positions, primarily for property, casualty, boiler and machinery exposures. Terry has a bachelor of science degree in mechanical engineering from the Milwaukee School of Engineering. Additionally, he holds an *Associate in Loss Control Management (ALCM)* designation.

**Emily Toy, Vice President - Risk Management Services**

Emily Toy is a vice president and senior claims consultant for the Risk Management Services Practice at Mesirow Financial. She complements the needs of risk/claims managers by developing programs that mitigate claim costs for commercial casualty programs with a focus on workers' compensation programs. Emily is especially knowledgeable in the area of claims technology and has developed numerous resources that convert into reports for middle and upper management for allocation and benchmarking purposes. Emily has more than 20 years of experience in the insurance industry, handling workers' compensation, general liability, automobile liability and property claims for a variety of clients. Before joining Mesirow Financial, Emily held similar positions with other leading brokerage companies for more than 10 years. Prior to joining the brokerage community, Emily managed the claims and medical cost containment staff at Aetna Casualty & Surety. Emily has a bachelor of science degree in business administration from the University of Illinois, Champaign and is an active participant in several non-profit volunteer organizations.



REFERENCES

- C. All offerors shall include a list of a minimum of three (3) references, prefer references from similar municipal projects, who could attest to the firm's knowledge, quality of work, timeliness, diligence, flexibility, and ability to meet budget constraints. Include names, contact persons, and phone numbers of all references.**

Client: Village of New Lenox  
Address: 701 W. Haven Avenue New Lenox, IL 60451  
Contact: Russ Loebe, Village Administrator  
Phone: 815.485.6452

Client: Village of Bellwood  
Address: 3200 Washington Blvd., Bellwood, IL 60104  
Contact: Roy McCampbell, Comptroller/CFO  
Phone: 708.547.3510

Client: Village of Shorewood  
Address: 903 W. Jefferson Street Shorewood, IL 60431  
Contact: Kurt Carroll  
Phone: 815.725.2150

Client: City of Peoria, IL  
Address: 419 Fulton Street, Room 203, Peoria, IL  
Contact: Ed Hopkins  
Phone: 309.494.8585

Client: Village of Romeoville  
Address: 13 Montrose Drive, Romeoville, IL 60446  
Contact: Kirk Openchowski / Doris Mann  
Phone: 815.886.7200



FEE SCHEDULE

- D. Fee Schedule shall list the rate or set fee for the following (Specific Requirements, 1-4 above):**
- 1) Marketing.**
  - 2) Training.**
  - 3) Safety and Loss Control.**
  - 4) Miscellaneous Services.**
  - 5) List any other fee(s) that may apply.**

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CITY OF PEORIA, AZ  
Response to Request  
for Proposal P09-0007  
for Insurance  
Agent/Broker Services

The following services are included in the fee schedule:

- Marketing
- Training
- Safety and Loss Control
- Miscellaneous Services
- Financial Risk Management / Actuarial
- Claim Management
- TPA Evaluation
- Policy Review

<u>Fee Schedule:</u>	<u>2009</u>
Property & Casualty:	\$50,000
Workers' Compensation:	\$20,000

Please note that at the 7/1/09 renewal, the following policies will be included in the service fee:

- Special Events Liability
- Identity Theft Exposure
- Cyber Liability
- Media Liability
- UST Pollution Liability



# Contractor Qualifications

CITY OF PEORIA, AZ  
Response to Request  
for Proposal P09-0007  
for Insurance  
Agent/Broker Services

As a full service insurance broker, Mesirow Financial's Insurance Services Division has the resources, capabilities and experience to meet the many requirements of the public sector. **Our Public Sector practice presently handles the largest book of taxing bodies in Illinois.** We have professionals in every area of risk management services, consulting, marketing, loss control (both property and casualty), claim management and financial risk management (actuarial type services and modeling) to provide full service to our clients.

In light of the changing market conditions, risk managers must re-examine the effectiveness of your current insurance program and search for creative coverage expansions and rate reductions. The traditional insurance placement approach is being replaced by service-oriented insurance brokers who can identify and develop innovative insurance and cost containment solutions to manage the unique loss exposures inherent to public sector and related risks. The Insurance Services Division of Mesirow Financial has developed insurance programs tailored to each client and supported by an array of integrated services to ensure that clients receive maximum value for their premium dollars.

The City of Peoria benefits from our unrivaled negotiating power and economies of scale afforded by our strong market presence. Most notably, these attributes provide leverage with respect to coverage and rate negotiations and claim resolution. We believe that there is value in size to a point. We place over \$1.3 billion in premium in the marketplace annually. Once the size economy of scale threshold has been reached, the real question becomes one of strategy, expertise and relationship.

