REQUEST FOR PROPOSALS FOR

Broker Selection for Owner Controlled Insurance Program

ISSUING OFFICE

Pennsylvania Turnpike Commission

Risk Management Department

RFP NUMBER

RFP 14-10260-5021

DATE OF ISSUANCE

November 18, 2014
REQUEST FOR PROPOSALS FOR
Broker Selection for Owner Controlled Insurance Program
14-10260-5021

TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Part</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part I</td>
<td>GENERAL INFORMATION FOR PROPOSERS</td>
<td>1</td>
</tr>
<tr>
<td>Part II</td>
<td>INFORMATION REQUIRED FROM PROPOSERS</td>
<td>7</td>
</tr>
<tr>
<td>Part III</td>
<td>CRITERIA FOR SELECTION</td>
<td>10</td>
</tr>
<tr>
<td>Part IV</td>
<td>WORK STATEMENT</td>
<td>12</td>
</tr>
</tbody>
</table>

APPENDIX A – PROPOSAL COVER SHEET
APPENDIX B – INSURANCE SPECIFICATION
APPENDIX C – DIVERSE BUSINESS (DB) REQUIREMENTS
APPENDIX D – PROJECTS & TIME LINE FOR SOUTHERN BELTWAY PROJECT
PART I

GENERAL INFORMATION FOR PROPOSERS

I-1. **Purpose.** This request for proposals (RFP) provides interested Proposers with sufficient information to enable them to prepare and submit proposals for consideration by the Pennsylvania Turnpike Commission (Commission) to satisfy a need for a Broker for an Owner Controlled Insurance Program (‘OCIP’) Management Services in connection with construction of roadway addition to the Southern Beltway, from US 22 to I-79.

I-2. **Issuing Office.** This RFP is issued for the Commission by the Risk Management Department.

I-3. **Scope.** This RFP contains instructions governing the proposals to be submitted and the material to be included therein; a description of the service to be provided; requirements which must be met to be eligible for consideration; general evaluation criteria; and other requirements to be met by each proposal.

I-4. **Problem Statement.** The Commission requires assistance and oversight in assessments of certain projects for consideration of an OCIP, establishing timeframe guidelines and performing within such guidelines the design and implementation of OCIPs including additional services as outlined in Part IV of this RFP.

I-5. **Type of Contract.** It is proposed that if a contract is entered into as a result of this RFP, it will be a fee for services. The Commission may in its sole discretion undertake negotiations with Proposers whose proposals as to price and other factors show them to be qualified, responsible, and capable of performing the work.

I-6. **Rejection of Proposals.** The Commission reserves the right to reject any and all proposals received as a result of this request, or to negotiate separately with competing Proposers.

I-7. **Subcontracting.** Any use of subcontractors by a Proposer must be identified in the proposal. During the contract period use of any subcontractors by the selected Proposer, which were not previously identified in the proposal, must be approved in advance in writing by the Commission.

A firm that responds to this solicitation as a prime may not be included as a designated subcontractor to another firm that responds to the same solicitation. **Multiple responses under any of the foregoing situations may cause the rejection of all responses of the firm or firms involved.** This does not preclude a firm from being set forth as a designated subcontractor to more than one prime contractor responding to the project advertisement.

I-8. **Incurring Costs.** The Commission is not liable for any costs the Proposer incurs in preparation and submission of its proposal, in participating in the RFP process or in anticipation of award of contract.

I-9. **Questions and Answers.** Written questions may be submitted to clarify any points in the RFP which may not have been clearly understood. Written questions should be submitted by email to
Addenda to the RFP. If it becomes necessary to revise any part of this RFP before the proposal response date, addenda will be posted to the Commission’s website under the original RFP document. It is the responsibility of the Proposer to periodically check the website for any new information or addenda to the RFP.

I-11. Response. To be considered, proposals must be delivered to the Pennsylvania Turnpike Commission’s Contracts Administration Department, Attention: Wanda Metzger, on or before 2:00 PM local time on Tuesday, January 13, 2015. The Pennsylvania Turnpike Commission is located at 700 South Eisenhower Boulevard, Middletown, PA 17057 (Street address). Our mailing Address is P.O. Box 67676, Harrisburg, PA 17106.

Please note that use of U.S. Mail, Fedex, UPS, or other delivery method, does not guarantee delivery to the Contracts Administration Department by the above listed time for submission. Proposers mailing proposals should allow sufficient delivery time to ensure timely receipt of their proposals. If the Commission office location to which proposals are to be delivered is closed on the proposal response date, due to inclement weather, natural disaster, or any other cause, the deadline for submission shall be automatically extended until the next Commission business day on which the office is open. Unless the Proposers are otherwise notified by the Commission, the time for submission of proposals shall remain the same.

I-12. Proposals. To be considered, Proposers should submit a complete response to this RFP, using the format provided in PART II. Each proposal should be submitted in six (6) hard copies of the Technical Submittal, two (2) hard copies of the Diverse Business (SDB) participation submittal, and six (6) hard copies of the Cost Submittal. In addition to the hard copies of the proposal, two complete and exact copies of the entire proposal (Technical, Cost and DB submittals, along with all requested documents) on CD-ROM or Flash Drive in Microsoft Office or Microsoft Office-compatible format. The electronic copy must be a mirror image of the hard copy. Proposer should ensure that there is no costing information in the technical submittal. The CD or Flash drive should clearly identify the Proposer and include the name and version number of the virus scanning software that was used to scan the CD or Flash drive before it was submitted. The Proposer shall present the proposal to the Contracts Administration Department only. No other distribution of proposals will be made by the Proposer. Each proposal page should be numbered for ease of reference.

An official authorized to bind the Proposer to its provisions must sign the proposal. If the official signs the Proposal Cover Sheet (Appendix A to this RFP) and the Proposal Cover Sheet is attached to the proposal, the requirement will be met. For this RFP, the proposal must remain valid for at least 120 days. Moreover, the contents of the proposal of the selected Proposer will become contractual obligations if a contract is entered into.
Each and every Proposer submitting a proposal specifically waives any right to withdraw or modify it, except as hereinafter provided. Proposals may be withdrawn by written or fax notice (fax number (717) 986-8714) received at the Commission’s address for proposal delivery prior to the exact hour and date specified for proposal receipt.

Overnight Delivery Address:  
Contracts Administration Department  
Attn: Wanda Metzger  
PA Turnpike Commission  
700 South Eisenhower Blvd.  
Middletown, PA 17057

US Mail Delivery Address:  
Contracts Administration Department  
Attn: Wanda Metzger  
PA Turnpike Commission  
P.O. Box 67676  
Harrisburg, PA 17106

However, if the Proposer chooses to attempt to provide such written notice by fax transmission, the Commission shall not be responsible or liable for errors in fax transmission. A proposal may also be withdrawn in person by a Proposer or its authorized representative, provided his/her identity is made known and he/she signs a receipt for the proposal, but only if the withdrawal is made prior to the exact hour and date set for proposal receipt. A proposal may only be modified by the submission of a new sealed proposal or submission of a sealed modification which complies with the requirements of this solicitation.

I-13. **Economy of Preparation.** Proposals should be prepared simply and economically, providing a straightforward, concise description of the Proposer’s ability to meet the requirements of the RFP.

I-14. **Discussions for Clarification.** Proposers who submit proposals may be required to make an oral or written clarification of their proposals to the Issuing Office through the Contract Administration Department to ensure thorough mutual understanding and Proposer responsiveness to the solicitation requirements. The Issuing Office through the Contract Administration Department will initiate requests for clarification.

I-15. **Best and Final Offers.** The Issuing Office reserves the right to conduct discussions with Proposers for the purpose of obtaining “best and final offers.” To obtain best and final offers from Proposers, the Issuing Office may do one or more of the following: a) enter into pre-selection negotiations; b) schedule oral presentations; and c) request revised proposals. The Issuing Office will limit any discussions to responsible Proposers whose proposals the Issuing Office has determined to be reasonably susceptible of being selected for award.

I-16. **Prime Proposer Responsibilities.** The selected Proposer will be required to assume responsibility for all services offered in its proposal whether or not it produces them. Further, the Commission will consider the selected Proposer to be the sole point of contact with regard to contractual matters.

