

**ADDENDUM #1
TO SPEC. 07-035**

**REQUEST FOR PROPOSAL FOR
INSURANCE BROKERAGE SERVICES**

Addendum #1 to Spec. 07-035 for Insurance Brokerage Services, bids to be opened on Wednesday, January 24, 2007 at 12:00 noon.

Please note the following questions received and our responses:

- 1. Please disclose a breakdown of current premiums being paid by line of coverage.**

Answer: The total "Property Budget" for insurance and self-insurance for FY 2006-2007 is \$508,756. The total "Liability & Miscellaneous Insurance Charges" for insurance and self-insurance in FY 2006-07 is \$4,596,563. Additional information will be made available to the successful proposer.

- 2. Please disclose the current fee being paid to the incumbent broker.**

Answer: The current fee paid is a flat fee of less than \$43,500 per year.

- 3. Section 2., Scope of Work, item 2.1.3, indicates one of the minimum requirements of the selected broker would be to "Identify programs, products and insurers capable of meeting the City's insurance needs and prepare specifications for markets capable of quoting for upcoming renewals." Later in section 2., item 2.2, Optional Services, items 2.2.2; 2.2.3; 2.2.3.1 and 2.2.4 refer to services such as "...approach appropriate markets on behalf of the City...", "provide a minimum of at least three competitive quotes...", "present...an evaluation of the results...", and "negotiate...with selected carriers and audit resulting policies and rates for accuracy of coverage, terms and conditions..." These Optional Services appear to contradict the minimum required scope of services as requested in item 2.1.3. The previously mentioned Optional Services typically are standard services that should be provided by a broker as part of a broker's core services. Please clarify.**

Answer: The City of Lincoln expects that the scope of items 2.1.3, 2.2.2, 2.2.3, 2.2.3.1 & 2.2.4 will all be completed during the City's regular annual insurance review, negotiation and purchase of insurance.

4. **Can the City provide clarification as to the format the City wishes to receive proposals. Section 3. provides one such format. Later in the RFP section 10. outlines a different Proposal Content outline. In addition there is an Insurance Broker Questionnaire requesting similar information. In an effort to be as concise as possible, please clarify if there is a specific format to be followed.**

Answer Section 3 under the instructions lists the general items to include in the RFP response. The specific items to respond to are covered under Section 10 of the RFP. The insurance broker questionnaire should also be attached to the RFP response. If responses are duplicated, please refer to the questionnaire if the answer is provided there.

All other terms and conditions to remain unchanged.

Dated this 10th day of January, 2007.

Purchasing Department

Vince M. Mejer
Purchasing Agent

VM:dw