



Port of Stockton
C A L I F O R N I A

**REQUEST FOR PROPOSALS
INSURANCE BROKER SERVICES**

Release Date: March 10, 2021
Submission Deadline: 4:30pm, March 30, 2021 PST
Contact Person: Katie Miller, Director of HR & Administrative Services

Port of Stockton
2201 W. Washington Street
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1. GENERAL INFORMATION

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Contact Person: Port of Stockton
Atten: Katie Miller, Director of HR & Administrative Services
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Stockton, CA 95203
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Phone: (209) 946-0246

2. PURPOSE

The Port of Stockton ("Port") is seeking proposals from experienced and qualified insurance brokers ("Vendor") licensed in the State of California to provide insurance broker services at a reasonable cost. The successful Vendor will be expected to provide a full range of services as detailed in Section 3 Scope of Services, outlined below.

It is the intent of the Port to contract for services with a Vendor for its insurance program for a period of three (3) years. The type of contract for these professional services is a single award with an inclusive fixed flat fee for each year of the three-year contract period.

3. BACKGROUND INFORMATION

Located in the fertile San Joaquin Valley of California, the Port of Stockton, a public agency, is in an ideal position for domestic and international distribution. The Port is situated in the hub of four major freeways, two transcontinental railroads, an international waterway and a regional airport and it boasts first class warehouse storage and handling facilities for both dry and liquid bulk materials, facilities and equipment to handle break-bulk and containerized cargoes by land or sea.

The Port consists of operating 2,000 acres, of which approximately 500 acres are available for development, with additional property in the form of islands within the Delta waterway. It is located at the terminus of the Stockton Deepwater Ship Channel, approximately 75 nautical miles due east of the Golden Gate Bridge. Formed in 1933, the Stockton Port District is a special district of the State of California established under the California Harbors and Navigation Code, Sections 6200 through 6372. It is a non-tax supported public agency dedicated to providing an international logistics hub connecting the region to markets in the rest of the United States and the world.

The Port is governed by a seven-member Board of Commissioners, appointed to four-year overlapping terms (three members are appointed by the San Joaquin County Board of Supervisors and four by the Stockton City Council). The Chairperson and Vice Chairperson are selected from within the Board of Commissioners annually. The Board of Commissioners sets overall policy for the District; approves contracts, long-term lease agreements and capital purchases; the Commission also certifies the annual operating budget.

The Stockton Deep Water Channel is dredged to a depth of 35 feet (main channel) with 35 feet dockside. The Port is an operating port which actively manages fifteen berths for ocean-going vessels, and 1 million square feet of dockside transit sheds and on-dock rail. Roughly 7 million square feet of warehouse space is available for both dry bulk and general cargoes. The Port can accommodate vessels up to a maximum of approximately 40,000 metric tons of cargo aboard. The Stockton Ship Channel can accommodate up to Panamax and Kamsarmax size vessels. The Port is one mile from Interstate 5, and is served by both Class 1 railroads operating on the US West Coast (the BNSF Railway

and the Union Pacific Railroad). The Port has more than 140 tenants, many of whom have made significant, and continuing investments at the Port.

The Port cargo mix consists of both liquid and dry bulk and breakbulk/general cargoes, with ag-related cargoes comprising over a quarter of the cargo crossing the Port's docks. Exports include sulfur, bagged rice, low-sulfur coal and other energy-related products. Imports include dry and liquid fertilizers, anhydrous ammonia, molasses, cement, machinery, steel, food oils and sulfuric acid. Other services available at the Port include bunker/fueling (via truck) services, cold storage, environmental waste services, marine equipment and supplies, oil spill response and recovery, and towing/tug services. The entire Port of Stockton is contained within Foreign Trade Zone (FTZ) #231.

The Port of Stockton is staffed by 110 full time employees, including administrative, police, maintenance and warehousing staff. This includes the Port's Police Department which employs 16 sworn officers. Additionally, the Port Police provide routine boat patrol and security escort for select cargoes. The Port's Police Department employees are represented by Operating Engineers Local 3; maintenance and warehousing employees are represented by International Longshore and Warehouse Union (ILWU) Local 6. The Port has granted operating licenses to three stevedores: Stevedoring Services of America (SSA), MetroPorts, and Ceres Terminals, all of whom hire ILWU longshore labor. The ILWU longshore labor is represented by ILWU Locals 54, 34 and 91 and are subject to the ILWU-Pacific Maritime Association contracts.