I-17. **Proposal Contents.** Proposals will be held in confidence and will not be revealed or discussed with competitors, unless disclosure is required to be made (i) under the provisions of any Commonwealth or United States statute or regulation; or (ii) by rule or order of any court of competent jurisdiction. All material submitted with the proposal becomes the property of the Pennsylvania Turnpike Commission and may be returned only at the Commission’s option. Proposals submitted to the Commission may be reviewed and evaluated by any person other than competing Proposers at the
discretion of the Commission. The Commission has the right to use any or all ideas presented in any proposal. Selection or rejection of the proposal does not affect this right.

In accordance with the Pennsylvania Right-to-Know Law (RTKL), 65 P.S. § 67.707 (Production of Certain Records), Proposers shall identify any and all portions of their Proposal that contains confidential proprietary information or is protected by a trade secret. Proposals shall include a written statement signed by a representative of the company/firm identifying the specific portion(s) of the Proposal that contains the trade secret or confidential proprietary information.

Proposers should note that “trade secrets” and “confidential proprietary information” are exempt from access under Section 708(b)(11) of the RTKL. Section 102 defines both “trade secrets” and “confidential proprietary information” as follows:

**Confidential proprietary information**: Commercial or financial information received by an agency: (1) which is privileged or confidential; and (2) the disclosure of which would cause substantial harm to the competitive position of the person that submitted the information.

**Trade secret**: Information, including a formula, drawing, pattern, compilation, including a customer list, program, device, method, technique or process that: (1) derives independent economic value, actual or potential, from not being generally known to and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use; and (2) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. The term includes data processing software by an agency under a licensing agreement prohibiting disclosure.

65 P.S. §67.102 (emphasis added).

The Office of Open Records has determined that a third party must establish a trade secret based upon factors established by the appellate courts, which include the following:

- the extent to which the information is known outside of his business;
- the extent to which the information is known by employees and others in the business;
- the extent of measures taken to guard the secrecy of the information;
- the value of the information to his business and to competitors;
- the amount of effort or money expended in developing the information; and
- the ease of difficulty with which the information could be properly acquired or duplicated by others.


The Office of Open Records also notes that with regard to “confidential proprietary information the standard is equally high and may only be established when the party asserting protection shows that the information at issue is either ‘commercial’ or ‘financial’ and is privileged or confidential, and the disclosure would cause substantial competitive harm.” (emphasis in original).

For more information regarding the RTKL, visit the Office of Open Records’ website at [www.openrecords.state.pa.us](http://www.openrecords.state.pa.us).

**I-18. Debriefing Conferences.** Proposers whose proposals are not selected will be notified of the name of the selected Proposer and given the opportunity to be debriefed, at the Proposer’s request. The
Issuing Office will schedule the time and location of the debriefing. The Proposer will not be compared with other Proposers.

I-19. **News Releases.** News releases pertaining to this project will not be made without prior Commission approval, and then only in coordination with the Issuing Office.

I-20. **Commission Participation.** Unless specifically noted in this section, Proposers must provide all services to complete the identified work.

I-21. **Cost Submittal.** The cost submittal shall be placed in a separately sealed envelope within the sealed proposal and kept separate from the technical submittal.

I-22. **Term of Contract.** The term of the contract will coincide with the construction schedule for the US 22 to I-79 section of the Southern Beltway which is expected to be completed by 2019. The Commission shall fix the Effective Date after the contract has been fully executed by the Contractor and by the Commission and all approvals required by Commission contracting procedures have been obtained.

I-23. **Proposer’s Representations and Authorizations.** Each Proposer by submitting its proposal understands, represents, and acknowledges that:

a. All information provided by, and representations made by, the Proposer in the proposal are material and important and will be relied upon by the Issuing Office in awarding the contract(s). Any misstatement, omission or misrepresentation shall be treated as fraudulent concealment from the Issuing Office of the true facts relating to the submission of this proposal. A misrepresentation shall be punishable under 18 Pa. C.S. 4904.

b. The price(s) and amount of this proposal have been arrived at independently and without consultation, communication or agreement with any other Proposer or potential Proposer.

c. Neither the price(s) nor the amount of the proposal, and neither the approximate price(s) nor the approximate amount of this proposal, have been disclosed to any other firm or person who is a Proposer or potential Proposer, and they will not be disclosed on or before the proposal submission deadline specified in the response section of this RFP.

d. No attempt has been made or will be made to induce any firm or person to refrain from submitting a proposal on this contract, or to submit a proposal higher than this proposal, or to submit any intentionally high or noncompetitive proposal or other form of complementary proposal.

e. The proposal is made in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive proposal.

f. To the best knowledge of the person signing the proposal for the Proposer, the Proposer, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last four (4) years been
convicted or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding or proposing on any public contract, except as disclosed by the Proposer in its proposal.

g. To the best of the knowledge of the person signing the proposal for the Proposer and except as otherwise disclosed by the Proposer in its proposal, the Proposer has no outstanding, delinquent obligations to the Commonwealth including, but not limited to, any state tax liability not being contested on appeal or other obligation of the Proposer that is owed to the Commonwealth.

h. The Proposer is not currently under suspension or debarment by the Commonwealth, or any other state, or the federal government, and if the Proposer cannot certify, then it shall submit along with the proposal a written explanation of why such certification cannot be made.

i. The Proposer has not, under separate contract with the Issuing Office, made any recommendations to the Issuing Office concerning the need for the services described in the proposal or the specifications for the services described in the proposal.

j. Each Proposer, by submitting its proposal, authorizes all Commonwealth agencies to release to the Commission information related to liabilities to the Commonwealth including, but not limited to, taxes, unemployment compensation, and workers’ compensation liabilities.

I-24. **Indemnification.** The Proposer shall be responsible for, and shall indemnify, defend, and hold harmless the Commission and its Commissioners, officers, employees, and agents from any claim, liability, damages, losses, causes of action, and expenses, including reasonable attorneys’ fees, arising from damage to life or bodily injury or real or tangible personal property caused by the negligence or other tortious acts, errors, and omissions of Proposer, its employees, or its subcontractors while engaged in performing the work of this Agreement or while present on the Commission’s premises, and for breach of this Agreement regarding the use or nondisclosure of proprietary and confidential information where it is determined that Proposer is responsible for any use of such information not permitted by this Agreement. The indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for Contractor or its subcontractors under Workmen’s Compensation Acts, Disability Benefits Acts, or other Employee Benefit Act.

I-25. **Insurance.** Proposer will comply with the Insurance requirements as described in Appendix B - Insurance Specification.
PART II

INFORMATION REQUIRED FROM PROPOSERS

Proposals must be submitted in the format, including heading descriptions, outlined below. To be considered, the proposal must respond to all requirements in this part of the RFP. Any other information thought to be relevant, but not applicable to the enumerated categories, should be provided as an appendix to the proposal. All cost data relating to this proposal and all Diverse Business cost data should be kept separate from and not included in the Technical Submittal. Each proposal shall consist of three separately sealed submittals:

1. Technical Submittal, which shall be a response to RFP Part II, Sections II-1 through II-7;

2. Diverse Business Participation Submittal, in response to RFP Part II, Section II-8; and


The Commission reserves the right to request additional information which, in the Commission’s opinion, is necessary to assure that the Proposer’s competence, number of qualified employees, business organization, and financial resources are adequate to perform according to the RFP.

The Commission may make such investigations as deemed necessary to determine the ability of the Proposer to perform the work, and the Proposer shall furnish to the Issuing Office all such information and data for this purpose as requested by the Commission. The Commission reserves the right to reject any proposal if the evidence submitted by, or investigation of, such Proposer fails to satisfy the Commission that such Proposer is properly qualified to carry out the obligations of the agreement and to complete the work specified.

II-1. Proposal Cover Sheet (Appendix A)
Show the name of your firm, Federal I.D. number, address, name of contact person, contact person’s email and telephone number date and the subject: Broker Selection for Owner Controlled Insurance Program, RFP 14-10260-5021. In addition it is required that all information requested in Appendix A be provided including information pertaining to location of office performing the work, contact information, listing of all Pennsylvania offices and total number of Pennsylvania employees, and location of company headquarters.

II-2. Statement of the Problem. State in succinct terms your understanding of the problem presented or the service required by this RFP.

II-3. Management Summary. Include a narrative description of the proposed effort and a list of the items to be delivered or services to be provided.

