

**CALIFORNIA HOUSING WORKERS COMPENSATION
AUTHORITY**

REQUEST FOR PROPOSAL

Actuarial Services

Closing date of Proposal will be at 5:00 P.M. on March 1, 2019

All proposal information will be available for review after contract award.

Clarifications of specifications are to be directed to: Julia Lew, General Legal Counsel for CHWCA, email
jmlaw@mkjw.com

IMPORTANT: SUBMIT PROPOSAL IN SEALED PACKAGE WITH PROPOSAL No., AND PROPOSER'S NAME
AND ADDRESS MARKED CLEARLY ON THE OUTSIDE

Actuarial Services Request for Proposal

TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTION	3
KEY DATES	4
CHWCA'S RESERVATION OF RIGHTS	5
PROPOSAL CONTENT REQUIREMENTS	7
PROPOSAL IDENTIFICATION SHEET	11
TRADE SECRET ACKNOWLEDGEMENT	12
REFERENCE LIST.....	14
GENERAL REQUIREMENTS	15
SPECIFIC TERMS AND CONDITIONS	244
SCOPE OF WORK.....	255
COST PROPOSAL.....	288
AWARD CRITERIA	299

INTRODUCTION

The California Housing Worker's Compensation Authority (CHWCA) was created in 1991 and was formed as a joint powers authority to provide workers' compensation coverage within a pool and risk sharing agreement.

A Joint Powers Authority (JPA) is a viable alternative to commercial insurance because it generally provides a more comprehensive coverage program than regular commercial insurance companies offer and is not profit-driven. Benefits of a JPA include flexibility in determining coverage programs, risk control activities, funding levels, premium collection, and dividends. Additionally, members have greater control over claims and related costs and also experience more premium stability and less year-to-year rate fluctuations.

Accreditation

The California Housing Workers' Compensation Authority (CHWCA) has met all of the stringent professional standards established by the California Association of Joint Powers Authorities (CAJPA) in the areas of governance, finance, claims control, safety and loss prevention, excess coverage, and risk management. CAJPA's accreditation process requires reviews by independent consultants in all of the foregoing areas, including accounting, claims management, and actuarial analysis. CHWCA is proud to have received an "Accreditation with Excellence," the highest designation possible from the California Association of Joint Powers Authorities.

KEY DATES

RFP Issue Date:	February 8, 2019
Questions:	None Scheduled. Questions should be e-mailed to Julia Lew, Legal Counsel for CHWCA (jmlew@mkjw.com)
Deadline for Written or Fax Requests for Interpretations or Corrections of RFP:	February 15, 2019
RFP Closing Date:	March 1, 2019 at 5:00 P.M. to Julia M. Lew, CHWCA General Legal Counsel 4010 S. Demaree Street Visalia, CA 93277 (559)734-6729

Submit one (1) original, one (1) copy and one (1) electronic copy

ENGAGEMENT PROCESS

The following timetable outlines the anticipated conduct of the process:

RFP Published/Posted to CHWCA Website:	February 8, 2019
Deadline for Questions and Clarifications:	February 15, 2019
Questions and Responses Posted to CHWCA Website:	February 22, 2019
Deadline for Submission of Proposals:	March 1, 2019
Evaluation Completed and Finalist(s) Selected:	March 29, 2019
Contract Negotiations Completed:	April 12, 2019
Finalist Presentation(s) to Executive Committee /Approval:	TBD

CHWCA'S RESERVATION OF RIGHTS

Right to Revise

CHWCA shall reserve the right to, prior to award, revise, change, alter or amend any of the instructions, terms, conditions, and/or specifications identified within the RFP documents issued, within any attachment or drawing, or within any addenda issued; such notice shall be delivered in writing to each prospective and/or actual proposer. Such changes that are issued before the deadline for receipt of proposals shall be binding upon all prospective proposers. Such changes that are issued after the receipt of proposals, but prior to award shall be binding upon all parties that have submitted proposals; however, such parties shall be allowed to reject such changes by, within 5 days of receipt of such written notice, withdrawing his/her proposal. Such withdrawal must be delivered, in writing, to CHWCA within the 5-day deadline period.

Right to Reject, Waive, or Terminate the RFP

The Agency reserves the right, at any time during the proposal process, to reject any or all proposals, to waive any informality in the RFP process, or to terminate the RFP process at any time, if deemed by the Agency to be in its best interests. In the case of rejection of all proposals, CHWCA reserves the right to advertise for new proposals or to proceed to do the work otherwise, if in the judgment of CHWCA, the best interest of CHWCA will be promoted.

Right to Not Award

The Agency reserves the right not to award a contract pursuant to this RFP.

Right to Cancel

CHWCA reserves the right to, without any liability, cancel the award of any proposal(s) at any time before the execution of the contract documents by all parties.

Right to Terminate

The Agency reserves the right to terminate a contract awarded pursuant to this RFP, at any time for its convenience upon 10 days written notice to the successful proposer(s).

Right to Determine Time and Location

The Agency reserves the right to determine the days, hours and locations that the successful proposer(s) shall provide the services called for in this RFP.

Right to Retain Proposals

The Agency reserves the right to retain all proposals submitted and not permit withdrawal for a period of 60 days subsequent to the deadline for receiving proposals without the written consent of the Agency Contact Person (CF).

Right to Negotiate

The Agency reserves the right to negotiate the fees and any minor deviations from the prescribed terms, conditions and requirements with the selected Proposer. proposed by the proposer entity.

Actuarial Services Request for Proposal

Right to Reject Any Proposal

The Agency reserves the right to reject and not consider any proposal that does not meet the requirements of this RFP, including but not necessarily limited to incomplete proposals and/or proposals offering alternate or non-requested services.

No Obligation to Compensate

The Agency shall have no obligation to compensate any proposer for any costs incurred in responding to this RFP.

Right to Prohibit

The Agency shall reserve the right to at any time during the RFP or contract process to prohibit any further participation by a proposer or reject any proposal submitted that does not conform to any of the requirements detailed herein. By reviewing and agreeing to the terms in this document, each prospective proposer is thereby agreeing to abide by all terms and conditions listed within this document, and further agrees that he/she will inform the CF in writing within 5 days of the discovery of any item listed herein or of any item that is issued thereafter by the Agency that he/she feels needs to be addressed. Failure to abide by this time frame shall relieve the Agency, but not the prospective proposer, of any responsibility pertaining to such issue.