Mesirow Financial's insurance brokerage leadership is evidenced by the following:

- Service a diverse range of public risks including cities, counties, housing authorities, museums, school districts, states, state colleges, universities, venues and villages
- Ability to utilize specialists to help clients achieve compliance with local, state, federal regulations as well as pass inspections from accreditation organizations
- Utilize technology to improve our responsiveness, communications and servicing
- Ability to access the resources of other divisions within Mesirow Financial including investment banking, investment management, investment services and real estate

Developing broad, cost-effective insurance programs, however, is only part of the services we offer. We also focus on providing advisory services on a wide range of insurance and risk management issues. Our methodology is based on strategically combining various disciplines to create a comprehensive solution for your organization. We work extensively with our in-house loss control, financial analysis, and claims team. This team will structure and implement insurance programs that improve employee safety, lower insurance premiums and reduce operational costs.

Our approach goes far beyond the mere placement of insurance contracts. It is an ongoing process of integrating your insurance program with specialized loss control management, claims management and educational services to help public risks control costs. We are uniquely qualified to provide your organization with a comprehensive insurance program because of the following:

- Position as one of the largest insurance brokers within the Midwest
- Market leverage and executive level relationships with leading insurers
- Expertise in identifying and providing coverage options and coverage gaps for the unique exposures associated with public sector and related risks
- Well developed strategies for designing insurance programs that offer the flexibility, coverage and financial options that many organizations desire
- Dedication to keeping clients advised of any foreseeable changes in the insurance marketplace relating to coverage, premium and capacity

We are sure that our leadership within the financial services community will continue to be an asset to the City of Peoria and that your confidence in our organization will not be misplaced.



Contractor  
Qualifications

5.1



# CONTRACT AMENDMENT

**Materials Management  
Procurement**  
8314 W. Cinnabar Ave.  
Peoria, AZ 85345  
Telephone: (623) 773-7115  
Fax: (623) 773-7118

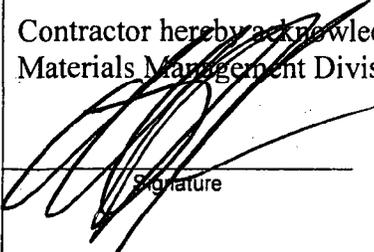
Solicitation No: P09-0007      Page 1 of 2  
Description: Insurance Agent/Broker Services  
Amendment No: One (1)      Date: 09/03/09

Buyer: Lisa Houg

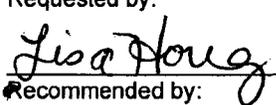
- A. In accordance with Special Terms and Conditions, Contract Extension, the above referenced contract is hereby extended. **The new contract term is 01/01/10 to 12/31/10.**
- B. Standard Terms and Conditions are amended to reflect the following changes: Paragraph 3, Applicable Law; Paragraph 19, Right to Audit Records; and Paragraph 32, Public Record, are hereby deleted and replaced with the following:
  - 3. **APPLICABLE LAW:** In the performance of this agreement, contractors shall abide by and conform to any and all laws of the United States, State of Arizona and City of Peoria including but not limited to federal and state executive orders providing for equal employment and procurement opportunities, the Federal Occupational Safety and Health Act and any other federal or state laws applicable to this agreement.

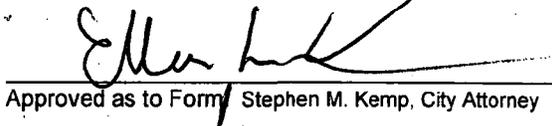
Contractor specifically understands and acknowledges the applicability to it of the Americans with Disabilities Act, the Immigration Reform and Control Act of 1986, and the Drug Free Workplace Act of 1989. In addition, if this agreement pertains to construction, Contractor must also comply with A.R.S. § 34-301, as amended (Employment of Aliens on Public Works Prohibited) and A.R.S. § 34-302, as amended (Residence Requirements for Employees).

Contractor hereby acknowledges receipt and agreement. A signed copy shall be filed with the City of Peoria, Materials Management Division.

	9/12/09	Robert Dufkis Managing Director	Mesirow Insurance Services, Inc.
Signature	Date	Typed Name and Title	Company Name
321 N. Clark St.	Chicago	IL	60654
Address	City	State	Zip Code

Attested by:  
  
Mary Jo Kief, City Clerk

  
Requested by:  
  
Recommended by:  
**Ellen Van Riper, Assistant City Attorney**

  
Approved as to Form/ Stephen M. Kemp, City Attorney

The above referenced Contract Amendment is hereby Executed  
September 23, 2009, at Peoria, Arizona.