II-4. Work Plan. Describe in narrative form your technical plan for accomplishing the work. Use the descriptions in Part IV of this RFP as your reference point. Modifications of the descriptions are permitted; however, reasons for changes should be fully explained. Each Proposer is required to provide a response to each item identified in Part IV-3 – Proposer Requirements.
II-5. **Prior Experience.** Include experience in the provision of Broker Services under an OCIP, providing details on the type and size of the project; also include reference to any special techniques or experience considered necessary to accomplish the work. Experience shown should be work done by individuals who will be assigned to this project as well as that of your company. Studies or projects referred to should be identified and the name of the customer shown, including the name, address, and telephone number of the responsible official of the customer, company, or agency who may be contacted.

II-6. **Personnel.** This refers to the competence of professional personnel who would be assigned to the job by the Proposer. Qualifications of professional personnel will be measured by experience and education, with particular reference to experience on studies/services similar to that described in the RFP. Particular emphasis is placed on the qualifications of the project manager. The Proposer must have qualified personnel available to the project sites to respond quickly to contractor’s questions, loss occurrences, project meetings, and submission of documents. Among the services the Proposer may be required to perform include insurance marketing, policy verification and delivery, document preparation, liaison with contractors’ brokers, claim handling or auditing, and loss control service or audits.

II-7. **Training.** If appropriate, indicate recommended training of Commission personnel. Include the personnel to be trained, the number to be trained, duration of the program, place of training, curricula, training materials to be used, number and frequency of sessions, and number and level of instructors.

II-8. **Diverse Business (DB) Requirements (Appendix C).** The Commission’s Diverse Business (DB) Requirements for this procurement and a resulting contract are identified in Appendix C. There is no minimum participation level (MPL) for DBs established for this contract. However, the utilization of DBs are encouraged and will be considered as a criteria in the evaluation of proposals and may be considered as a factor in the Commission’s selection of a firm for this contract.

The proposer must include in its DB participation submittal that it meets the requirements set forth in the Commission’s DB Requirements - Appendix C. In addition, the DB participation submittal shall indicate the amount of DB participation incurred in the proposal in terms of dollars committed or percentage of total contract amount.

II-9. **Cost Submittal.** The information requested in this section shall constitute your cost submittal. The Cost Submittal shall be placed in a separate sealed envelope within the sealed proposal, and on a CD-ROM, separate from the technical submittal.

Proposers should **not** include any assumptions in their cost submittals. If the proposer includes assumptions in its cost submittal, the Issuing Office may reject the proposal. Proposers should direct in writing to the Issuing Office pursuant to Part I-9 of this RFP any questions about whether a cost or other component is included or applies. All Proposers will then have the benefit of the Issuing Office’s written answer so that all proposals are submitted on the same basis.

The total cost you are proposing must be broken down but not limited to the following components:

a. As outlined in the Projects & Time Line for Southern Beltway Project (See Appendix D), please submit cost proposals on a lump sum basis for each of the construction project sections listed except for Section 55-A1-1, Mainline Bridges SB 200/201. As noted in Appendix D, Section 55-A1-1 is currently under construction; therefore, do not submit a
cost proposal for Section 55-A1-1. Please elaborate on typical, preferred and acceptable methods of compensation, including disclosure policies that the Provider typically employs including markups for outsourced or subcontracted services. Include in the lump sum cost any Travel and Subsistence, using current Conus and IRS approved mileage rates, Subcontractor Costs or any other Direct Costs.

b. Total Cost.

Any costs not provided in the cost proposal will be assumed as no charge to the Commission.

The selected Proposer shall only perform work on this contract after the Effective Date is affixed and the fully-executed contract sent to the selected Proposer. The Commission shall issue a written Notice to Proceed to the selected Proposer authorizing the work to begin on a date which is on or after the Effective Date. The selected Proposer shall not start the performance of any work prior to the date set forth in the Notice to Proceed and the Commission shall not be liable to pay the selected Proposer for any service or work performed or expenses incurred before the date set forth in the Notice to Proceed. No Commission employee has the authority to verbally direct the commencement of any work under this Contract.
PART III

CRITERIA FOR SELECTION

III-1. Mandatory Responsiveness Requirements. To be eligible for selection, a proposal shall be (a) timely received from a Proposer; and (b) properly signed by the Proposer.

III-2. Technical Nonconforming Proposals. The two (2) Mandatory Responsiveness Requirements set forth in Section III-1 above (a&b) are the only RFP requirements that the Commission will consider to be non-waivable. The Issuing Office reserves the right, in its sole discretion, to (1) waive any other technical or immaterial nonconformities in the proposal, (2) allow the Proposer to cure the nonconformity, or (3) consider the nonconformity in the evaluation of the proposal.

III-3. Proposal Evaluation. Proposals will be reviewed, evaluated, and rated by a Technical Evaluation Team (TET) of qualified personnel based on the evaluation criteria listed below. The TET will present the evaluations to the Professional Services Procurement Committee (PSPC). The PSPC will review the TET’s evaluation and provide the Commission with the firm(s) determined to be highly recommended for this assignment.

The Commission will select the most highly qualified firm for the assignment or the firm whose proposal is determined to be most advantageous to the Commission by considering the TET’s evaluation and the PSPC’s determination as to each firm’s rating. In making the PSPC’s determination and the Commission’s decision, additional selection factors may be considered taking into account the estimated value, scope, complexity and professional nature of the services to be rendered and any other relevant circumstances. Additional selection factors may include, when applicable, the following: geographic location and proximity of the firm, firm’s Pennsylvania presence or utilization of Pennsylvania employees for the assignment; equitable distribution of work; diversity inclusion; and any other relevant factors as determined as appropriate by the Commission.

Award will only be made to a Proposer determined to be responsive and responsible in accordance with Commonwealth Management Directive 215.9, Contractor Responsibility Program.

III-4. Evaluation Criteria. The following criteria will be used, in order of relative importance from the highest to the lowest, in evaluating each proposal:

a. Understanding the Problem. The Commission anticipates the need to evaluate the feasibility of several independent or inter-related road and bridge construction projects for OCIP consideration. It is also anticipated, based upon the PTC’s experience with previous projects insured under an OCIP, that one or more of these projects will be selected for an OCIP. The Commission seeks expertise in determining the feasibility of OCIP treatment for a project and in identifying, implementing and overseeing the optimal design, structure, support and insurance company participants for the individual projects that are selected for OCIP treatment.

b. Proposer Qualifications. This refers to the ability of the Proposer to meet the terms of the RFP, especially the time constraint and the quality, relevance, and how recently any feasibility studies and projects have been completed by the Proposer. This also includes the Proposer’s financial ability to undertake a project of this size. The Proposer should identify its relevant experience in the successful assessment, implementation, and management of OCIPs for road and bridge construction of
varying size and scope. The Proposer should also elaborate on its internal and external structure, capabilities and relationship with various OCIP insurers.

c. **Personnel Qualifications.** This refers to the competence of professional personnel who would be assigned to the job by the Proposer. Qualifications of professional personnel will be measured by experience and education, with particular reference to experience on studies/services similar to that described in the RFP. Particular emphasis is placed on the qualifications of the project manager. The Proposer must have qualified personnel close enough to the project sites to respond quickly to contractor’s questions, loss occurrences, project meetings, and submission of documents. Among the services the Proposer may be required to perform include insurance marketing, policy verification and delivery, document preparation, liaison with contractors’ brokers, claim handling or auditing, and loss control service or audits.

d. **Soundness of Approach.** Emphasis here is on the techniques for collecting and analyzing data, sequence and relationships of major steps, and methods for managing the service/project. Of equal importance is whether the technical approach is completely responsive to all written specifications and requirements contained in the RFP and if it appears to meet Commission objectives.

e. **Available Facilities.** Consideration should be given to the need for an on-site servicing facility such as a separate office or trailer. Please provide detail for under which circumstances this would be recommended.

f. **Cost.** While this area may be weighted heavily, it will not normally be the deciding factor in the selection process. The Commission reserves the right to select a proposal based upon all the factors listed above, and will not necessarily choose the firm offering the best price. The Commission will select the firm with the proposal that best meets its needs, at the sole discretion of the Commission.

g. **Commitment to Diversity and Inclusion.** This refers to the inclusion of DB firms, as described in Part II-8. Participation may be measured in terms of total dollars committed or percentage of total contract amount to certified DB firms.
PART IV

WORK STATEMENT

IV-1. Objectives.

a. General. The broker will be required to design, market and place the appropriate insurance coverage’s for Owner Controlled Insurance Programs (OCIP), as well as administer such programs selected for construction projects of the Commission.