PROPOSAL CONTENT REQUIREMENTS

Proposers should submit their proposals in a binder (one that allows for easy removal of pages) with numbered and labeled index tabs separating the sections identified. Each page should be numbered. All prices and notations must be typed or written in ink. No erasures permitted. Errors may be crossed out, initialed and corrections printed in ink by person signing proposal.

Proposers shall also submit a PDF copy of their proposal on digital media (USB thumb drive or CD), enclosed with the hard copy submittal. Merely offering to meet the specifications is insufficient and will not be accepted. Each Proposer shall submit a complete proposal with all information requested. Supportive material may be attached as appendices. All pages, including the appendices, must be numbered.

REQUIRED FORMS: All required forms furnished by CHWCA as a part of the RFP document issued shall, as instructed, be fully completed and submitted by the proposer. Such forms may be completed in a legible hand-written fashion, by use of a typewriter, or may be downloaded and completed on a computer. If, during the download, a form becomes changed in any fashion, the proposer must "edit" the form back to its original form (for example, signature lines must appear on the page the line was originally intended to be on).

ISSUING AGENT/AUTHORIZED CONTACT: This RFP/RFQ has been issued by the California Housing Workers Compensation Authority (CHWCA). CHWCA shall be the Proposer's sole point of contact with regard to the RFP/RFQ, its content, and all issues concerning it.

All communication regarding this RFP/RFQ shall be directed to the authorized designated representative of CHWCA. The specific person managing this RFP/RFQ is identified on the cover page, along with his or her telephone number, and he or she should be the primary point of contact for discussions or information pertaining to the RFP/RFQ. Contact with any other CHWCA representative, including elected officials, for the purpose of discussing this RFP/RFQ, its content, or any other issue concerning it, is prohibited unless authorized by CHWCA. Violation of this clause, by the proposer having unauthorized contact (verbally or in writing) with such other CHWCA representatives, may constitute grounds for rejection by CHWCA of the Proposer's quotation.

The above stated restriction on proposer contact with CHWCA representatives shall apply until CHWCA has awarded a purchase order or contract to a Proposer or Proposers, except as follows. First, in the event that a Proposer initiates a formal protest against the RFP/RFQ, such Proposer may contact the appropriate individual, or individuals who are managing that protest as outlined in CHWCA's established protest procedures. All such contact must be in accordance with the sequence set forth under the protest procedures. Second, in the event a public hearing is scheduled before the Executive Committee to hear testimony prior to its approval of a purchase order or contract, any Proposer may address the Board.

Actuarial Services Request for Proposal

The content and sequence of the proposals will be as follows:

- I. PROPOSAL IDENTIFICATION SHEET (as provided)
- II. TRANSMITTAL LETTER: A one-page transmittal letter must be submitted on the firm's official business letterhead. The letter is to transmit the proposal and provide an introduction to the firm. The transmittal letter shall include the name, address and telephone number of the person or persons to be used for contact and who will be authorized to make representations for the Proposer. The transmittal letter must be signed by individual authorized to commit the consulting actuary to the scope of the work proposed at the price quoted in the firm's cost proposal.
 - A. Whether the Proposer is an individual, partnership or corporation shall also be stated. It will be signed by the individual, partner, or an officer or agent of the corporation authorized to bind the corporation, depending upon the legal nature of the Proposer. A corporation submitting a proposal may be required before the contract is finally awarded to furnish a certificate as to its corporate existence, and satisfactory evidence as to the officer or officers authorized to execute the contract on behalf of the corporation.
- III. TABLE OF CONTENTS
- IV. EXECUTIVE SUMMARY: The executive summary contains a condensed overview of the contents of each of the major sections of the proposal to provide members of the CHWCA Evaluation Team with a broad understanding of the entire proposal. The executive summary should begin with an overview of the firm's organization and prior experience, identify key employees who will serve CHWCA and their qualifications. It should also present highlights from the firm's Proposed Workplan and Detailed Cost Projection.
- V. CONFLICT OF INTEREST STATEMENT: The Contractor may become involved in situations where conflict of interest could occur due to individual or organizational activities that occur within CHWCA. In this section the Proposer should address the potential, if any, for conflict of interest and indicate plans, if applicable, to address potential conflict of interest. This section will be reviewed by CHWCA Legal Counsel for compliance with conflict of interest as part of the review process. The Contractor shall comply will all federal, state and local conflict of interest laws, statutes and regulations.
- VI. ACKNOWLEDGMENTS AND AFFIDAVIT:
 - A. Sign and return Trade Secrets Acknowledgement (form provided)
 - B. Sign and return Standard Instructions and Conditions Acknowledgement (form provided)
- VII. PROPOSER COMPANY DATA: This section should include:
 - A. The highlights of the firm's corporate resources, including total staff, organizational structure, financial stability, technical environment and details of previous experience. This section should include a description of the firm's experience with particular emphasis on work performed for other California worker's compensation authorities, associations, or pools. At a minimum, this description should include a

Actuarial Services Request for Proposal

- list of worker's compensation authorities, associations, or pools for which the firm currently provides actuarial services.
- B. Descriptions of professional and experience qualifications of the supervising and support actuaries who shall perform work under the resulting contract.
 - C. Any material (including letters of support or endorsement) indicative of the Proposer's capability.
 - D. A brief description of the Proposer's current operations, and ability to provide the services.
 - E. Reference List (form provided)
 - F. Describe any terminated contracts for services similar to Proposer's current proposal for the RFP and provide the following:
 - 1. Agency contracted with
 - 2. Date of original contract
 - 3. Reason for termination
 - 4. Contact person and telephone number for agency
 - G. Describe any pending lawsuits or legal actions against Proposer's organization:
 - 1. Location filed, name of court and docket number
 - 2. Nature of the lawsuit or legal action

