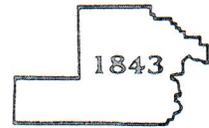


# Yamhill County



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## OFFICE OF COUNTY ADMINISTRATOR

DATE: February 14, 2017

**LAURA TSCHABOLD**  
COUNTY ADMINISTRATOR

TO: Yamhill County Board of Commissioners

**KEN HUFFER**  
DEPUTY ADMINISTRATOR

FROM: Ken Huffer, Deputy County Administrator

SUBJECT: Yamhill County Insurance Broker/Agent of Record RFP and Evaluation Committee Recommendation;

On October 11, 2016, the County opened a Request for Proposals (RFP) process for Insurance Broker/Agent of Record for Yamhill County. For this RFP, the County solicited proposals from qualified companies to market and administer the County's commercial insurance portfolio and to provide consulting services on actuarial, insurance and other risk management activities, to be effective July 1, 2017. Submittals were due by 3:00 p.m. on November 17, 2016.

Four (4) companies responded to the RFP and submitted proposals for consideration (in no particular order): Marsh USA (the County's current provider), Brown and Brown Northwest, Hagan Hamilton Insurance, and Alliant Insurance. An evaluation committee comprised of the County Administrator, Deputy County Administrator, County Counsel, and Human Resources Manager reviewed the proposals from each responsive qualified proposer and completed a scoring sheet that used the scoring method described in the RFP. Each criterion had a maximum score and the evaluation committee members scored each proposal on the information provided in the proposal and not as a comparison to other proposals. All scores for each separate proposer were added together and divided by the number of evaluation committee members to determine the average evaluation score for that proposal.

All four companies met the required qualifications and scores were close enough, that it was determined that the evaluation committee would interview all four proposers. Interviews were originally scheduled for early January 2017; however due to weather-related events, these scheduled interviews were delayed to the end of January and early February. Interviews occurred during the afternoons of January 25, 2017 (Hagan Hamilton and Marsh) and February 1, 2017 (Alliant and Brown & Brown Northwest). Interviews were conducted at the Board of Commissioners' conference room and each company brought a team of 2-4 company representatives, typically comprised of a lead representative, who would serve as the County's primary contact if selected, as well as representatives in workers compensation, risk management, and property/liability-related services. For each interview, company representatives were provided an allotted time to present an overview of their company's composition and qualifications. At the conclusion of these presentations, evaluation committee members asked each proposer the same sets of questions and scored their responses. At the conclusion of all of the scheduled interviews, the evaluation committee tallied their respective scores and these scores were combined with the original proposal review scores. The final scores are as follows:

	Alliant	Brown and Brown	Hagan Hamilton	Marsh
RFP SCORE	59	62	56	59
INTERVIEW SCORE	42	48	47	28
TOTAL	101	110	103	87

After careful consideration and as provided in the above table, Brown and Brown Northwest ranked highest through the extensive evaluation process. Most notably, Brown and Brown Northwest excelled in the following areas:

1. **County Experience**: Considerable knowledge and experience working with counties and county-related insurance issues. Brown and Brown Northwest currently represents 170 governmental entities (counties, cities, districts, etc.) in Oregon as Agent of Record. Counties served include Multnomah, Columbia, Marion, Lane, Douglas, Jackson, and Deschutes counties. Brown and Brown Northwest is very familiar with the lines of coverage and the risk exposures associated to the County, including jails, medical facilities, law enforcement, public works, and general employment practices.
2. **CIS Experience**: Considerable knowledge and experience working with City County Insurance Services (CIS). Yamhill County is a member of the CIS pool for liability, property, auto, and workers compensation. As part of their presentation, Brown and Brown Northwest representatives provided a quick analysis of Yamhill County’s current insurance coverages and identified several areas of coverage that were either redundant and/or put forth ideas for limiting annual costs without sacrificing coverage. During this analysis, they demonstrated significant expertise into CIS’s coverages, as well as presented alternatives for specific areas of coverage (example: they are one of two brokers in Oregon that have access to an alternative property coverage called “Public Entity Property Program” (PEPIP)). Additionally, Brown and Brown Northwest staff are very familiar with the CIS renewal processes and would significantly aid County staff in navigating this process each spring (depending on duration of contract).
3. **Size of Staff and Support**: Brown and Brown Northwest offer the services of seven full-time claims and risk management consultants to work with the county at no additional cost. These consultants would be readily available to assist with claims and advise the county on how best to proceed with projects or issues that may present some form of risk. Additionally, Brown and Brown Northwest staff has abundant reference resources and can perform training for County staff on any risk related topic the County may experience. Due to limited staffing in administration and the absence of a full-time risk manager, utilizing our broker to assist with consultations and training would be of significant benefit and in the long term, should help to limit the County’s future liability exposure. Additionally, The Director of Claims and Risk Management for Brown and Brown Northwest is a former law enforcement officer and well versed in handling law enforcement-related claims and risks.
4. **Cost Competitive**: Brown and Brown Northwest proposed a flat fee of \$30,000 for property liability lines of coverage and 5% commission on workers compensation. Three of the four respondents proposed a similar flat fee, but did not include a commission on workers compensation coverage. After speaking with CIS underwriters, the 5% workers compensation commission that would be charged by Brown and Brown Northwest would be cost neutral as the County already pays this 5%. If a CIS member is on a “commission” basis with an agent, CIS will collect 5% for workers’ compensation from the member and pass that along to the agent. If the CIS member is on a “fee for services” with the agent, CIS does not collect the 5% from the member and the member pays their agent directly.
5. **Services Included with Base Fee**: It should also be noted that the additional services available to the County included with each fee for each proposer varied. Brown and Brown Northwest offered the most services and resources for the quoted fee. The following table provides a breakdown of the fees for each respondent to the RFP:

Alliant	Brown and Brown	Hagan Hamilton	Marsh
\$30,000 flat annual fee with 2% annual escalation;	\$30,000 for property liability lines of coverage with an annual 3% escalation; 5% commission for worker compensation coverage;	\$30,000 flat annual fee with 3% annual escalation;	\$25,000 flat annual fee; No predetermined annual escalation proposed, so more than likely this would be subject to negotiation.

6. **Scope of Overall Services and Resources:** Brown and Brown Northwest's proposed management of the scope of services and handling of renewals exceeds current levels of services received from the current broker and exceeds what the other vendors proposed. Brown and Brown Northwest provided a detailed scope of work for everything from 24/7 risk-related emergency response, annual renewals, administration of policies (including review and analysis of policy terms, claims and coverages), claim advocacy and administration, preparation of an annual risk report for the county, quality control and customer service.

Based on the final scoring and the information provided above, the RFP evaluation committee determined that Brown and Brown Northwest was the highest scoring proposer and therefore recommends Brown and Brown Northwest's selection to become the County's Insurance Broker/Agent of Record. County Administration would like to proceed with having the board authorize the issuance of a Notice of Intent to Award to Brown and Brown Northwest and inviting Brown and Brown Northwest to enter contract negotiations with Yamhill County. If contract negotiations do not result in a contract acceptable to both parties, Yamhill County will invite the second ranked proposer to enter contract negotiations. If negotiations are not successful, Yamhill County will negotiate with the third, etc. until negotiations are successful with a proposer or the solicitation is canceled.

Copies of the RFP and submitted proposals are available for review. Should there be any questions or you require further information, please let me know.

Thank you,



Ken Huffer  
Deputy County Administrator

Accepted by Yamhill County  
Board of Commissioners on  
3/9/17 by Board Order  
# 17-65