Southern Beltway US 22 to I-79 (Allegheny and Washington Counties)

The Pennsylvania Turnpike Commission will design and construct the Southern Beltway between State Route 22 and a proposed new interchange with I-79 in Allegheny and Washington Counties, PA. The construction of the 13 mile four-lane limited access tolled expressway extension is anticipated to include several construction contracts at a total estimated cost in excess of $500,000,000.00. Final design is currently underway for this project. Construction for the project is anticipated to begin in 2016 and be completed by 2020. The anticipated project includes the following:

- Starting at the existing partial interchange (Exit 6) at US-22 for PA Turnpike 576, all necessary ramps will be completed to extend the expressway to the east.
- A new interchange (Exit 9) will be constructed to access S.R. 980 via Beech Hollow Road in Robinson Township, Washington County.
- Another new interchange (Exit 11) will be provided with S.R. 980 and Noblestown Road near Mt. Pleasant Township, Washington County.
- The Southern Beltway proceeds east to a new interchange (Exit 16) for S.R. 50 in South Fayette Township, Allegheny County.
- The Project ends with an interchange (Exit 18) to access Interstate 79 at the Allegheny/Washington County line, just south of the existing I-79 Safety Rest Area.
- All Electronic Tolling (AET) from existing Milepost 1 at Interstate 376 at the Pittsburgh International Airport through new, proposed Interchange at Interstate 79 (Milepost 18).
- Decommissioning of Existing Ramps Toll Facilities on the existing Southern Beltway from the existing interchange at US Route 30 (Milepost 2) to the Interchange at US Route 22 (Milepost 6).
- Southern Beltway mainline and side road bridges and culvert extensions in this project include the following:
  1. SB 206, Culvert extension
  2. SB 210, Sideroad SR 4009 over Mainline
  3. SB 213-214, New dual Mainline Bridges over Raccoon Run
4. SB 217-218, New dual Mainline Bridges over relocated SR 4010 Beech Hollow Road
5. SB 219, Culvert under Mainline for Raccoon Run
6. SB 222, Arch Culvert extensions for Raccoon Run
7. SB 224-225, New dual Mainline Bridges over Quicksilver Road
8. SB 227-228, New dual Mainline Bridges over Ft. Cherry/SR 980
9. SB 229, New Box Culvert for Robinson Run
10. SB 232, New Pedestrian Concrete Arch for Montour Trail
11. SB 233, New Box Culvert for Robinson Run
12. SB 234, New Side Road Panhandle Trail Bridge
13. SB 235, New Relocated Side Road over Robinson Run
14. SB 236, New Box Culvert for Robinson Run
15. SB 237-238, New dual Mainline Bridges over SR 4012, Noblestown Road
16. SB 241-242, New dual Mainline Bridges over SR980
17. SB 244, New culvert under Mainline for unnamed tributary
18. SB 250, New culvert under Mainline for Millers Run
19. SB 253, New Relocated Cecil Sturgeon Road over Mainline
20. SB 257, New Relocated Connector Road Bridge over Millers Run, Millers Run Road and W&LE RR
21. SB 258-259, New dual Mainline Bridges over Millers Run/Road, W&LE RR and SR 50
22. SB 263, New Hickory Grade Road over Mainline
23. SB 268, New Box Culvert for Coal Run under Mainline
24. SB 269-270, New dual Mainline Bridges over Ramps for Interstate 79 S to SR 576 E
25. SB 275-276, New dual Bridges carrying Interstate 79 over Mainline (SR 576)
26. SB 286-287, New dual Mainline Bridges over T-787, Morgan Road
27. SB 288, New T-787 Morgan Road over Interstate 79
28. SB 289-290, Rehabilitated Interstate 79 over Cecil Henderson Road and Montour Trail
29. SB 294, New Ramp Bridge carrying Interstate 79 N to SR 576 W
30. SB 296, New Relocated SR 1089, Morganza Road over SR 576

The above project information is accurate to the best of our knowledge at the time of this advertisement. Contracts may change in scope or limits of work, bidding methods, or type of construction as design progresses. Projects or portions of projects shown in Appendix D may be removed if it is not advantages to the Commission.

**IV-3. Proposer Requirements.** All bidders responding to this proposal must provide the following information:

1. List each of the specific insurance coverages that you recommend be included in or excluded from your proposed OCIP program.

2. List the specific retentions or deductibles that you feel should be included for each coverage including any per occurrence or program aggregate retention caps that should be considered.
3. Please list all of the detailed coverage terms and conditions including any special extensions of coverage or endorsements you believe should be offered for each of the policies that will be quoted.

4. In the cost submittal, please clearly state the expected total cost for each of the services being proposed. The total cost per service should be shown separately for each individual construction project listed in Appendix D. As examples, for any loss control services; claims handling or claims management; insurance marketing for each coverage to be provided; for calculating enrolled contractor insurance bid deducts; among other services.

5. Please provide the specific criteria you would recommend be used to determine whether a specific contractor will be enrolled or not enrolled in each OCIP program.

6. Indicate if you are proposing any type of deductible charge-back or penalty program to be imposed on participating contractors for one or more of the insurance policies provided to reflect penalties to that contractor for losses due to their negligence. If so, please indicate the amount of and the criteria for penalties to be imposed for each insurance policy.

7. Discuss any early close-out options you would propose be included as part of the overall OCIP financial structure. Please indicate at what point during the project(s) would close-out options be available and what criteria will be used to decide to close-out the program, and what is the estimated cost to close-out or transfer future deductible claims back to the Insurer(s).

8. Provide a detailed description on how you propose to collect, audit, and ensure compliance with certificates of insurance to be provided by participating contractors for any coverage that will not be provided under the OCIP, but will be required from the contractors. This should include coverage for off-site job exposures that will be provided by participating contractors as well as for coverage not provided under the OCIP at all.

9. Please provide detailed information on the loss control services that you propose to provide. This should include the number of full or part time loss control consultants to be used; whether they will be provided by the broker or by outside consultants; and/or the OCIP insurer(s). Also, indicate whether any of these control consultants will be housed on or near any of the project job sites.

10. As part of the loss control services discussed above, please discuss any related training that will be provided to participating contractors’ employees and to any staff of the PTC.

11. With respect to claims reviews, please indicate how frequently claims reviews will be completed including a discussion of whether each review will include an analysis of just new claims reported or all open claims. Also, please indicate whose personnel will complete these reviews; i.e. broker personnel, insurance company personnel, or others? At each of these meetings, please indicate the insurance coverage to be reviewed.

12. Please indicate if any claims reviews will be performed after construction work is done but where claims may still be outstanding. If future claims reviews will be done, please indicate how often they will be completed and for how many months or years after project completion.
13. With respect to insurance marketing services, please specifically list the insurance companies, in order of preference, you intend to approach for each coverage you would place. Please also indicate if you have any exclusive or otherwise special marketing arrangements with any of these insurers.

14. Please provide specific details on the OCIP experience of each of the proposed members of your brokerage service team while working for your specific firm (not prior experience). Prior experience may be included if the time spent with another firm on OCIP projects is differentiated from the time spent by your team members on OCIP projects handled by your firm.

15. In the event the cost submitted as your proposed fees are stated minimums, please confirm. If so, please provide a specific description of how your fees will be adjusted if more projects are added, or the proposed construction values exceed the original estimates; or the term of one or more OCIP projects extends beyond the original expected time period. Also, please indicate if your total fees will be adjusted down below the minimum in the event that the total project costs or size are less than originally expected; or less projects are enrolled in the OCIP program(s) than originally expected. If so, please indicate how any downward adjustment will be calculated.

16. Please indicate if your proposal includes establishing an on-site medical trailer or other medical/first aid services. If so, please provide details on staff size, level of operation, business hours and estimated costs.

17. Please discuss specific collateral options that will be presented, and the methods under which collateral would be calculated and how frequently future collateral adjustments would be made.

18. Please indicate if your firm will provide any training to any PTC employees (beyond loss control services). This should include the specific PTC personnel that will be trained, the type of training, the frequency of meetings, and proposed total number of hours that would be committed to this training. If training will be provided by members of the insurance company, please so indicate.