The Port is a self-supporting enterprise. Its entire operations are accounted for on an accrual basis in a single proprietary fund and does not receive tax dollars. The Port of Stockton has an operating budget of \$53.6 million annually and a capital expenditure budget of over \$25.3 million (fiscal year 2019-2020).

4. SCOPE OF SERVICES

a. RISK MANAGEMENT

- 1) Provide all professional services necessary to obtain recommended, required and/or approved levels of insurance for the Port and all others that from time to time may require insurance under agreements entered into by the Port.
- 2) Designate and name, in writing, a service team which will be available at any time upon reasonable notice on any and all matters related to the enumerated tasks. Any replacement of the team leader would be subject to Port review and approval.
- 3) Conduct thorough initial review and assessment of the Port's insurance program, including Port tariff liability risk, to provide comprehensive recommendations. Continue to meet with Port Staff on annual basis to conduct review the Port's insurance program and the Vendor's contract performance.
- 4) Keep the Port up to date relative to insurance marketplace conditions. Provide ongoing communication and training/educational materials, as applicable, regarding market updates and other current events relative to the Port's insurance program.
- 5) Analyze, design, execute, and adjust the Port's insurance program as changing circumstances arise for the Port.
- 6) Prepare insurance certificates and endorsements as required.
- 7) Provide other services customarily provided by insurance brokers.

- 8) Provide input relating to insurance/bonds during the contract drafting stage with third parties in order to identify potentially serious hazards, analyze the hazards, tariff liability risk, assist in arranging the waiver or transfer of risk to third parties where appropriate and possible, and make recommendations as to the coverages/limits to be required by the contracts.
- 9) Consult with the Port personnel and Port legal counsel with respect to liability and indemnification provisions in lease, contracts, and other documents in a timely manner.

b. COVERAGE

- 1) Make coverage recommendations in terms of exposure, policy terms and conditions, service capability and pricing. (current insurance coverage info listed below for use in preparing proposal):

Type of Coverage	Policy Limit	Deductible
Primary Property – Inland Marine	\$25M	\$100K
Excess Property	\$50M	N/A
Property Terrorism	\$75M	\$25K
Crime	\$1M	\$10K
Primary Liability	\$1M	\$100K
Commercial Auto	\$1M	\$1K Comp. \$2K Collision
Excess Workers Compensation	\$2M	\$10K
Fiduciary Liability (Pension & Welfare Fund Fiduciary Responsibility Insurance)	\$2M	\$10K
Hull and Protection & Indemnity	\$1M	\$10K
Police Professional Liability	\$3M	\$25K
Foreign Liability	\$2M	N/A
Vessel Pollution	\$5.5M	N/A
Pollution Liability for Contractors	\$10M	\$25K
Cyber/ Privacy Liability	\$3M	\$25K
Errors & Omissions Notary Bond	\$100K	N/A
Earthquake Parametric	\$25M	N/A
Excess Flood (x 2)	\$15M	N/A
Public Officials & Employment Practices Liability Coverage	\$3M	\$25K
Excess Liability ¹	\$150M	N/A

- 2) Assist the Port in completing and submitting insurer applications for all coverages.
- 3) Obtain insurance coverage and premium quotations for the Port. Upon approval by the Port, procure insurance from acceptable worldwide markets.
- 4) Prepare coverage with financially sound and stable carriers.
- 5) Obtain favorable pricing.
- 6) Provide staff support to assist in the annual update of the Port's property schedule, including researching any details about said property requested by insurance carriers.

¹ Excess liability coverage obtained via separate pooled association. Data provided here for information purposes only. Vendor will not be expected to provide broker services related to Excess Liability Policy.

- 7) Utilize standard policies where requirements are not unique and there are advantages to doing so.
- 8) Recommend deductible and self-insurance programs or alternatives to traditional insurance where appropriate.
- 9) Obtain specimen policies from potential carriers and analyze positive and negative provisions; provide summary to the Port of policy language comparisons when more than one policy is available.
- 10) Assist in negotiating changes to insurance policy language with underwriters as needed, document any negotiated changes, and review actual policies once obtained to ensure that negotiated provisions are correctly worded.
- 11) Review policies, binders and endorsements to assure all wording is complete and then bind, place, and invoice coverage promptly; deliver policies within 90 days of coverage going into effect.
- 12) Identify and analyze exposures to accidental loss or damage and develop methods to remedy the exposures. Monitor the results and make adjustments as necessary.
- 13) Obtain and maintain updated loss information from current and prior insurers.
- 14) Provide annual loss run reports for each policy.
- 15) If an owned or affiliated broker is used for part or the entire placement, disclose income received and be prepared to verify incomes earned.

