

FORT SMITH AIRPORT COMMISSION
REQUEST FOR PROPOSAL
INSURANCE BROKERAGE SERVICES

The Fort Smith Airport Commission hereinafter referred to as "the Commission", seeks proposals in response to this Request for Proposals (RFP) from experienced and qualified firms to provide broker-of-record insurance services for the marketing and placement of the Airport Commission's insurance program. Current coverages include property, airport and general liability, commercial automobile, inland marine, workers' compensation, and public officials' liability. The proposal should detail the firm's conceptual approach to managing the Commission's account and providing both insurance placement and advisory services as further defined herein.

At this time, the Commission requests information about your firm and its capabilities. Your response to questions and the services you can provide will be used for this purpose.

You are not authorized to approach insurers on the Commission's behalf. Approaching insurers at this time will be grounds for disqualifying your firm from further consideration.

The selection committee will select two or three firms for interview. A schedule for this process is provided.

SUBMISSIONS

All submissions shall consist of an original, three (3) paper copies, and one (1) electronic copy in Adobe PDF format. All copies must be signed (original in ink) by one or more company officials authorized to obligate and bind their organization to all aspects of the submitted proposal.

NOTIFICATION OF REVISIONS

The Commission reserves the right to revise this RFP. In the event revisions are deemed necessary to enable adequate interpretation or make corrections to this document, an attempt will be made to notify all known prospective proposers; however, it is the responsibility of each offeror to ascertain that each copy contains all issued addenda. Failure to do so may disqualify the proposal from consideration.

CONTRACT TERMS

At the time of the award by the Commission, the apparent successful proposer must have agreed to a contract representing the understandings between the parties as to terms and conditions which will govern the relationship and establish the obligations of each party for performance of the agreement. The proposer shall be aware that the contents of the successful proposal will become a part of the subsequent contractual documents. Unless specifically excluded by mutual agreement, the contract will incorporate by reference the Airport's RFP documents and the successful proposal and supporting submittals.

Commission may cancel the contract at any time for breach of contractual obligations by providing the contractor with a written notice of such cancellation. Should the Commission exercise its right to cancel the contract for such reasons, the cancellation shall become effective on the date as specified in the notice of cancellation sent to the contractor.

This RFP does not commit the Commission to award a contract, to pay any costs incurred in the preparation of a proposal in response to this request, or to procure or contract for services or supplies. Commission reserves the right to accept or reject, in part or in its entirety, any proposal received as a result of this RFP. Further, the Commission reserves the right to waive any provision of this RFP if it is the best interest of the Airport to do so.

RESPONSIBILITY OF PRIME CONTRACTOR

The prime contractor shall be completely responsible for all contract services required and performed. Any planned use of subcontractors must be clearly documented in the proposal.

APPLICABLE LAW

The contract shall be construed according to the laws of the State of Arkansas. The contractor shall comply with all local, state and federal laws and regulations related to the performance of the contract to the extent the same may be applicable.

DISPOSITION OF PROPOSALS

All proposals become the property of the Commission and will be a matter of public record. If the proposal contains material considered by the offeror to be confidential under Arkansas law, the offeror should so designate the material.

TERM OF CONTRACT

The term of any resultant contract shall be for three (3) years and may be renewed for successive one-year periods, upon mutual agreement in writing of both parties. The Commission shall have the right to terminate the contract at any time, provided written notice is given by certified mail 180 days in advance of the date of termination.

INQUIRY

Inquiries concerning this RFP should be addressed to:

Michael Griffin, Airport Director
Fort Smith Regional Airport
6700 McKennon Blvd. Suite 200
Fort Smith, AR 72903
Phone: 479.452.7000 x50
Fax: 479.452.7008
michael@fortsmithairport.com

It is expressly understood that any written inquiries and responses thereto shall become a part of this RFP. Specific inquiries must be submitted in writing at the request of the Commission.

COVERAGE INFORMATION

Information on the current coverages purchased is provided in Exhibit I to assist you in preparing your proposal.

BROKER SERVICES REQUIRED

The Commission's insurance broker will be expected to provide a number of services. Your response to the proposal should include information on your capabilities in providing desired services. Any limitation on your ability to provide the services requested or additional services you would recommend should be noted. Services are expected to include the following:

1. Insurance Marketing
 - a. Provide unbiased information on the most advantageous insurance markets in terms of cost, service, coverage, and security.
 - b. Prepare a market analysis and forecast by insurance line prior to each renewal.
 - c. Assist in the gathering and preparation of materials, specifications and underwriting data required by insurers. This includes development of property values, payrolls, locations and operations to be insured.
 - d. Market all required insurance coverages.
 - e. Verify the accuracy and adequacy of all policies, endorsements, and invoices prior to delivery.
 - f. Keep abreast of changes in risk exposure and advise of appropriate management strategy.
 - g. Conduct periodic evaluations of insurance program and make written recommendations.