19. Please indicate if you will be negotiating specific medical provider networks and/or fee discounts for OCIP related medical care. Please provide details on the type of provider fee expected below standard Pennsylvania workers' compensation medical fee schedules.

20. Please also describe any telephonic and/or field case management services that will be provided; any medical bill review services to be included; and whether utilization reviews will be provided. For each of these services please indicate what the costs (if any) will be.

21. Please provide your pro-forma financial analysis of likely total costs incurred by the PTC under the proposed OCIP programs that you are recommending versus a traditional Non-OCIP insurance program. This should include indicating program costs by category including all claims management and review fees; loss control/safety costs; projected incurred losses based on the retention or ratable levels by line of coverage (including the impact of any per occurrence and/or aggregate OCIP deductible caps that may apply); any premium taxes, assessments, or special fees that will apply; your proposed brokerage fees for all services to be provided including insurance marketing, contractor enrollment, and calculation of bid deducts for both initial enrollment and at close-out and/or audit; the cost for completing on-site and off-site contractor and subcontractor certificate of insurance reviews, both at initial enrollment and at each annual renewal; the amount of collateral required; the cost of all insurance coverage required; and
the cost to retain any other outside consultants. In addition, estimated bid credits or deductions should be calculated as an offset to the proposed overall OCIP costs.

22. In calculating your projected OCIP financial results you should project costs at the expected level of loss you estimate for each line of coverage and to reflect the potential variation of program losses above and below the expected losses to determine the relative sensitivity of projected cost savings under the OCIP versus a traditional insurance program.

23. Please provide information on any options which may be available to limit the number of loss valuations for billing purposes following completion of the project.

IV-5. Reports and Project Control.

a. Task Plan. A work plan for each task that identifies the work elements of each task, the resources assigned to the task, and the time allotted to each element and the deliverable items to be produced.

b. Status Report. A periodic progress report covering activities, problems, and recommendations; the report should be keyed to the work plan developed by the Proposer in its proposal, as amended or approved by the Commission.

c. Problem Identification Report. An “as required” report, identifying problem areas. The report should describe the problem and its impact on the overall project and on each affected task. It should list possible courses of action with advantages and disadvantages of each, and include Proposer recommendations with supporting rationale.

d. Final Report. A final report summarizing the costs incurred, cost savings, claims summary, and any other details of the OCIP program is required using format comparable to the following:

1. Abstract or summarize the result of the study or service in terminology that will be meaningful to management and others generally familiar with the subject areas.

2. Describe data collection and analytical and other techniques used during the study.

3. Summarize findings, conclusions, and results developed in each task.

4. Include all supporting documentation; e.g., loss data, forms, questionnaires, etc.
Enclosed in three separately sealed submittals is the proposal for the Proposer identified below for the above referenced RFP:

<table>
<thead>
<tr>
<th>Proposer Information:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposer Name</td>
</tr>
<tr>
<td>Proposer Mailing Address</td>
</tr>
<tr>
<td>Proposer Website</td>
</tr>
<tr>
<td>Proposer Contact Person/Title</td>
</tr>
<tr>
<td>Contact Person’s Phone Number</td>
</tr>
<tr>
<td>Contact Person’s Fax Number</td>
</tr>
<tr>
<td>Contact Person’s Email Address</td>
</tr>
<tr>
<td>Proposer Federal ID Number</td>
</tr>
<tr>
<td>Location of Headquarters</td>
</tr>
<tr>
<td>Location of Office(s) Performing the Work</td>
</tr>
<tr>
<td>Listing of all Pennsylvania Offices and Total Number of Pennsylvania Employees</td>
</tr>
</tbody>
</table>

Submittals Enclosed and Separately Sealed:

- [ ] Technical Submittal
- [ ] Diverse Business Participation Submittal
- [ ] Cost Submittal

<table>
<thead>
<tr>
<th>Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signature of an official authorized to bind the Proposer to the provisions contained in the Proposer’s proposal: ________________________________</td>
</tr>
<tr>
<td>Print Name</td>
</tr>
<tr>
<td>Title</td>
</tr>
</tbody>
</table>

FAILURE TO COMPLETE, SIGN AND RETURN THIS FORM WITH THE PROPOSAL MAY RESULT IN THE REJECTION OF THE PROPOSAL.
Prior to the commencement of any work and until completion and final payment is made for the work / final acceptance of the work, the Professional Service Contractor will provide and maintain the following minimum levels of insurance at Professional Service Contractor’s own expense. The cost of the required insurance shall be included in the Professional Service Contractor’s cost proposal and no adjustment shall be made to the contract price on account of such costs. The term Professional Service Contractor shall include Subcontractors and Sub-Subcontractors of every tier. Professional Service Contractor shall furnish Certificates of Insurance evidencing and reflecting the effective date of coverage as outlined below. In no event shall Work be performed until the required evidence of Insurance is provided in accordance with the terms of the contract. If found to be non-compliant, the Pennsylvania Turnpike Commission (the “Commission”) may purchase the required insurance coverage(s) and the cost will be borne by the Professional Service Contractor through direct payment/reimbursement to the Commission or the Commission may withhold payment to the Professional Service Contractor for amounts owed to them.

a) All insurance shall be procured from insurers permitted to do business in the State in which the project is taking place and having an A.M. Best Rating of at least “A-, Class VIII”.

b) Professional Service Contractor shall not have a Self Insured Retention (SIR) on any policy greater than $25,000, which is the responsibility of the Professional Service Contractor. If Professional Service Contractor’s policy(ies) has a Self Insured Retention exceeding this amount, approval must be received from the Commission prior to starting work. In the event any policy includes an SIR, the Professional Service Contractor is responsible for payment within the SIR of their policy(ies) and the Additional Insured requirements specified herein shall be offered within the SIR amount(s).

c) All insurance required herein, with the exception of the Professional Liability Insurance, shall be written on an “occurrence” basis. Claims-Made coverage must include:
   i. The retroactive date must be on or prior to the start of work under this contract; and
   ii. The Professional Service Contractor must purchase “tail coverage/an extended reporting period” or maintain coverage for a period of three years, subsequent to the completion of their work / final payment.

d) The Professional Service Contractor’s insurance carrier(s) shall agree to provide at least thirty (30) days prior written notice to the Commission in the event coverage is canceled or non-renewed. In the event of cancellation or non-renewal of coverage(s), it is the Professional Service Contractor’s responsibility to replace coverage to comply with the Contract requirements so there is no lapse of coverage for any time period.

In the event the insurance carriers will not issue or endorse their policy(s) to comply with the above it is the responsibility of the Professional Service Contractor...
Contractor to report any notice of cancellation or non-renewal at least thirty (30) days prior to the effective date of this notice.

e) Professional Service Contractor shall provide the Commission with Certificates of Insurance, evidencing the insurance coverages listed below, ten days prior to the start of work of this Project and thereafter upon renewal or replacement of each coverage. The Professional Service Contractor shall not begin any work until the Commission has reviewed and approved the Certificate of Insurance. The required insurance shall not contain any exclusions or endorsements, which are not acceptable to the Commission.

Failure of the Commission to demand such certificate or other evidence of full compliance with these insurance requirements or failure of the Commission to identify a deficiency from evidence that is provided shall not be construed as a waiver of Professional Service Contractor's obligation to maintain such insurance.

With respect to insurance maintained after final payment in compliance with a requirement below, an additional certificate(s) evidencing such coverage shall be provided to the Commission with final application for payment and thereafter upon renewal or replacement of such insurance until the expiration of the time period for which such insurance must be maintained.

f) The Commission, (including the Commission's Parent, Subsidiaries, and Affiliates) shall be added as ADDITIONAL INSUREDs on all liability policies (except Workers’ Compensation and Professional Liability Policy, where applicable), for ongoing operations and completed operations on a primary noncontributory basis. Coverage to include ongoing and completed operations using ISO Endorsements CG 2010 and CG 2037, or their equivalents. Each of the Additional Insured’s respective members, employees, agents and representatives shall also be afforded coverage as an Additional Insured. Coverage should be provided for a period of three years subsequent to the completion of work/final payment.

If you are operating in a state that has implemented the “Anti-Indemnity” Additional Insured Endorsements, you are required to provide the state specific additional insured endorsements for ongoing and completed operations. These states include but are not limited to: Montana, New Mexico, Oregon, Colorado, Kansas, California, Louisiana, and Texas.