c. CLAIMS

- 1) Coordinate the servicing of claims, including research and claims audits as directed by the Port. If the Port retains a third party administrator, consultant will assist with excess carriers.
- 2) Upon receiving notice of a claim from the Port, place appropriate carriers on notice of claim. Maintain accurate claims data and provide status reports.

d. RENEWALS

- 1) In March of each year, provide forecast for the next policy year [October 1 through September 30] of insurance premiums and service costs, and provide notice of interim changes when anticipated. Insurer/insured relationship management should be factored into this.
- 2) Submit annual report reviewing the overall insurance status of the Port, highlight areas requiring action, and provide an outlook section detailing new developments, upcoming events, or possible future concerns.
- 3) Develop comprehensive, streamlined process for obtaining specifications from the Port. Subsequently, in May of each year, collect specifications.
- 4) In July of each year, initiate marketing of renewal lines of coverage in advance of expiration (except during the first year of the contract when time will be shorter), identifying markets of choice and anticipated results.

- 5) Within 60 days of renewal, present renewal options to the Port; and upon request of Port staff be prepared to present these recommendations in person during open session of meeting of the Port's Board of Commissioners.
- 6) Notify the Port concerning changes or proposed changes initiated by parties other than the Port affecting the status of insurance placements.

5. ORGANIZATION OF PROPOSALS

- a. Proposals must include all of the following, submitted as a single pdf file, in order to be deemed complete for consideration.

- 1) **Cover Letter/ Letter of Intent**

A one-page brief letter of intent that shall include the business name and complete contact information of the proposed Vendor and team who shall be assigned by the Vendor to this account during the RFP process and others if different, after or upon awarding of a Contract.

- 2) **Background Information**

Description of the Vendor's operations including information as detailed below in Section 8. Selection Criteria – Evaluation Factors

- 3) **Scope of Services**

Description of Services to be provided including informative sheets on services, as applicable which align with Section 3 Scope of Services of this RFP

- 4) **Action Plan**

Detail an action plan with recommended timeline for all phases of services including but not limited to initial implementation, bidding and annual renewal.

- 5) **Cost/Fee Schedule**

- 6) **Client Reference List**

Provide contact name, business name, telephone number, email address and brief description of the Vendor's engagement with no less than three (3) current clients from within the past five (5) years.

- 7) **Conflict of Interest**

Provide a statement of any potential conflicts of interests the Vendor and/or key staff may have regarding providing these services to the Port, its employees, and/or any member(s) of the Port's Board of Commissioners. The statement should not only include actual conflicts but also any working relationships that may be perceived by disinterested parties as a conflict. If no known or potential conflicts of interest are identified, so state in your cover letter.

Vendor shall have read and be aware of provisions of Section 1090 et seq. and Section 87100 et seq. of the Government Code relating to conflict of interest of public officers and employees. No officer or employee of the Port or member of its governing body shall have any pecuniary interest, direct or indirect, in the resulting Contract or the proceeds thereof.

- b. Any missing information not received by the closing date may subject the proposal to be removed from further consideration.

6. TERMS & CONDITIONS

- a. Proposal submissions must be made in accordance with this RFP. Proposals must include all capabilities and cost of providing services. The Port's intent is to retain a firm capable of providing services listed in the RFP. There are no minimum or maximum dollar limits for the value of this RFP.
- b. The submission of a proposal shall be an indication that the Vendor has investigated and satisfied itself as to the conditions to be encountered, the character, quality and scope of work to be performed, and the requirements of the Port as outlined here in this RFP. Subsequently, the proposer cannot secure relief on the plea of error regarding the content of this RFP.
- c. There shall be no subcontracting of the work designated in this RFP without the prior written consent of the Port.
- d. During the review process, the Port reserves the right, where it may serve the best interests of the Port, to request additional information or clarification from those that submit proposals or allow for corrections of errors or omissions. While the Port is under no obligation to contact companies for clarification, it reserves the right to do so.
- e. Depending on the number and quality of the proposals submitted, the Port, at its sole discretion, may elect to interview all or some of the firms during the selection process and to request presentations, including demonstrations of products and services.
- f. This RFP is not intended and shall not be construed to commit the Port to pay any costs incurred in connection with any proposal or to procure or contract for any services.
- g. This solicitation for proposals does not commit the Port to pay any costs associated with the preparation or presentation of a submittal. The Port shall not be responsible for travel-related expenses, long distance communications, shipping, postage, handling, binding, and/or delivery fees.
- h. All proposals received by the Port shall be considered a "Public Record" as defined in Section 6252 of the California Government Code and shall be open to public inspection, except to the extent the Vendor designates trade secrets or other proprietary material to be confidential. Any documentation the Vendor believes to be a trade secret must be provided to the Port in a separate file and must be clearly marked as a trade secret. The Port will endeavor to restrict distribution of material and analysis of the proposals. Vendors are cautioned that materials designated as trade secrets may nevertheless be subject to disclosure and the Port shall in no way be held liable or responsible for such disclosure. Vendors are advised that the Port does not wish to receive material designated as trade secrets and requests that Vendors NOT supply trade secrets unless necessary.
- i. The Vendor's qualification package and any support materials submitted to the Port in response to this RFP, will not be returned and will become the property of the Port.
- j. The Port reserves the right to delay the selection process, withdraw or reissue the RFP or cancel this RFP process.
- k. The Port reserves the right to modify the scope and related services at any time based on the best interests of the Port and will negotiate with awarded Vendor accordingly.