Actuarial Services Request for Proposal

VIII. SCOPE OF WORK:

A. Proposers are to use this section to describe how their proposal meets each of CHWCA’s RFP Evaluation Factors (as follows):

No.	Max Point Value	Factor Description
1	15 points	The Proposed Costs submitted.
2	15 points	The proposer’s Demonstrated Understanding of the RFP Requirements.
3	15 points	The Quality of the Work Plan (including labor categories, estimated hours and skill mix).
4	25 points	The Quality of the Management Plan (including technical capabilities, staffing of key positions, use of equipment and/or materials, method of assigning work and procedures for maintaining the highest level of service, etc.).
5	25 points	The proposer’s Demonstrated Experience in performing similar work and the proposer’s Demonstrated Successful Past Performance (including meeting costs, schedules and performance requirements) of contract work substantially similar to that required by this solicitation as verified by reference checks or other means.
6	5 points	The Overall Quality and Professional Appearance of the Proposal , based upon the opinion of the evaluators.
Total	100 points	Total Points Possible(other than preference points)

B. When reports or other documentation are to be a part of the proposal a sample of each must be submitted. Reports should be both referenced in this section and submitted in a separate section entitled "REPORTS."

C. Include a description of the hardware and software used to perform the services required under this RFP.

IX. REPORTS: Samples of reports referenced in Scope of Work should be displayed in this section.

X. COST PROPOSAL: Quotations may be prepared in any manner to best demonstrate the worthiness of your proposal. Include rates for all services, materials, equipment, etc. to be provided under the proposal.

PROPOSAL IDENTIFICATION SHEET

RESPONDENT TO COMPLETE AND RETURN WITH PROPOSAL

Our proposal is attached and identified
as: _____

The undersigned agrees to furnish the service stipulated at the prices and terms stated in the cost proposal.

Work services will commence within _____ calendar days after signing of the final contract.

Company: _____

Address: _____

Zip: _____

Signed by: _____

Print Name

Print Title

() Telephone () Fax Number E-mail Address

Date: _____

TRADE SECRET ACKNOWLEDGEMENT

All proposals received by CHWCA shall be considered "Public Record" as defined by Section 6252 of the California Government Code. This definition reads as follows:

"...Public records" includes any writing containing information relating to the conduct of the public's business prepared, owned, used or retained by any state or local agency regardless of physical form or characteristics. "Public records" in the custody of, or maintained by, the Governor's office means any writing prepared on or after January 6, 1975."

Each proposal submitted is a Public Record and is therefore subject to inspection by the public per Section 6253 of the California Government Code. This section states that "every citizen has a right to inspect any public record".

CHWCA will not exclude any proposal or portion of a proposal from treatment as a public record except in the instance that it is submitted as a trade secret as defined by the California Government Code. Information submitted as proprietary, confidential or under any other such terms that might suggest restricted public access will not be excluded from treatment as public record.

"Trade secrets" as defined by Section 6254.7 of the California Government Code are deemed not to be public record. This section defines trade secrets as:

"...Trade secrets," as used in this section, may include, but are not limited to, any formula, plan, pattern, process, tool, mechanism, compound, procedure, production data, or compilation of information, which is not patented, which is known only to certain individuals within a commercial concern who are using it to fabricate, produce, or compound an article of trade or a service having commercial value and which gives its user an opportunity to obtain a business advantage over competitors who do not know or use it."

Information identified by Proposer as "trade secret" will be reviewed by CHWCA's legal counsel to determine conformance or non-conformance to this definition. Examples of material not considered to be trade secrets are pricing, cover letter, promotional materials, etc. Such material should be submitted in a separate binder not marked "Trade Secret".

CHWCA WILL MAKE REASONABLE EFFORTS THAT INFORMATION THAT IS PROPERLY IDENTIFIED AS TRADE SECRET AND CONFORMS TO THE ABOVE DEFINITION WILL NOT BE DISCLOSED.

Trade secrets must be submitted in a separate binder that is plainly marked "Trade Secrets."

CHWCA shall not in any way be liable or responsible for the disclosure of any proposals or portions thereof.

TRADE SECRET ACKNOWLEDGEMENT

I have read and understand the above "Trade Secret Acknowledgement."

I understand that CHWCA has no responsibility for protecting information submitted as a trade secret. All such material shall be delivered in a separate binder plainly marked "Trade Secret."

Enter company name on appropriate line:

_____ has submitted information identified as Trade
(Company Name) Secrets

_____ has **not** submitted information identified as Trade
(Company Name) Secrets

ACKNOWLEDGED BY:

_____ ()
Signature Telephone

Print Name and Title Date

Address

City State Zip

Firm: _____

REFERENCE LIST

Provide a list of at least five (5) customers for whom you have recently provided similar services (preferably California State or local government agencies). Be sure to include addresses and phone numbers.

Reference Name: _____ City: _____ State _____
Contact _____ Phone No.: () _____
Date: _____
Service Provided: _____

Reference Name: _____ City: _____ State _____
Contact _____ Phone No.: () _____
Date: _____
Service Provided: _____

Reference Name: _____ City: _____ State _____
Contact _____ Phone No.: () _____
Date: _____
Service Provided: _____

Reference Name: _____ City: _____ State _____
Contact _____ Phone No.: () _____
Date: _____
Service Provided: _____

Reference Name: _____ City: _____ State _____
Contact _____ Phone No.: () _____
Date: _____
Service Provided: _____

Failure to provide a list of at least three (3) customers may be cause for rejection of this RFP. Additional space is given to provide more.

GENERAL REQUIREMENTS

DEFINITIONS: The terms Proposer, Proposer, Contractor and Proposer are all used interchangeably and refer to that person, partnership, corporation, organization, agency, etc. which is offering the proposal and is identified on the "Provider" line of the Proposal Identification Sheet.

RFP CLARIFICATION AND REVISIONS: Any revisions to the RFP will be issued and distributed as written addenda.

FIRM PROPOSAL: All proposals shall remain firm for at least one hundred eighty (180) days.

PROPOSAL PREPARATION: Proposals should be submitted in the formats shown under "PROPOSAL CONTENT REQUIREMENTS" section of this RFP.