  
Herman F. Koebergen, Materials Manager  
For



City Seal

CC Number  
ACON68408A  
Contract Number:  
Official File



# CONTRACT AMENDMENT

**Materials Management**

**Procurement**

8314 W. Cinnabar Ave.

Peoria, AZ 85345

Telephone: (623) 773-7115

Fax: (623) 773-7118

Solicitation No: P09-0007

Page 2 of 2

Description: Insurance Agent/Broker Services

Date: 09/03/09

Amendment No: One (1)

Buyer: Lisa Houg

Under the provisions of A.R.S. § 41-4401, Contractor hereby warrants to the City that Contractor and each of its subcontractors ("Subcontractors") will comply with, and are contractually obligated to comply with, all Federal immigration laws and regulations that relate to their employees and A.R.S. § 23-214(A) (hereinafter, "Contractor Immigration Warranty").

A breach of the Contractor Immigration Warranty shall constitute a material breach of this agreement and shall subject Contractor to penalties up to and including termination of this agreement at the sole discretion of the City. The City may, at its sole discretion, conduct random verification of the employment records of Contractor and any Subcontractors to ensure compliance with the Contractor Immigration Warranty. Contractor agrees to assist the City in regard to any random verifications performed.

Neither Contractor nor any Subcontractor shall be deemed to have materially breached the Contractor Immigration Warranty if Contractor or the Subcontractor establishes that it has complied with the employment verification provisions prescribed by §§ 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. §23-214(A).

The provisions of this Paragraph must be included in any contract Contractor enters into with any Subcontractors who provide services under this agreement or any subcontract. "Services" is defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.

Contractor warrants, for the term of this agreement and for six months thereafter, that it has fully complied with the requirements of the Immigration Reform and Control Act of 1986 and all related or similar legal authorities.

This contract shall be governed by the City and Contractor shall have all remedies afforded each by the Uniform Commercial Code, as adopted in the State of Arizona, except as otherwise provided in this contract or in statutes pertaining specifically to the City. This contract shall be governed by the laws of the State of Arizona and suit pertaining to this contract may be brought only in courts in the State of Arizona.

This contract is subject to the provisions of ARS §38-511; the City may cancel this contract without penalty or further obligations by the City or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City or any of its departments or agencies, is at any time while the contract or any extension of the contract is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract.

**19. RIGHT TO AUDIT RECORDS:** The City may, at reasonable times and places, audit the books and records of any Contractor as related to any contract held with the City. This right to audit also empowers the City to inspect the papers of any Contractor or Subcontractor employee who works on this contract to ensure that the Contractor or Subcontractor is complying with the Contractor Immigration Warranty made pursuant to Paragraph 3 above.

**32. PUBLIC RECORD:** All offers submitted in response to this solicitation shall become the property of the City and shall become a matter of public record available for review, subsequent to the award notification, in accordance with the City's Procurement Code. However, subsequent to the award of the contract, any information and documents obtained by the City during the course of an audit conducted in accordance with Paragraph 19 above for the purpose of determining compliance by Contractor or a Subcontractor with the Contractor Immigration Warranty mandated by Paragraph 3 above shall remain confidential and shall not be made available for public review or produced in response to a public records request, unless the City is ordered or otherwise directed to do so by a court of competent jurisdiction.



# CONTRACT AMENDMENT

**Materials Management  
Procurement**  
9875 N. 85<sup>th</sup> Ave., 2<sup>nd</sup> Fl.  
Peoria, AZ 85345  
Telephone: (623) 773-7115  
Fax: (623) 773-7118

Solicitation No: P09-0007      Page 1 of 1  
Description: Insurance Agent/Broker Services  
Amendment No: Three (3)      Date: 8/24/2011

Buyer: Lisa Houg

In accordance with Special Terms and Conditions, Contract Extension, the above referenced contract shall expire on 12/31/11. The contract is being extended and the new contract term is: 01/01/12 to 12/31/12.

Contractor hereby acknowledges receipt and agreement. A signed copy shall be filed with the City of Peoria, Materials Management Division.

 Signature	11/17/11 Date	Michael J. Mackey Senior Managing Director Typed Name and Title	Mesirow Insurance Services, Inc. Company Name
353 N. Clark St. Address	Chicago City	IL State	60654 Zip Code

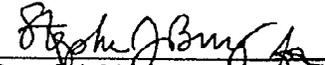
Attested by:  
  
Wanda Nelson, City Clerk

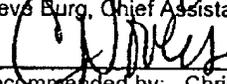


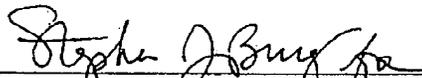
City Seal

(Rev 02/11/10)

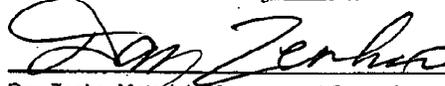
CC Number  
ACON68408C  
Contract Number  
Official File

  
Steve Burg, Chief Assistant City Attorney

  
Recommended by: Christine Nobles, Claims Coordinator

  
Approved as to Form: Stephen M. Kemp, City Attorney

The above referenced Contract Amendment is hereby Executed  
December 7, 2011, at Peoria, Arizona.

  
Dan Zenko, Materials Management Supervisor