- I. The Port reserves the right to reject any or all proposals without qualifications, and to negotiate specific requirements and costs using the selected proposal as a basis.
- m. The Port reserves the right to negotiate separately with any Vendor that has submitted a sufficient and timely proposal.
- n. The Port reserves the right to retain all proposals submitted and to use any concepts or information in a proposal regardless of whether or not that proposal is selected.
- o. The decision to enter into a contract with any firm submitting a proposal shall rest with the sole discretion of the Port and shall be based on the Vendor's ability to provide quality services and to comply with all applicable laws, rules, and regulations. Any Vendor submitting a proposal must be willing to make representatives available to physically meet on site at the Port of Stockton, in Stockton, California when provided one (1) week's notice should a meeting be required between the Vendor and the Port.

7. SUBMITTAL PROCESS & PROCEDURE

- a. The deadline for proposals is **4:30pm, March 30, 2021 PST**. All proposals from prospective Vendors must be submitted as a single pdf via email to:
 - Port of Stockton
 - Attn: Katie Miller, Director of HR & Administrative Services
 - 2201 W. Washington Street
 - Stockton, CA 95203
 - Email: kmiller@stocktonport.com and cc slacy@stocktonport.com
- b. All proposals received by the specified deadline of **4:30pm, March 30, 2021 PST** will be reviewed by the Port for content, fees, related experience and professional qualifications of the Vendor.
- c. All questions/inquiries from prospective Vendors concerning this RFP must be submitted via email to:
 - Port of Stockton
 - Attn: Katie Miller, Director of HR & Administrative Services
 - 2201 W. Washington Street
 - Stockton, CA 95203
 - Email: kmiller@stocktonport.com and cc slacy@stocktonport.com

Questions/inquiries may be submitted via email. Inquiries must be received no later than 4:30pm, March 26, 2021 PST.

8. SELECTION CRITERIA

Evaluation of each proposal will be scored on the factors identified below:

- a. Proposals may be judged "non-responsive" and removed from further consideration if any of the following occur:
 - i. The proposal is not received in a timely manner in accordance with the terms of this RFP.
 - ii. The proposal does not follow the specified format.
 - iii. The proposal does not include all required information including signature on behalf of the Vendor.

- b. The evaluation and selection of the successful Vendor shall be based upon the factors listed below with corresponding point evaluation. Total Points available are **100**.

Evaluation Factor	Max. Point Value
<p>1. Organization: Size, Structure & Staff Qualifications:</p> <ul style="list-style-type: none"> a. Provide company history, mission and values. b. Provide organizational structure, size, and capacity to perform services required. c. Provide names of principals/ officers. d. Provide name and contact information for the specific representative who will be handling the Port's account, describe their experience with the Vendor in providing insurance services including their professional resume. e. Specify any experience working with any port terminal(s) and include the name and contact information of the port terminal client(s) in the "References" section indicated below. 	15
<p>2. Procurement Services:</p> <ul style="list-style-type: none"> a. Describe the process and timeline for how and when the Vendor will conduct the procurement of insurance. Explain the Vendor's approach when shopping for bids or negotiating renewals and how the Vendor would differentiate the Port to insurers. b. Provide a description of services that the Vendor will provide to the Port. c. Justify how the Port would benefit from the Vendor's market position, experience, value-added, etc. 	15
<p>3. Professional Services:</p> <ul style="list-style-type: none"> a. Describe what types of services can the Vendor provide to assist the Port to ensure compliance with all lines of coverage included in the RFP. b. Explain how the Vendor will determine which carrier(s)' products to review for renewal purposes. c. Include where the Vendor employs in-house actuary for providing detailed analysis of claims data, stop loss risks, workforce demographic analysis, funding options, trends, premium ratios, etc. d. Provide a detailed outline and description of the scope of services provided by the Vendor. 	10
<p>4. Insurance/ Licensing:</p> <ul style="list-style-type: none"> a. Provide detailed list of insurance companies that the Vendor can access and from which the Vendor can obtain quotes for insurance of the types described in the RFP. b. Provide a copy of all licensing required in RFP, as applicable. 	10