MANNER OF SUBMISSION: The proposal submittal shall be submitted in the manner detailed within the RFP document. Failure to submit the proposal in the manner specified may result in a premature opening of, post-opening of, or failure to open and consider that proposal, and may, at the discretion of the CO, eliminate that proposer from consideration for award.

TIME FOR RECEIVING PROPOSALS: Proposals received prior to the time set as the deadline for the receipt by CHWCA of the proposal submittal shall be securely kept, unopened, by CHWCA. CHWCA will decide when the specified time has arrived. No proposal received after the designated deadline shall be considered. Proposers are cautioned that any proposal submittal that may be time-stamped as being received by CHWCA after the exact time set as the deadline for the receiving of proposals shall be returned unopened to the proposer. Any such proposals inadvertently opened shall not be considered, but shall be ruled to be invalid. No responsibility will attach to CHWCA or any official or employee thereof, for the pre-opening of, or the failure to open a proposal not properly addressed and identified.

NO PUBLIC OPENING OF PROPOSALS: Pursuant to the competitive proposals or RFP process, proposals are not publicly opened, but are held secure until the submittal deadline has passed. The proposals are then opened in private and are examined for minimal responsiveness (i.e. minimum compliance with the requirements of the RFP). Persons other than CHWCA representatives involved in this process are not allowed to be present during the opening, nor may they inspect the proposals until after award has been completed.

PROPOSAL OPENING RESULTS: It is understood by all proposers/prospective proposers that the proposals received are not publicly opened and the results will typically not be a matter of public record until CHWCA has concluded all evaluations, has chosen a final top-rated proposer, has completed the award and is ready to issue such results. When CHWCA issues such notice, CHWCA will inform all proposers as to each proposers placement as a result of the evaluation (i.e. 1st, 2nd, 3rd, etc.), the total points each proposer was awarded as a result of the evaluation and the proposed costs submitted by each proposer. All proposal documents submitted by the proposers are not necessarily a matter of public record and as a matter of normal course, the proposals submitted by each proposer will not, until after award has been completed, be available to be viewed by any interested parties except as approved by CHWCA Legal Counsel (i.e. a proposer will not, prior to completion of award, be allowed to challenge an apparent top-rated proposer by inspecting the proposal that the apparent top-rated proposer submitted). CHWCA shall, however, upon request, verify that the proposal documents submitted are/were acceptable.

Actuarial Services Request for Proposal

SUPPORTIVE MATERIAL: Additional material may be submitted with the proposal as appendices. Any additional descriptive material that is used in support of any information in your proposal must be referenced by the appropriate paragraph(s) and page number(s).

Proposers are asked to submit their proposals in a binder (one that allows for easy removal of pages) with index tabs separating the sections identified in the Table of Contents. Pages must be numbered on the bottom of each page.

Any proposal attachments, documents, letters and materials submitted by the Proposer shall be binding and included as a part of the final contract should your proposal be selected.

TAXES: The quoted amount must include all applicable taxes. If taxes are not specifically identified in the proposal it will be assumed that they are included in the total quoted.

SALES TAX: CHWCA pays CA State Sales Tax regardless of Proposer's place of business.

INTERPRETATION OF RFP: Proposers must make careful examination of the requirements, specifications and conditions expressed in the RFP and fully inform themselves as to the quality and character of services required. If any person planning to submit a proposal finds discrepancies in or omissions from the RFP or has any doubt as to the true meaning or interpretation, correction thereof may be requested in writing (email acceptable) from CHWCA by 5:00 p.m. on February 15, 2019. Any change in the RFP will be made only by written addendum, duly issued by CHWCA on its website by February 22, 2019 at 5:00 p.m. CHWCA will not be responsible for any other explanations or interpretations. No official oral interpretation can be made to any proposer as to the meaning of any instruction, condition, specifications drawing (if any), or any other document issued pertaining to this RFP. Any official addenda shall become part of the RFP documents and the proposed contract with the successful proposer, and all proposers shall be bound by such addenda, whether or not received by the prospective or successful proposer(s).

RETENTION: CHWCA reserves the right to retain all proposals, excluding proprietary documentation submitted per the instructions of this RFP, regardless of which response is selected.

ORAL PRESENTATIONS: Each finalist may be required to make an oral presentation in Sacramento and answer questions from CHWCA personnel and the Executive Committee after RFP evaluation is completed.

AWARD/REJECTION: The award will be made to the Proposer offering the overall proposal deemed to be to the best advantage of CHWCA. CHWCA shall be the sole judge in making such determination. CHWCA reserves the right to reject any and all proposals. The lowest Proposers are not arbitrarily the Proposers whose proposals will be selected.

CHWCA representatives will conduct initial evaluations and contract negotiations.

Final evaluation of finalists and award will require approval by the Executive Committee.

ASSIGNMENTS: The ensuing proposed contract will provide that the Proposer may not assign any payment or portions of payments without prior written consent of CHWCA.

PROPOSERS LIABILITIES: CHWCA will not be held liable for any cost incurred by Proposers in responding to the RFP.

Actuarial Services Request for Proposal

CONFIDENTIALITY: Proposers shall not disclose information about CHWCA's business or business practices and safeguard confidential data which Proposer staff may have access to in the course of system implementation.

DISPUTE RESOLUTION: The ensuing contract shall be governed by the laws of the State of California.

Any claim which cannot be amicably settled without court action will be litigated in the U. S. District Court for the Eastern District of California in Sacramento, CA or in a state court for Sacramento County.

NEWS RELEASE: Proposers shall not issue any news releases or otherwise release information to any third party about this RFP or the Proposer's quotation without prior written approval from CHWCA.

BACKGROUND REVIEW: To the fullest extent permitted by law, CHWCA reserves the right to conduct a background inquiry of each Proposer which may include collection of appropriate criminal history information, contractual and business associations and practices, employment histories and reputation in the business community. By submitting a proposal to CHWCA, the Proposer consents to such an inquiry and agrees to make available to CHWCA such books and records CHWCA deems necessary to conduct the inquiry.

PERFORMANCE BOND: The successful Proposer may be required to furnish a faithful performance bond.