The Commission reserves the right to require Professional Service Contractor to name other parties as additional insureds as required by the Commission.

There shall be no “Insured versus Insured Exclusion” on any policies; all policies will provide for “cross liability coverage”.

g) Waiver of Rights of Subrogation: Professional Service Contractor shall waive all rights of recovery against the Commission and all the additional insureds for loss
or damage covered by any of the insurance maintained by the Professional Service Contractor.

h) The amount of insurance provided in the aforementioned insurance coverages, shall not be construed to be a limitation of the liability on the part of the Professional Service Contractor.

i) The carrying of insurance described shall in no way be interpreted as relieving the Professional Service Contractor of any responsibility or liability under the contract.

j) Any type of insurance or any increase in limits of liability not described above which the Professional Service Contractor requires for its own protection or on account of statute shall be its own responsibility and at its own expense.

k) Professional Service Contractor shall promptly notify the Commission and the appropriate insurance company(ies) in writing of any accident(s) as well as any claim, suit or process received by the insured Professional Service Contractor arising in the course of operations under the contract. The Professional Service Contractor shall forward such documents received to his insurance company(ies), as soon as practicable, or as required by its insurance policy(ies).

**REQUIRED COVERAGE** - the following may be provided through a combination of primary and excess policies in order to meet the minimum limits set forth below:

1. **Workers’ Compensation and Employer’s Liability:**
   Provided in the State in which the work is to be performed and elsewhere as may be required and shall include:
   a) Workers’ Compensation Coverage: Statutory Requirements
   b) Employers Liability Limits not less than:
      Bodily Injury by Accident: $500,000 Each Accident
      Bodily Injury by Disease: $500,000 Each Employee
      Bodily Injury by Disease: $500,000 Policy Limit
   c) USL&H, and FELA Coverage, if applicable.
   d) Includes sole proprietorships and officers of corporation who will be performing the work.
   e) Where applicable, if the Professional Service Contractor is lending or leasing its employees to the Commission for the work under this contract (e.g. crane rental with operator), it is the Professional Service Contractor’s responsibility to provide the Workers Compensation and Employer’s Liability coverage and to have their policy endorsed with the proper Alternate Employer Endorsement.

2. **Commercial General Liability:**
   Provided on ISO form CG 00 01 12 07 or an equivalent form including Premises -
Appendix B

INSURANCE SPECIFICATION
MINIMUM INSURANCE REQUIREMENTS
The Pennsylvania Turnpike Commission


a) Occurrence Form with the following limits:
   (1) General Aggregate: $2,000,000
   (2) Products/Completed Operations Aggregate: $2,000,000
   (3) Each Occurrence: $1,000,000
   (4) Personal and Advertising Injury: $1,000,000

b) Products/Completed Operations Coverage must be maintained for a period of at least three (3) years after final payment / completion of work (including coverage for the Additional Insureds as set forth in these Insurance Requirements).

c) The General Aggregate Limit must apply on a **Per Project basis**.

d) No Exclusions for development, construction, building conversion, etc with respect to the project’s location and / or where the work is to be completed by the Professional Service Contractor.

e) Coverage for “Resulting Damage”.

f) No sexual abuse or molestation exclusion.

g) No amendment to the definition of an “Insured Contract” except as noted below.

h) The definition of an “Insured Contract” must be amended to provide coverage for all work on or within 50 feet of a railroad. A stand alone Railroad Protective Liability policy may be required based on the scope of this project.

3. **Automobile Liability:**
   a) Coverage to include All Owned, Hired and Non-Owned Vehicles (or “Any Auto”), if you do not have any Owned Vehicles you are still required to maintain coverage for Hired and Non-Owned Vehicles as either a stand alone policy or endorsed onto the Commercial General Liability policy above

   b) Per Accident Combined Single Limit $1,000,000

   c) For Professional Service Contractor(s) involved in the transportation of hazardous material, include the following endorsements: MCS-90 and ISO-9948.

4. **Commercial Umbrella Liability:**
   a) Policy(ies) to apply on a Following Form Basis of the following:
      (1) Commercial General Liability,
      (2) Automobile Liability, and
      (3) Employers Liability Coverage.

   b) Minimum Limits of Liability
      Occurrence Limit: $10,000,000
      Aggregate Limit (where applicable): $10,000,000
5. **Professional Liability Insurance:**
   (If designated by Professional Service Contractor’s Scope of Work)

   a) Minimum Limits of Liability
      - Per Claim Limit: $5,000,000
      - Aggregate Limit: $5,000,000

   b) The Definition of “Covered Services” shall include the services required in the scope of this contract.

   c) Coverage shall be extended to cover “Green Building”, if applicable.

6. **Crime Insurance:**

   a) Include the Employee Theft and Theft, Disappearance and Destruction coverage parts.

   b) The Employee Theft Coverage part shall include the Clients’ Property Endorsement (ISO Form CR 04 01, or its equivalent).

   c) Coverage may be provided in the form of a Financial Institution Bond.

   d) Minimum Limits of Liability:
      - Per Occurrence: $1,000,000

7. **Privacy Liability:**

   a) Professional Service Contractor shall maintain coverage for third party liability arising out of breach of privacy, inclusive of confidential and proprietary business information, HIPAA violations and other breaches of personally identifiable information and/or protected health information that may arise from their work with this contract.

   b) Minimum Limits of Liability:
      - Per Claim: $5,000,000
      - Aggregate: $5,000,000

   c) Privacy Breach Notification and Credit Monitoring: $250,000 Per Occurrence
8. **Owned, Leased, Rented or Borrowed Equipment:**
   (IF DESIGNATED BY PROFESSIONAL SERVICE CONTRACTOR’S SCOPE OF WORK)

   a) Professional Service Contractor shall maintain Property Coverage for their owned, leased, rented or borrowed equipment, tools, trailers, etc. for the full replacement cost of the equipment.

   b) Coverage to be provided on an Agreed Amount Basis with no Coinsurance

   c) Coverage to be provided on an All Risk basis.
APPENDIX C
Pennsylvania Turnpike Commission
DIVERSE BUSINESS (DB) REQUIREMENTS

Diverse Business Participation. The Commission is committed to Diverse Business (DB) participation on competitive contracting opportunities. Firms or entities that have not previously performed work or provided services to the Commission are encouraged to respond to the solicitations. RFPs may include DB participation as part of the criteria for the evaluation of proposals, and the Commission may consider DB participation as a selection factor.

Minimum Participation Level (MPL). The minimum participation level (MPL) for the inclusion of DBs will be established in the RFP/advertisement as a percentage.

(a) General Requirements. Section 303 of Title 74 of the Pennsylvania Consolidated Statutes, 74 Pa.C.S. § 303, requires proposer on contracts funded pursuant to the provisions of Title 74 (Transportation) and 75 (Vehicle Code) administered and issued by the Commission to make Good Faith Efforts to solicit subconsultants that are Diverse Businesses (DBs) as defined in Section 303. The DB requirements of Section 303 apply to this contract.

Section 303 requires proposers to make Good Faith Efforts, as described below, to solicit subconsultants that are DBs during the proposal process to maximize participation of DBs in competitive contracting opportunities.

The Commission is committed to participation by DBs and will enforce the requirements of Section 303 and this section. Failure to make Good Faith Efforts and demonstrate such Good Faith Efforts in the solicitation of subconsultants may result in the proposer being declared ineligible for the contract.

Proposers shall document and submit to the Commission all Good Faith Efforts, as described in this section, to solicit subconsultants that are DBs during the solicitation process.

Proposers are encouraged to utilize and give consideration to consultants offering to utilize DBs in the selection and award of contracts.

Proposers shall not discriminate on the basis of gender, race, creed or color in the award and performance of contracts in accordance with 62 Pa.C.S. §3701.

Failure to comply with the requirements of Section 303 or this specification may result in the imposition of sanctions as appropriate under section 531 of the Procurement Code, 62 Pa.C.S.§ 531 relating to debarment and suspension.

The Commission’s Director of the Office of Diversity and Inclusion, or designee, is designated the Responsible Official who shall supervise the DB program and ensure that the Commission complies with the DB program.

(b) Definitions. The following definitions apply to terms used in this specification:

1. Disadvantaged Business – A business that is owned or controlled by a majority of persons, not limited to members of minority groups, who are subject to racial, social, ethnic prejudice or cultural bias.