Evaluation Factor	Max. Point Value
<p>5. Communication/ Strategies:</p> <ul style="list-style-type: none"> a. Describe the Vendor's implementation strategy and ongoing communication and customer services. b. Identify five (5) key areas in which the Vendor can suggest long-term strategies that manage future insurance costs. c. Describe Vendor's program for providing on-going training or communication in order to keep the Port informed of trends, changes, issues, current events that may impact the Port's insurance program. 	10
<p>6. Quality Assurance:</p> <ul style="list-style-type: none"> a. Describe the Vendor's system for quality control to ensure the work meets or exceeds the industry's highest quality standards. b. Discuss how the Vendor's staff are trained in new strategies and market changes. 	5
<p>7. Value-Added Service:</p> <ul style="list-style-type: none"> a. In addition to the standard broker services, what value-added services does the Vendor provide? If so, are there additional fees for these services? If yes, specify these additional fees. 	5
<p>8. Philanthropy</p> <ul style="list-style-type: none"> a. Please provided the Vendor's corporate philosophy in terms of giving back to the community, philanthropy, etc. 	5
<p>9. References:</p> <ul style="list-style-type: none"> a. Provide a minimum of three (3) client references. b. It is required that the Vendor have professional experience with a Government agency or special district in order to be considered for this contract. c. Specify any experience with clients within the maritime industry or marine or inland ports, if applicable. d. Preference given (but not limited) to references from clients located within California e. Include the following information: <ul style="list-style-type: none"> 1) Client Name 2) Individual Contact Person's Name, Title, Phone Number and Email Address 3) List of specific insurance services, types of coverage provided and number of years services have been provided 4) Include detailed information in terms of the size, structure or industry of the client which would make them comparable in relation to the RFP requirements for the Port. 	10
<p>10. Fees and Costs:</p> <ul style="list-style-type: none"> a. Quote an annual total flat fee for completing all requirements outlined for an initial three-year (3-year) contract term. b. Describe what your proposed policy would be on receiving commissions or other sources of income you may receive in connection with services provided to the Port and how it would be disclosed. 	15

9. SELECTION PROCESS, PROCEDURE & TIMELINE

Proposals shall conform to requirements as outlined in Section 5 Organization of Proposals. It is important that all listed items be included in the proposal. Proposals which do not comply with all of the requirements or the proposal deadline may not be considered.

Proposals will be reviewed and ranked by the Port team and contents of each proposal will be ranked by a selection committee. Using the scoring system provided in Section 8 Selection Criteria the Port team will determine finalist(s) based upon:

- a. Acceptance of Port's standard terms and conditions (any requested exceptions will be evaluated based on reasonableness and conformance with industry standard)
- b. Qualifications and Experience of Vendor including proposed work plan and approach, recent projects including ability to resolve unexpected issues efficiently as well as meet timelines and budget
- c. Qualifications of personnel proposed to be assigned to project including experience on comparable projects, availability to the Port, and qualifications of both staff and sub- Vendors
- d. Ability to provide all the services requested.
- e. Cost including staffing plan and approach, comparison to amounts paid by similar agencies.

Following the Port team's evaluation process, the Port may contact former clients of the Vendor, including but not limited to reference contacts. The Port may select Vendor based on the proposals alone, or, in its sole discretion, may invite one or more Vendors to make oral presentations and/or interview with the review committee.

10. CONDITIONS OF AWARD

At the conclusion of the evaluation process, the Port will select the top-ranking Vendor and enter into contract negotiations. Except as initiated by the Port in its sole discretion, negotiations are limited to those exceptions to the Agreement for Professional Services identified in the Vendor's proposal. If negotiations with the top-ranking firm are unsuccessful, negotiations will terminate, and the Port will undertake negotiations with the next ranked firm until a contract is executed.

11. PROHIBITED ACTIVITY

Vendors or their agents shall not make any attempt at personal contact with any member of the Port of Stockton's Board of Commissioners or staff prior to the selection of a Vendor for this work.