EXCEPTIONS: Identify with explanation, any terms, conditions, or stipulations of the RFP with which you *CAN NOT* or *WILL NOT* comply with by proposal group.

CONFLICT OF INTEREST: CHWCA shall not contract with, and shall reject any proposal or proposal submitted by any proposer who has a legally impermissible conflict of interest pursuant to applicable law.

POST-SEPARATION EMPLOYMENT PROHIBITED: No officer of CHWCA who separates from CHWCA service shall for a period of one-year after separation enter into any employment, contract, or other compensation arrangement with any CHWCA consultant, proposer, or other CHWCA provider of goods, materials, or services, where the officer or employee participated in any part of the decision making process that led to CHWCA relationship with the consultant, proposer or other CHWCA provider of goods, materials or services.

EVALUATION CRITERIA: Respondents will be evaluated on the basis of their responses to all questions and requirements in this RFP, product and service costs, and how respondents are rated on the evaluation factors listed in the Proposal Content Requirements section, IX. Scope of Work. CHWCA shall be the sole judge in the ranking process and reserves the right to reject any or all proposals. False, incomplete or unresponsive statements in connection with this proposal may be sufficient cause for its rejection.

EQUAL EMPLOYMENT OPPORTUNITY / SUPPLIER DIVERSITY

Consistent with Presidential Orders 11625, 12138, and 12432, the Agency shall make every effort to ensure that small businesses, MBEs, WBEs, and labor surplus area businesses participate in Agency contracting.

Actuarial Services Request for Proposal

CHWCA is encouraged to establish goals by which they can measure the effectiveness of their efforts in implementing programs in support of . . . contracting with disadvantaged firms. It is important to ensure that the means used to establish these goals do not have the effect of limiting competition and should not be used as mandatory set-aside or quota, except as may otherwise be expressly authorized in regulation or statute. Some localities have adopted minority contracting set-aside policies or geographic limitations, which may be in conflict with Federal requirements for full and open competition.

SELECTION PROCESS: All proposals will be evaluated by a team consisting of representatives from appropriate CHWCA committees and professional advisors, where appropriate. It will be their responsibility to make the finalist recommendations to the Executive Committee.

Organizations that submit a proposal may be required to make an oral presentation to the Executive Committee. These presentations provide an opportunity for the individual, agency, or organization to clarify its proposal to ensure thorough, mutual understanding.

CHWCA does not discriminate on the basis of race, religion, sex, sexual orientation, national origin, marital status, age, physical handicap or ownership by women or minorities, or any other legally protected classification.

The successful proposer shall be determined by the top-rated responsive and responsible proposer as determined by the evaluation process detailed within the RFP document issued, provided his/her proposal is reasonable, he/she is able to deliver the specified items in a timely manner and it is, in the opinion of CHWCA, to the best interests of CHWCA to accept the proposal. All proposers will be notified in a timely manner of the results of the evaluation after award has been completed.

BURDEN OF PROOF: If requested by CHWCA, it shall be the responsibility of the proposer(s) to furnish CHWCA with sufficient data or physical samples, within a specified time, so that CHWCA may determine if the goods or services offered conform to the Specifications.

RFP PROTESTS: Protests must be submitted in writing within seven (7) working days after staff's notification of proposed finalists recommendation. Protests should be submitted to Julia Lew, General Legal Counsel for CHWCA by email at jmlew@mkjw.com. Protests should address only areas regarding RFP contradictions, procurement errors, quotation rating discrepancies, legality of procurement context, conflict of interest, and inappropriate or unfair competitive procurement grievance regarding the RFP process. A valid protest shall not address mere disagreement with the proposed recommendation. Only proposers who submitted proposals may submit a protest.

The CHWCA designee will provide a written response to the protest within seven (7) working days unless the complainant is notified more time is required.

INDEPENDENT CONTRACTOR: In performance of the work, duties, and obligations assumed by Contractor under any ensuing Agreement, it is mutually understood and agreed that Contractor, including any and all of Contractor's officers, agents, and employees will at all times be acting and performing as an independent contractor, and shall act in an independent capacity and not as an officer, agent, servant, employee, joint venturer, partner, or associate of CHWCA. Furthermore, CHWCA shall have no right to control, supervise, or direct the manner or method by which Contractor shall perform its work and function. However, CHWCA shall retain the right to administer this Agreement so as to verify that Contractor is performing its obligations in

Actuarial Services Request for Proposal

accordance with the terms and conditions thereof. Contractor and CHWCA shall comply with all applicable provisions of law and the rules and regulations, if any, of governmental authorities having jurisdiction over matters the subject thereof.

Because of its status as an independent contractor, Contractor shall have absolutely no right to employment rights and benefits available to CHWCA employees. Contractor shall be solely liable and responsible for providing to, or on behalf of, its employees all legally required employee benefits. In addition, Contractor shall be solely responsible and save CHWCA harmless from all matters relating to payment of Contractor's employees, including compliance with Social Security, withholding, and all other regulations governing such matters. It is acknowledged that during the term of the Agreement, Contractor may be providing services to others unrelated to CHWCA or to the Agreement.

SUBCONTRACTORS: Unless otherwise stated within the RFP documents, the successful proposer may not use any subcontractors to accomplish any portion of the services described within the RFP documents or the contract without the prior written permission of the CO.

HOLD HARMLESS/INDEMNIFICATION CLAUSE: To the fullest extent permitted by law, Contractor agrees to indemnify, save, hold harmless and at CHWCA's request, defend CHWCA, its directors, officers, agents and employees, consultants and affiliates from any and all costs and expenses, damages, liabilities, claims and losses, save and except costs and expenses, damages, liabilities, claims and/or losses arising through the active negligence or intentional misconduct or omission of CHWCA, occurring or resulting to CHWCA in connection with the performance, or failure to perform, by Contractor, its officers, agents or employees under this Agreement and from any and all costs and expenses, damages, liabilities, claims and losses occurring or resulting to any person, firm or corporation who may be injured or damaged by the performance, or failure to perform, of Contractor, its officers, agents or employees under this Agreement.