2. Diverse Business – A disadvantaged business, minority-owned or women-owned business or service-disabled veteran-owned or veteran-owned small business that has been certified by a third-party certifying organization.

3. Minority-owned Business – A business owned and controlled by a majority of individuals who are African Americans, Hispanic Americans, Native Americans, Asian Americans, Alaskans or Pacific Islanders.
4. **Professional Services** — An industry of infrequent, technical or unique functions performed by independent contractors or consultants whose occupation is the rendering of the services, including: (1) design professional services as defined in 62 Pa.C.S.§ 901 (relating to definitions); (2) legal services; (3) advertising or public relations services; (4) accounting, auditing or actuarial services; (5) security consultant services; (6) computer and information technology services; and (7) insurance underwriting services.

5. **Pro Forma Effort** - The act of completing a form or document identifying efforts to solicit DBs for a project in order to satisfy criteria with little or no expectation that the DBs contacted or identified will perform any of the work.

6. **Service-Disabled Veteran-Owned Small Business** — A business in the United States which is independently owned and controlled by a service-disabled veteran(s), not dominant in its field of operation, and employs 100 or fewer employees.

7. **Subconsultant** - Any individual, partnership, firm, or corporation entering into a contract with the prime consultant for work under the contract, including those providing professional and other services.

8. **Third-party Certifying Organization** — An organization that certifies a small business, minority-owned business, women-owned business or veteran-owned small business as a diverse business. The term includes: (1) the National Minority Supplier Development Council; (2) the Women’s Business Development Enterprise National Council; (3) the Small Business Administration; (4) The Department of Veteran Affairs; (5) the Pennsylvania Unified Certification Program.

9. **Veteran-owned Small Business** — A small business owned and controlled by a veteran or veterans.

10. **Women-Owned Business** — A business owned and controlled by a majority of individuals who are women.

(c) **Actions Required by Proposer during the procurement/consultant selection phase**

1. **Submission Requirements – Consultant Responsiveness.**

   a. **Minimum Participation Level (MPL) Documentation** - If the documentation submitted with the proposal demonstrates that the proposer has identified DBs sufficient to meet the MPL established for this contract, the proposer will be deemed to have satisfied the DB requirement during this phase. The proposer is required to provide the business name and business address of each DB and supporting documentation that includes proof of certification.

   If the consultant’s proposal demonstrates the consultant’s inability to meet the MPL established for this contract, the proposer shall demonstrate Good Faith Efforts with its proposal. Failure to submit the required documentation demonstrating Good Faith Efforts as further described below with the proposal may result in a rejection of the proposal.
b. If no MPL has been established for this contract, the proposer is required to either provide a statement of intent that it will self-perform 100% of the work for the agreement, or demonstrate Good Faith Efforts to solicit subconsultants that are DBs. In either case documentation shall be provided with the proposal.

Failure to submit the required information identified above with the proposal may result in a rejection of the proposal.

2. **Good Faith Effort Requirements**: The documentation of Good Faith Efforts must include the business name and business address of each DB considered. Supporting documentation must also include proof of certification and any explanation of Good Faith Efforts the proposer would like the Commission to consider. Any services to be performed by a DB are required to be readily identifiable to the agreement. Good Faith efforts are demonstrated by seeking out DB participation in the project given all relevant circumstances. The Commission requires the proposer to demonstrate more than Pro Forma Efforts. Evidence of Good Faith Efforts includes, but is not limited to:

a. Consultant solicits through all reasonable and available means the interest of all certified DBs with the capacity to perform the scope of work set forth in the agreement.

b. The proposer must provide written notification at least 5 business days before proposals are due to allow the DBs to respond to the solicitation.

c. The proposer must determine with certainty if DBs are interested by taking appropriate steps to follow up initial solicitations.

d. The proposer must make efforts to select portions of the work to be performed by DBs to includes, where appropriate, breaking out contract work into economically feasible units to facilitate DB participation;

e. It is the proposer’s responsibility to make a portion of the work available to DBs and, to select those portions of the work, so as to facilitate DB participation.

f. The proposer shall provide evidence of such negotiations that include the names, addresses, and telephone numbers of DBs considered; A description of the information provided regarding the required work and services for the work selected for subconsultants; and evidence as to why additional agreements could not be reached for DBs to perform the work.

g. Proposers cannot reject or withhold solicitation of DBs as being unqualified without sound reasons based on a thorough investigation of their capabilities.

h. The DB’s standing within its industry, membership in specific groups, organizations or associations and political or social affiliations (for example union v. non-union employee status) are not legitimate causes for the rejection or non-solicitation of proposals in the proposer’s efforts to meet the Good Faith Efforts requirement.

i. Efforts to assist interested DBs in obtaining bonding, lines of credit or insurance.

3. **Actions Taken by the Commission.** As part of the proposal review process, the Commission will review the submissions to determine whether the proposer has complied with Section 303 and this requirement in the selection of DB subconsultants. The Commission will determine whether the proposer has either met the MPL or provided acceptable documentation as noted above. The Commission reserves the right to contact proposers for clarification during the review and negotiation process.

If the Commission determines that the proposer has failed to either meet the MPL or provide acceptable documentation as noted above, the proposal may be rejected.
(d) Consultant Requirements During Performance of Services.

1. Replacement of a DB Subconsultant. Consultant must continue good faith efforts through completion of the contract. The obligation to make Good Faith Efforts to solicit subconsultants for any type of service extends to additional work required for any service which is identified to be performed by a DB. If at any time during the performance of the work, it becomes necessary to replace or add a subconsultant that is a DB, the consultant, as appropriate, shall immediately notify the Commission and seek approval in writing in accordance with the Agreement of the need to replace the DB, which notice shall include the reasons for the replacement. If a prime consultant who originally indicated that it would self-perform all work subsequently decides to use a subconsultant for any work under the contract, the consultant must submit documentation of all Good Faith Efforts as to the work for which a subconsultant is obtained.

2. Records. Maintain project records as are necessary to evaluate DB compliance and as necessary to perform the reporting function addressed below. Maintain all records for a period of 3 years following acceptance of final payment. Make these records available for inspection by the Commission, its designees or agents. These records should indicate:

2.a. The number of DB and non-DB subconsultants and the type of services performed on or incorporated in this project.

2.b. The progress and efforts made in seeking out DB subconsultant organizations and individual DB consultants for work on this project to increase the amount of DB participation and/or to maintain the commitments made at the time of the proposal to DBs.

2.c. Documentation of all correspondence, contacts, telephone calls, and other contacts made to obtain the service of DBs on this project.

3. Reports. Maintain monthly reports and submit reports as required by the Commission concerning those contracts and other business executed with DBs with respect to the records referred to in subsection (e)2. above in such form and manner as prescribed by the Commission. At a minimum, the Reports shall contain the following:

3.a The number of Contracts with DBs noting the type of services provided, including the execution date of each contract.

3.b The amounts paid to each DB during the month, the dates of payment, and the overall amounts paid to date. If no payments are made to a DB during the month, enter a zero ($0) payment.

3.c Upon request and upon completion of individual DB firm's work, submit paid invoices or a certification attesting to the actual amount paid. In the event the actual amount paid is less than the award amount, a complete explanation of difference is required.

4. Subconsultant Contracts

4.a. Subcontracts with DB firms will not contain provisions waiving legal rights or remedies provided by laws or regulations of the Federal Government or the Commonwealth of Pennsylvania or the Commission through contract provisions or regulations.

4.b. Prime consultant will not impose provisions on DB subconsultants that are more onerous or restrictive than the terms of the prime's contract with non-DBs.
4.c. Executed copies of subcontracts/purchase orders are to be received by the Commission before the commencement of work by the DB.

5. Payments to DB Subconsultants. Payments to DBs are to be made in accordance with the prompt payment requirements of Chapter 39, Subchapter D of the Procurement Code, 62 Pa.C.S. §3931 et seq. Performance of services by a DB subconsultant in accordance with the terms of the contract entitles the subconsultant to payment.

