



Board Report 24-14

Date: March 5, 2024

To: Board of Deferred Compensation Administration

From: Staff

Subject: Request for Proposal – Fiduciary Liability Insurance

Board of Deferred Compensation Administration
Thomas Moutes <i>Chair</i>
Neil Guglielmo <i>Vice-Chair</i>
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Recommendation:

That the Board approve and authorize the issuance of a Request for Proposal (RFP) for broker services to procure fiduciary liability insurance for the Board of Deferred Compensation Administration.

Background:

At the Board of Deferred Compensation Administration's Special Meeting held on November 4, 2023, the Board requested staff provide a status on the consideration of fiduciary liability insurance. Staff provided further updates to the Board on December 19, 2023, finding that the Board approved of proceeding with next steps in procuring fiduciary liability insurance. As those acting as fiduciaries, the Board expressed interest in Side A or Directors & Officers coverage to provide necessary protection as well as greater incentive and protection for elected representatives to run for the Board.

Fiduciary Liability Insurance RFP Discussion:

A. RFP Contents

The purpose of the RFP will be to obtain proposals from qualified brokers that will assist the Board in identifying and procuring the appropriate fiduciary liability insurance or Directors & Officers coverage. The RFP incorporates the following provisions:

- Plan Profile & Scope of Services – To provide detailed information to the proposer community regarding the DCP and service requirements.
- Contract Term and Option to Renew – For a three year term with two options to renew for one year.
- Proposal Questionnaire – The proposal questionnaire will request information in narrative and/or data driven formats to provide scope of experience and expertise and proposed fees. The questionnaire will further be the tool by which the City will compare

and assess, qualitatively and quantitatively, each proposer’s services and capabilities (additional information related to evaluation of proposals in subsequent section).

- City Standard Provisions – To identify the City’s general contracting requirements that will be applicable to this contract at time of proposal and upon contract negotiation.

B. RFP Evaluation

1. Level One Evaluation – City Contract Compliance Documents Review

Proposals will be reviewed to determine completeness of required documentation and compliance with the City’s general contracting requirements. Proposers that fail to submit or complete required documentation and/or satisfactorily comply with the City’s requirements may be deemed as non-responsive, eliminated from further consideration, and not proceed to the Level Two evaluation process. In some cases, a grace period may be established to allow all Proposers a second-chance submission period for missing or incomplete required documentation (informalities/irregularities). Failure to meet the second-chance grace period deadline will result in the proposal being deemed non-responsive.

2. Level Two Evaluation – Proposal Evaluation

A Proposal Evaluation Committee will be assembled to evaluate and score the proposals according to preset evaluation criteria, in order to generate recommendations for selection to the Board. Evaluation of proposals will be based on the following categories and the weights associated with each factor, subject to adjustments upon finalization of the RFP:

EVALUATION FACTOR	% OF TOTAL
ORGANIZATIONAL STRENGTH AND RELIABILITY	
Background	15%
Financial Strength	
Business Continuity	
Regulatory and Contractual Actions	
ORGANIZATIONAL QUALIFICATIONS	
Organizational Experience	15%
Qualifications of Key Proposer Personnel	
Client References	
SERVICES	
Experience & Expertise	50%
FEES AND GUARANTEES	
Fee models and cost with best overall value to the City	20%
Performance and/or quality assurance guarantees	
TOTAL	100%

3. Selection of Proposer

The Proposer with the highest score, based on the RFP evaluation criteria, and who also satisfies all City contracting requirements will be recommended for selection to the Board. Selection is not restricted to the lowest cost offer or bid. Should contract negotiations not be successful with the initially selected Proposer, the City may, based on its exclusive discretion, negotiate with the next most qualified Proposer.

C. Procurement Schedule

The tentative timeline for the RFP and procurement is as follows:

Month(s)	Action	Status
March 2024	Board review and approval to release RFP	Scheduled March 5, 2024
Late March 2024	Release RFP	Upcoming
Late April/May 2024	Proposals due	Upcoming
June 2024	Review and scoring of proposals	Upcoming
July/August 2024	Board consideration of recommendation	Upcoming
Upon contract approval	Commencement of services	Upcoming

Submitted by: Esther Chang, Defined Contribution Plan Manager