OFFICIAL, AGENT AND EMPLOYEES OF CHWCA NOT PERSONALLY LIABLE: It is agreed by and between the parties hereto that in no event shall any official, officer, employee, or agent of CHWCA in any way be personally liable or responsible for any covenant or agreement herein contained whether expressed or implied, nor for any statement, representation or warranty made herein or in any connection with this agreement.

PRICE RESPONSIBILITY: The selected Proposer will be required to assume full responsibility for all services and activities offered in the proposal, whether or not they are provided directly. Further, CHWCA will consider the selected Proposer to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the contract. The Contractor may not subcontract or transfer the contract, or any right or obligation arising out of the contract, without first having obtained the express written consent of CHWCA.

NON-ESCALATION: Unless otherwise specified within the RFP documents, the unit prices reflected on the contract shall remain firm with no provision for price increases during the term of the contract.

ADDRESSES AND TELEPHONE NUMBERS: The Proposer will provide the business address and mailing address, if different, as well as the telephone number of the individual signing the contract.

ASSURANCES: Any contract awarded under this RFP must be carried out in full compliance with The Civil Rights Act of 1964, The Americans With Disabilities Act of 1990, their subsequent

Actuarial Services Request for Proposal

amendments, and any and all other laws protecting the rights of individuals and agencies. CHWCA has a zero tolerance for discrimination, implied or expressed, and wants to ensure that policy continues under this RFP. The Contractor must also guarantee that services, or workmanship, provided will be performed in compliance with all applicable local, state, or federal laws and regulations pertinent to the types of services, or project, of the nature required under this RFP. In addition, the Contractor may be required to provide evidence substantiating that their employees have the necessary skills and training to perform the required services or work.

INSURANCE: Without limiting CHWCA's right to obtain indemnification from Contractor or any third parties, Contractor, at its sole expense, shall maintain in full force and effect the following insurance policies throughout the term of the Agreement:

A. Commercial General Liability

Contractor shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than two million dollars (\$2,000,000) per occurrence for bodily injury, personal injury, and property damage. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit. A combination of a general liability policy and excess liability policies may be utilized to achieve these limits. Contractor's general liability policies shall be primary and shall not seek contribution from the City's coverage, and be endorsed using Insurance Services Office form CG 20 10 to provide that City and its officers, officials, employees, and agents shall be additional insureds under such policies. An endorsement providing completed operations to the additional insured, ISO form CG 20 37, is also required.

B. Automobile Liability

Contractor shall provide auto liability coverage for owned, non-owned, and hired autos using ISO Business Auto Coverage form CA 00 01, or the exact equivalent, with a limit of no less than two million dollars (\$2,000,000) per accident.

C. Professional Liability

If Contractor employs licensed professional staff, (e.g., Ph.D., R.N., L.C.S.W., M.F.C.C.) in providing services, Professional Liability Insurance with limits of not less than Two Million Dollars (\$2,000,000.00) per occurrence, 2Million Dollars (\$2,000,000.00) annual aggregate.

This coverage shall be issued on a per claim basis. Contractor agrees that it shall maintain, at its sole expense, in full force and effect for a period of three (3) years following the termination of this Agreement, one or more policies of professional liability insurance with limits of coverage as specified herein.

D. Worker's Compensation

Contractor shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance with limits of at least one million dollars (\$1,000,000). Contractor shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of City, its officers, agents, employees, and volunteers.

Contractor shall obtain endorsements to the Commercial General Liability insurance naming CHWCA, its officers, agents, and employees, individually and collectively, as additional insured, but only insofar as the operations under this Agreement are concerned. Such coverage for

Actuarial Services Request for Proposal

additional insured shall apply as primary insurance and any other insurance, or self-insurance, maintained by CHWCA, its officers, agents and employees shall be excess only and not contributing with insurance provided under Contractor's policies herein. This insurance shall not be cancelled or changed without a minimum of thirty (30) days advance written notice given to CHWCA.

Within Thirty (30) days from the date Contractor executes an Agreement with CHWCA, Contractor shall provide certificates of insurance and endorsement as stated above for all of the foregoing policies, as required herein, to CHWCA, stating that such insurance coverages have been obtained and are in full force; that CHWCA, its officers, agents and employees will not be responsible for any premiums on the policies; that such Commercial General Liability insurance names CHWCA, its officers, agents and employees, individually and collectively, as additional insured, but only insofar as the operations under this Agreement are concerned; that such coverage for additional insured shall apply as primary insurance and any other insurance, or self-insurance, maintained by CHWCA, its officers, agents and employees, shall be excess only and not contributing with insurance provided under Contractor's policies herein; and that this insurance shall not be cancelled or changed without a minimum of thirty (30) days advance, written notice given to CHWCA.

In the event Contractor fails to keep in effect at all times insurance coverage as herein provided, CHWCA may, in addition to other remedies it may have, suspend or terminate this Agreement upon the occurrence of such event.

All policies shall be with admitted insurers licensed to do business in the State of California. Insurance purchased shall be purchased from companies possessing a current A.M. Best, Inc. rating of A FSC VII or better.

AUDITS AND INSPECTIONS: The Contractor shall at any time during business hours, and as often as CHWCA may deem necessary, make available to CHWCA for examination all of its records and data and respect to the matters covered by this Agreement. The Contractor shall, upon request by CHWCA, permit CHWCA to audit and inspect all of such records and data necessary to ensure Contractor's compliance with the terms of this Agreement.

If this Agreement exceeds Ten Thousand and No/100 dollars (\$10,000.00), Contractor shall be subject to the examination and audit of the Auditor General for a period of three (3) years after final payment under contract (Government Code Section 8546.7).

CHWCA will not be held liable for any cost incurred by Proposers in responding to this RFP.

DEFAULT: In case of default by the selected Proposer, CHWCA may procure materials and services from another source and may recover the loss occasioned thereby from any unpaid balance due the selected Proposer, or by any other legal means available to CHWCA.

BREACH OF CONTRACT: In the event of breach of contract by either party, the other party shall be relieved of its obligations under this Agreement and may pursue any legal remedies.