(e) Actions to be Taken by Commission After Performance of Services. Following completion of the Consultant’s services, the Director of the Commission’s Office of Diversity and Inclusion or his/her designee will review the overall DB participation to assess the Consultant’s compliance with Section 303 and this contract. Appropriate sanctions may be imposed under 62 Pa.C.S. § 531 (relating to debarment or suspension) for a Consultant’s failure to comply with Section 303 and the requirements of the contract.
Addendum No. 1
RFP # 14-10260-5021
Broker Selection for Owner Controlled Insurance Program

Prospective Respondents: You are hereby notified of the following information in regard to the referenced RFP:

REVISIONS

1. Section I-12. Proposals, second sentence is revised to read:
   Each proposal should be submitted in six (6) seven (7) hard copies of the Technical Submittal, two (2) hard copies of the Diverse Business (SDB) participation submittal, and six (6) seven (7) hard copies of the Cost Submittal.

2. Section I-22. Term of Contract, first sentence is revised to read:
The term of the contract will coincide with the construction schedule for the US 22 to I-79 section of the Southern Beltway, which is expected to be completed by the end of 2019.

3. Section IV-2. Nature and Scope of the Project, second to last sentence in paragraph 1 is revised to read:
Construction for the project is anticipated to begin in 2016 and be completed by the end of 2019.

QUESTIONS AND ANSWERS

Following are the answers to questions submitted in response to the above referenced RFP as of December 11, 2014. All of the questions have been listed verbatim, as received by the Pennsylvania Turnpike Commission.

1. Could approximate construction volumes be provided for the eight (8) projects noted in Appendix D?

   Response:
   Section 55-W, Wetland/Streams/Terrestrial Mitigation – Approx. $7,000,000
   Section 55-A1, Exit 6 and Exit 9 Interchanges – Approximately $85,000,000
   Section 55-A2, Exit 11 Interchange – Approximately $90,000,000
   Section 55-B, Mainline and Side Road Improvements – Approximately $80,000,000
   Section 55-C1, Exit 16 Interchange – Approximately $80,000,000
   Section 55-C2-1, I-79 Widening – Approximately $80,000,000
   Section 55-C2, Exit 18 Interchange – Approximately $80,000,000
   Section 55-S, Signing – Approximately $3,000,000
2. As a matter of clarification, could you define “PS&E” in reference to the project key of Appendix D?

Response: **PS&E: Plans, Specifications & Estimate**

3. Is there an anticipated date for oral interviews (if required)?

Response: **No oral interviews are anticipated in connection with this project.**

4. Does the Commission have an anticipated notification of award date for the Broker Services?

Response: **The Commission expects to award the contract by March, 2015.**

5. Section IV-3.12 Claims Management: Is it the Commission’s intent to have the proposer manage all claims through resolution or the Stature of Repose, whichever is earlier?

Response: **It is the Commission’s intent to have all claims managed until they are closed.**

6. IV-2, IV-3.4, IV-3.15: It is not entirely clear here the type of program desired. IV-2 and IV-3.15 make note of projects possibly not enrolling, which would indicate a Rolling OCIP is anticipated. IV-3.4, however, notes that costs are to be separate for each of the eight (8) projects in Appendix D, and insurance marketing for each coverage is listed as one of the price components – this would imply individual OCIP’s being anticipated. Please confirm a rolling OCIP is anticipated and that the marketing costs for that may be allocated to the first project in their entirety.

Response: **The Commission expects all projects to be included within the OCIP.**

7. I-22 notes construction is to be completed by 2019, but IV-2 says completed by 2020 (second to last sentence in paragraph 1). Please clarify which date is correct.

Response: **See Revision 2 and 3 above.**

8. IV-2 paragraph 1 notes the building program will include “several construction contracts”. Appendix D shows eight (8) projects.
   a. Are some of these projects to be combined with others?
   b. If so, what is the finite number of Prime contracts anticipated?

Response: **Part a: Anticipated construction contracts are as shown in Appendix D.**
   **Part b: Eight (8), as shown in Appendix D.**

9. IV-5 Reports and Project Control: Please clarify these are deliverables during execution of the OCIP rather than a component of the Technical Proposal.

Response: **Reports and Project Control are deliverables during execution of the OCIP.**
10. II-9 Cost proposal:  May a flash drive be used in lieu of a CD ROM as is permitted with the Technical Proposal?

Response:  **Flash Drives are acceptable.**

11. Does the Commission currently have an OCIP program, and if so, who is the broker?

Response:  **The Commission does not currently have an OCIP Program.**

12. Has the Commission determined the contractor bid approach as it relates to insurance costs, e.g. Net Bid without Insurance, Net Bid with Alternate Insurance Cost Addition, or Gross Bid with Insurance Deduct Credit?

Response:  **The Commission anticipates the Contractor approach to be net bids without insurance.**

13. There are eight (8) projects listed within Exhibit D.  Please confirm if the Commission desires the bidder to propose costs separately allocated for each project.

Response:  **Section II-9a. Cost Submittal states; please submit cost proposals on a lump sum basis for each of the construction project sections listed except for Section 55-A1-1, Mainline Bridges SB 200/201.**

14. Please confirm how the scope of work in Section IV-2 relates to the eight (8) projects listed in Exhibit D.

Response:  **Section IV-2 is an overall narrative description of Appendix D.**

15. Of the eight (8) projects valued at $500,000 for a five (5) year duration, can the Commission confirm a minimum number of projects, minimum duration and minimum contract value which could be considered for this program?

Response:  **The Commission anticipates that all eight (8) projects will be included in the OCIP regardless of duration and contract value.**

16. For the eight (8) projects, can the Commission provide a range of the estimated number of subcontracts per project?

Response:  **Unknown until the construction contracts are bid.**

17. Will there be a different General Contractor for each of the eight (8) projects?

Response:  **Unknown until after the construction contracts are bid.**
18. Can you please provide a breakdown of the $500,000,000 budget by Project Section (as indicated in Appendix D)?

Response: See breakdown as provided in the response to Question #1.

19. Once broken down by Project Section, can you please provide a further breakdown of the budget for each Project Section by Trade?

Response: This information is not available.

20. Similarly, for each Project Section, can you please provide the estimated payroll, broken down by Pennsylvania Workers Compensation classification codes?

Response: This information is not available.

21. How will safety be managed for this project?

Response: The PA Turnpike Commission requires the highest standards in Safety for all of its construction projects. Specifics as concerns this project will be determined following selection of the successful bidder.

22. What are the safety performance measures?

Response: Please see the response to Question #21.

23. How will contractors be held accountable for safety?

Response: Please see the response to Question #21.

24. What are the contractor safety qualification requirements?

Response: Please see the response to Question #21.

25. Will you have a safety reinforcement/safety incentive program?

Response: Please see the response to Question #21.

26. Are there any specific safety services you want from your insurance providers?

Response: Please see the response to Question #21.

27. Please identify percentage and/or weighted allocations assigned to subparts (a) through (g) listed in the Evaluation Criteria (III-4) to be used by the Technical Evaluation Team.
Response: No percentage and/or weighted allocations will be used. The proposal evaluation is described in section III-3 and the criteria for selection are listed in section III-4 in order of relative importance from the highest to the lowest.

28. Please make available for review the Professional Services Procurement Committee’s (PSPC) scoring template used to evaluate the Technical Evaluation Team’s (TET) assessments.

Response: There is no scoring template used to evaluate the proposals. The criteria for selection is listed in section III-4 in order of relative importance form the highest to the lowest. The Commission will select that firm which most closely meets the overall requirements of the RFP and satisfies the Commission’s need for the requested services.

29. Please provide greater detail into the historical application of Owner Controlled Insurance Programs by the Commission. Please also identify the selected broker (both prime and subcontractor). If in affirmative, please identify the application of commission versus fee based payment arrangements.

Response: Prior OCIP programs have been placed through Willis and The Graham Co. The Turnpike Commission operates via a fee based payment arrangement.

30. Please identify all current, in-force Diverse Business relationships utilized by prime contractors that are actively engaged with the Commission. Please identify the prime contractor, Diverse Business partner and percentage allocation or dollar amount in force. (II-8 and Appendix C)

Response: This information is not available.

31. Please provide a listing of all trainings and/or professional development engagements provided by contractors to Commission personnel. (II-7)

Response: This information is not available.

32. Will the Commission be requesting a listing of proposed markets? If in the affirmative, does the Commission require respondents to list markets in order of preference? (IV-3)

Response: The Commission is not requesting a listing of proposed markets.

33. Please identify the manner in which Reports and Projects Control related documents will be delivered to the Commission. (IV-5)

Response: Reports should be provided in electronic format.

All other terms, conditions and requirements of the original RFP dated November 18, 2014 remain unchanged unless modified by this Addendum.