

**COUNTY OF MILWAUKEE**  
**Inter-Office Communication**

Date: April 26, 2013

To: Supervisor Willie Johnson Jr., Co-chair, Committee on Finance, Personnel & Audit  
Supervisor David Cullen, Co-Chair, Committee on Finance, Personnel & Audit

From: Cindy VanPelt, Risk Manager

Subject: Review of Request for Proposal Evaluation Process (File no.12-984) response  
(Informational Report)

**Background**

In accordance with the Amended Resolution File No. 12-984 this report is given to the Committee on Finance, Personnel and Audit. This report responds to the request for information as to the process that will be used to evaluate insurance proposals for 2014. This report includes any proposed policy changes on how claims processing and litigation oversight should be handled, including a detailed cost breakdown of estimated new county expenses if these functions are handled in house.

**Review and Update of Process**

Milwaukee County's current insurance coverage for public entity liability uses a third party administrator for claims handling and loss control services. This practice will remain unchanged. Third party administration will be included as part of the RFP. Costs and services associated with this task will be requested from all proposers. This will result in no new approaches to claims management.

There will be no change in the litigation of general liability claims. The established current practice will remain unchanged. This will result in no new approaches to general liability claims management and no additional county expenses.

As there are no changes proposed, related to claims or litigation, there is no detailed cost breakdown available.

Risk management anticipates releasing an RFP for acquisition of 2014 Insurance Coverage in July.

The RFP process will be used to convey information needed to potential bidders to determine their interest in participating in the solicitation and to offer a complete proposal; to describe the scope of services needed by Milwaukee County; provide detailed requirements and specifications related to acquisition and roles of each party; to specify aspects of acquisition that are mandatory, optional or desirable; provide a timeline and communicate evaluation criteria.

Risk Management is also in receipt of an Inter-Office Communication dated December 20, 2012 from Scott B. Manske related to his review of the 2013 RFP process.

This communication outlined five primary concerns:

- 1.) 'New approach to both claims and litigation coverage'. This concern will be eliminated in the 2014 acquisition, as no change in these processes will be proposed or requested from proposers.
- 2.) Cost 'proposals are not directly comparable'. Responses to the request will be comparable as the RFP will contain detailed requirements and specifications. There will be an effort to provide reasonable analysis and valuation for incorporating 'dividends' in net cost evaluation as well as cost of funding the deductible at inception of the policy.
- 3.) 'The scoring for cost for coverage'. The cost component scoring will be addressed through establishment of scoring methodology consistent with best business practices and "past county practices".
- 4.) 'Scoring methodology' (Technical Scoring) In 2014 requests will provide for an individual and independent evaluation, by evaluator, based upon technical information provided in submitted proposal(s) against the predetermined criteria as outlined in RFP.
- 5.) 'Disadvantaged Business Enterprise'. Scoring on a pass/fail basis and CBDP involvement will be resolved by use and process identified in Chapter 42.06.

Corporation counsel has advised that after the RFP evaluation is completed and any appeals of the 'intent to award' decision are completed, that Risk Management will give the Committee on Finance, Personnel and Audit a memo summarizing the RFP, the timeline and process, the services that were requested and are recommended, the general composition of the evaluation panel, the evaluation methods and scoring criteria, a summary of the scoring and cost proposals, the justification for selecting the recommended contractor and services, DBE involvement and any budget or fiscal effects.



Cindy VanPelt  
Risk Manager

cc: Chris Abele, Milwaukee County Executive  
Amber Moreen, Chief of Staff, Milwaukee County Executive  
Don Tyler, Director, Department of Administrative Services  
Josh Fudge, Interim Fiscal & Budget Administrator  
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