SAMPLE CONTRACT: Submitted as a part of Proposer's response to the RFP, shall be a sample of the contract he is proposing with CHWCA. The tentative award of the contract is based on successful negotiation pending formal recommendation of award. Proposer is to include in response the names and titles of officials authorized to conduct such negotiations.

Actuarial Services Request for Proposal

CONFIDENTIALITY: All services performed by Proposer shall be in strict conformance with all applicable Federal, State of California and/or local laws and regulations relating to confidentiality, including but not limited to, California Civil Code, California Welfare and Institutions Code, Health and Safety Code, California Code of Regulations, Code of Federal Regulations.

Proposer shall submit to CHWCA's monitoring of said compliance.

Proposer may be a Business associate of CHWCA, as that term is defined in the "Privacy Rule" enacted by the Health Insurance Portability and Accountability Act of 1996 (HIPAA). As a HIPAA Business Associate, Proposer may use or disclose protected health information ("PHI") to perform functions, activities or services for or on behalf of CHWCA, as specified by CHWCA, provided that such use or disclosure shall not violate HIPAA and its implementing regulations. The uses and disclosures of PHI may not be more expansive than those applicable to CHWCA, as the "Covered Entity" under HIPAA'S Privacy Rule, except as authorized for management, administrative or legal responsibilities of the Business Associate.

Proposer shall not use or further disclose PHI other than as permitted or required by CHWCA, or as required by law without written notice to CHWCA.

Proposer shall ensure that any agent, including any subcontractor, to which Proposer provides PHI received from, or created or received by the Proposer on behalf of CHWCA, shall comply with the same restrictions and conditions with respect to such information.

WORK ON CHWCA PROPERTY: If the successful proposer's work under the contract involves operations by the successful proposer on CHWCA premises, the successful proposer shall take all necessary precautions to prevent the occurrence of any injury to persons or property during the progress of such work and, except to the extent that any such injury is caused solely and directly by CHWCA's negligence, shall indemnify CHWCA, and their officers, agents, servants and employees against all loss which may result in any way from any act or omission of the successful proposer, its agents, employees, or subcontractors.

ATTORNEY'S FEES: In the event that litigation is commenced by one party hereto against the other in connection with the enforcement of any provision of this agreement, the prevailing party shall be paid by the losing party all court costs and other expenses of such litigation, including attorneys' fees, in a reasonable amount, to be determined by the court. The amount so allowed as attorneys' fees shall be taxed to the losing party as costs of the suit, unless prohibited by law.

SEVERABILITY: If any provision of this agreement or any portion or provision hereof applicable to any particular situation or circumstance is held valid, the remainder of this agreement or the remainder of such provision (as the case may be), and the application thereof to other situations or circumstances shall not be affected thereby.

WAIVER OF BREACH: A waiver of either party of any terms or condition of this agreement in any instance shall not be deemed or construed as a waiver of such term or condition for the future, or of any subsequent breach thereof. All remedies, rights, undertakings, obligations, and agreements contained in this agreement shall be cumulative and none of them shall be in limitation of any other remedy, right, obligation or agreement of either party.

TIME OF THE ESSENCE: Time is of the essence under this agreement as to each provision in which time of performance is a factor.

Actuarial Services Request for Proposal

LIMITATION OF LIABILITY: In no event shall CHWCA be liable to the successful proposer for any indirect, incidental, consequential or exemplary damages.

SPECIFIC TERMS AND CONDITIONS

ISSUING AGENT: This RFP has been issued by CHWCA. CHWCA shall be the Proposer's sole point of contact with regard to the RFP, its content, and all issues concerning it.

AUTHORIZED CONTACT: All communication regarding this RFP shall be directed to an authorized representative of CHWCA. The specific buyer managing this RFP is identified on the cover page, along with his or her telephone number, and he or she should be the primary point of contact for discussions or information pertaining to the RFP. Contact with any other CHWCA representative, including elected officials, for the purpose of discussing this RFP, its content, or any other issue concerning it, is prohibited unless authorized by CHWCA. Violation of this clause, by the Proposer having unauthorized contact (verbally or in writing) with such other CHWCA representatives, may constitute grounds for rejection by CHWCA of the Proposer's quotation.

The above stated restriction on Proposer contact with CHWCA representatives shall apply until CHWCA has awarded a purchase order or contract to a Proposer or Proposers, except as follows. First, in the event that a Proposer initiates a formal protest against the RFP, such Proposer may contact the appropriate individual, or individuals who are managing that protest as outlined in CHWCA's established protest procedures. All such contact must be in accordance with the sequence set forth under the protest procedures. Second, in the event a public hearing is scheduled before the Executive Committee to hear testimony prior to its approval of a purchase order or contract, any Proposer may address the Board.

NUMBER OF COPIES: Submit **one (1) original, one (1) copy, and one (1) electronic copy** of your proposal no later than the proposal acceptance date and time as stated on the front of this document to CHWCA. The cover page of each document is to be appropriately marked "Original" or "Copy".

REVIEW: All proposals will be evaluated by the CHWCA designee(s) and may consist of additional CHWCA representatives and professional advisors. The designee(s) will recommend a finalist or finalists from the pool of submissions for the Executive Committee's review, depending on the number of responses received.

The proposals will be evaluated in a multi-stage selection process. Some proposals may be eliminated or set aside after an initial review. If a proposal does not respond adequately to the RFP or the Proposer is deemed unsuitable or incapable of delivering services, the proposal may be eliminated from consideration. Suitable Proposers will then be ranked and the top proposer will be presented to the Executive Committee. It will be the CO's responsibility to rank the Proposers and make a recommendation to the Executive Committee.

CONTRACT TERM: It is CHWCA's intent to contract with the successful Proposer for 5 one year term contracts with the option to renew for additional 1 year periods. CHWCA will retain the right to terminate the Agreement upon giving thirty (30) days advance written notification to the Contractor.

SCOPE OF WORK

The goal of this RFP is to evaluate and select an actuarial firm who will serve as consulting actuary to the CHWCA Authority Board of Directors and Executive Committee, and its Administrator (or appointed designee) for a period of 5 years commencing with the Actuarial Report for the fiscal year ended June 30, 2020, the annual GASB 10 Report, and if directed by CHWCA an Experience Study. The firm awarded the resulting contract will provide various actuarial services which include consultation and advisory services, valuation services, experience analysis, and other general duties.