2. Claims
 - a. Assist in obtaining settlements from insurers for loss. Respond to inquiries from Commission and insurers regarding claims. If requested, the successful broker-of-record will be required to act on behalf of the Commission in resolving any claim disputes.
 - b. Act as liaison between Commission and adjusters.
 - c. Annually obtain an updated loss history for each insurance policy placed. Loss histories should include a five-year history for each coverage line.

3. General Service
 - a. Issue binders, certificates of insurance and other coverage verification as required.
 - b. Prepare and present a formal annual report to Airport Management. This report will describe your past year's activities, future plans, and goals for reducing costs.
 - c. Meet with designated Commission officials as requested.
 - d. Obtain answers to coverage questions from insurers.
 - e. Respond to questions from designated Airport officials.
 - f. Upon request, review airport tenant insurance policies required by lease agreements.
 - g. Prepare a schedule of all insurance in force and update as required.

BROKER QUALIFICATIONS

This section of the conceptual proposal includes questions that will allow the Airport to evaluate broker capabilities and learn more about your firm. Please respond to each question listed below.

1. State the name and address of your firm, and the name, address, phone number and title of the person(s) authorized to negotiate contract terms and render binding decisions on contract matters.
2. Describe the structure and ownership of your firm. Is your firm owned or operated by a parent company? If so, please identify the parent and their primary line of business.
3. State how long has your company been in business.
4. Provide professional biographies of the members of your account service team which would service the Commission's account and include specific clients serviced.
5. State the staff size and location of the office(s) that would service Airport coverages.
6. Describe your overall experience with providing brokerage services to airports and/or public entities.
7. Provide the name and telephone number of three references. Preferred references include airports or other government agencies.
8. Describe your firm's ability to assist the Commission in proving a difficult property or liability claim to insurers.
9. Describe what you will do to keep abreast of the Airport's loss exposures.
10. Describe how you determine the financial stability of insurers and any minimum standard required.
11. The preference of the airport has been to compensate an insurance broker on a fee basis. Please provide the basis upon which a fee would be determined for your firm. In addition, based on the information provided in this request, indicate the fee level you recommend for your firm.

CONCEPTUAL APPROACH

Describe any changes to the current insurance program structure that you believe the Commission should consider. These changes might include consolidating coverages, different deductibles, different limits, or new coverages. In describing programs, please address any features that may be particularly attractive to the Commission. This could include the use of particular insurers, coverage forms or rating programs.

Provide a thorough description of the program or alternatives you believe the Commission should consider. If practical, provide a program diagram or revised insurance schedule. A schedule of current policies is provided. (See Exhibit I.)

INSURANCE COMPANIES

List the insurers (showing the complete name of each) that you would like to approach for providing coverage. This list should represent your order of preference for insurers you believe would be most interested in the Commission's account.

For each insurer, be sure to identify the managing general agent or surplus lines broker which you would use. Also, list the current Best's rating and indicate whether the insurer is admitted in the State of Arkansas.

YOU ARE NOT AUTHORIZED TO APPROACH ANY INSURERS, MANAGING GENERAL AGENTS OR SURPLUS LINES BROKERS AT THIS TIME. DOING SO WILL BE GROUNDS FOR DISQUALIFYING YOUR FIRM FROM FURTHER CONSIDERATION.

PROPOSAL EVALUATION FACTORS

Proposals will be evaluated by Airport Management and the Fort Smith Airport Commission. Factors to be considered in evaluating proposals include:

1. Concept of proposed program, including responsiveness to terms and conditions, completeness, and thoroughness of documentation.
2. Experience of the firm with similar placements.
3. Quality and completeness of written proposal.
4. Evidence of good organization and management practices.
5. Adequacy and technical depth of personnel assigned to the account.
6. Total cost of the program over the contract period.

Not all factors will carry the same weight. The Commission may consider other factors it deems important in the selection process.

EXHIBIT I
Current Coverage

	Coverage Information	Deductible	Notes
Commercial Property w/ Commercial Inland Marine	\$20.1M Bldg \$1.85M Contents \$2M Bus. Income \$3.6M Equip	2%/\$50,000 wind & hail;\$50,000 earthquake & flood; \$25,000 other	Includes Boiler & Machinery; Accounts Receivable; Valuable Papers; Fine Arts; Broad Flood & Earthquake; 3 Fire Trucks
Commercial Auto	\$1M CSL \$1M Uninsured	\$1,000 comp/coll	Total 9 vehicles (\$275,500 value)
Workers Compensation	\$700,000 Budgeted Salaries +		WCI statutory, ELI \$1M Current classifications are clerical & aircraft-air carrier no flying
Airport Liability	\$5M	1,000 for hangarkeepers	Current coverage is \$5M; only \$2M per occurrence is required. Also includes hangarkeepers liability, personal & advertising injury; medical expenses; damage to rental property.
Public Officials Liability	\$2M Aggregate	\$5,000 D&O & \$10,000 Employee Practices	Also includes employment practices

The information in this document gives a general overview of coverages, which could change before next policy renewal.

All policies renew November 1.

The airport is required to provide aircraft rescue and fire fighting (ARFF) services. The airport provides the ARFF facilities/fire station and equipment and the Arkansas Air National Guard provides the manpower.

Three fire trucks are included in equipment.