The consulting actuary shall perform tasks which include, but shall not be limited to, the following:

A. General Duties:

1. Load and reconcile all the data from the CHWCA database(s). Consulting actuary shall obtain the claims, payroll, and excess insurance data from CHWCA's Administrator, York Risk Services Group.

2. Treat all member information as confidential. The consulting actuary is expected to treat as confidential all member information as it applies to all data created, gathered, generated or acquired with the contract.

3. Seek written consent prior to public release of information resulting from the engagement. With respect to any publicity given to the actuarial services provided under terms of the resulting contract, the consulting actuary shall identify CHWCA as the sponsoring agency and shall not release any information without prior approval of the Administrator of the association or appointed designee, and as supported by CHWCA. This information includes, but is not limited to, press releases, research, and reports.

4. Communicate directly to the Administrator (or appointed designee). CHWCA expects the consulting actuary to route all requests, reports and all other communication in connection with this contract through the Administrator of the association or appointed designee.

5. Document ideas and issues raised in discussions and meetings. All price quotations for extended services, final reports, correspondence regarding actuarial assumptions and other technical issues must be reviewed, approved, and signed by the consulting actuary.

6. Perform all services within the scope of the contract under the direct supervision of a qualified actuary. An approved actuary must be regularly engaged in the business of providing actuarial services and have at least 10 years of experience with major public employee workers compensation authority, association or pool, and/or designation as a Fellow in the Society of Actuaries. CHWCA reserves the right to reject the firm's choice of a consulting actuary and may terminate the contract if a consulting actuary, acceptable to the CHWCA Executive Committee, cannot be made available by the firm.

B. Consultation and Advisory Services:

1. Provide actuarial consultation and advisory services. These services may be delivered in meetings or by telephone calls and written correspondence. CHWCA expects these

Actuarial Services Request for Proposal

services may include public testimony to committees and board on any technical, policy, legal or administrative problems arising during the course of operation of the Authority. The consulting actuary should be readily accessible to CHWCA's Administrator by telephone within one working day and will be available for meetings within five (5) working days of a request. CHWCA expects the consulting actuary to attend a minimum of 1 Executive Committee meeting per contract year, including one meeting to review the annual actuarial valuation. CHWCA also expects the consulting actuary to be available for educational discussions with the Executive Committee and/or CHWCA employees. The consulting actuary must have the ability to discuss actuarial theory and other matters in laymen's terms.

2. Actuarial Analysis/Report. The consulting actuary shall perform an annual actuarial analysis of the program and produce a written report explaining the analysis and conclusions, addressing the following areas:

- a. Estimated Liability. Consulting actuary will estimate CHWCA's liability for unpaid losses as of December 31, 2019 (and each year of the contract term thereafter).
- b. Future Loss Costs. Consulting actuary shall provide projection of losses expected to be incurred during the year beginning January 1, 2020 and each year of the contract term thereafter. This information shall be provided in terms of a self-funding rate per \$100 of payroll. Consulting actuary shall provide an unlimited loss rate and rates for self-insured retentions of \$500,000, \$750,000, and \$1,000,000.
- c. Discounting. The estimates for items (a) and (b) above shall be provided on a discounted basis and on an undiscounted (nominal) basis. The discounted estimates take anticipated interest income into account as an offset to the future claims costs.
- d. Funding levels. Consulting actuary shall set forth the recommended funding to cover the liability for unpaid losses and to cover claims expected to be incurred during the Program Year 2020 and each year thereafter of the contract term (items (a) and (b) above). Consulting actuary shall estimate the funding levels required to provide 60%, 70%, 75%, 80%, and 90% confidence levels, unless other funding levels are specified by CHWCA.
- e. Cash Flow Projection. Consulting actuary shall provide projections of the claims expenditures for 2020 and each year thereafter of the contract term.
- f. Class Rates. Consulting actuary shall provide class rates for the class codes 8542, 8810, and 9033.
- g. Perform annual actuarial valuations. The resulting valuation reports must contain detailed explanations of any significant changes in actuarial losses or gains because of deviations from expected experience.

3. Recommend possible improvements in CHWCA's financing and benefit structure. Throughout the duration of the contract, the consulting actuary will inform CHWCA of any new developments in the industry and their effect on the financing and benefit structure of a worker's compensation authority. The consulting actuary should keep the Executive Committee and the Administrator of CHWCA apprised of current trends and advancements within the actuarial profession.

4. Assist CHWCA in implementing new legislation or proposed changes to existing laws which govern the authority. Furthermore, the consulting actuary should assist CHWCA in developing strategies for resolving any policy or administrative problems associated with implementing new legislation.

Actuarial Services Request for Proposal

5. Keep CHWCA informed of any new developments or changes in federal legislation and/or tax regulations regarding financing, benefits, vesting, fiduciary responsibility or disclosure. CHWCA also expects the consulting actuary to assist CHWCA in interpreting and implementing federal law appropriately.

6. Assist in establishing actuarial specifications for CHWCA's data files. CHWCA would like the consulting actuary to provide feedback, if requested, on the proposed form and content of the data files and if necessary, make suggestions for system modifications to ensure that the full range of data needed for performing actuarial valuations and reviewing experience studies is maintained.

7. Assist with preparation of Asset Liability Study (if requested). In conjunction with CHWCA's Investment Consultant, an Asset Liability Study may be prepared at least one time during the contract period.

COST PROPOSAL

[Enter your proposed costs here (fixed and hourly pricing for services)]

AWARD CRITERIA

COST

- A. As submitted under the "COST PROPOSAL" section.

CAPABILITY AND QUALIFICATIONS

- A. Does the service description address all the areas identified in the RFP? Will the proposed services satisfy CHWCA's needs and to what degree?
- B. Does the Proposer demonstrate knowledge or awareness of the problems associated with providing the services proposed and knowledge of laws, regulations, statutes and effective operating principles required to provide this service?
- C. The amount of demonstrated experience in providing the services desired in a California workers compensation insurance authority, association or pool.