

May 30, 2023

Mark J. Stempler
Becker & Poliakoff
625 N. Flagler Drive, 7th Floor
West Palm Beach, FL 33401

Via Email: MStempler@beckerlawyers.com

Dear Mr. Stempler:

This letter is a formal written response to the Bid Protest ("Protest") submitted by your office on behalf of Risk Management Associates, Inc. ("RMA") on May 10, 2023 regarding [RFP-060-23-WV](#) for Insurance Broker Services ("RFP") that was issued by the [City of Hollywood](#) ("City"). The Protest was reviewed in accordance with Section [38.52](#) of the City's [Code of Ordinances](#) ("Code"), after which, the Protest Committee ("Committee") determined that the Protest is without merit. Therefore, the award to the top ranked firm, Aon shall proceed forthwith pursuant to Section 38.52(D), City Code.

Upon receipt of the Protest and determination by the City Attorney that the protest was filed timely and legally sufficient, a Committee consisting of three members was appointed by the City Manager and counselled by the City Attorney. The Committee was chaired by [David E. Keller](#) (Director, Financial Services), and included [Adam Reichbach](#) (Assistant City Manager, Finance and Administration) and [Tami Thornton](#) (Assistant Director, Human Resources) as members. The Committee was provided access to the Protest and RFP files for review in order to settle and resolve the protest, which concluded with a ruling on the matter during a Committee meeting on May 24, 2023.

To resolve the Protest, the Committee consider the following factors:

- Two alternative scoring scenarios were completed and analyzed, which included:
 - Revised scoring of the **Proposers' Fee Schedule** scoring criteria based on a formula (*lowest price / proposed price x 20 points*), which resulted in RMA maintaining its rank as #2 (See [Scenario A](#) below).
 - Revised scoring with the removal of the **Proposers' Fee Schedule** scoring criteria and all points awarded thereunder, which resulted in RMA maintaining its rank as #2 (See [Scenario B](#) below).
- The RFP was published on March 14, 2023, with the **Proposers' Fee Schedule** scoring criteria and point value (20 points) included, which was not based on a formula, and did not receive any protests or disputes throughout the entire solicitation process until after a Notice of Intent to Award was issued on May 2, 2023. The City previously issued an RFP for these services in March 2019 (See [Attachment 4](#)) using the same evaluation criteria, which did not receive any protests or disputes.

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- There is no legal requirement that the **Proposers' Fee Schedule** scoring criteria or any cost related criteria within an RFP for Insurance Broker Services be based on a formula.
- Four RFPs for Insurance Broker Services were identified and reviewed from other governments throughout the country that had a fee/cost criteria that was not based on a formula (See Attachment 5).
- The type, quality, and level of services proposed by the six respondents to the RFP varied and were not considered an apples-to-apples comparison, hence the **Proposers' Fee Schedule** scoring criteria was evaluated from a qualitative standpoint based on the value of what was proposed by each respondent.

Scenario A - Proposers' Fee Schedule scoring criteria based on a formula.

Insurance Broker Services (RFP-060-23-WV) Evaluation Form	Alliant Insurance Services, Inc.	Aon	Arthur J. Gallagher Risk Management Services, LLC	MCGRUFF	Risk Management Associates, Inc.	RSC Insurance Brokerage, Inc.
RANK (Ordinal Number)						
Azita Behmardi	81.50	83.90	82.70	100.00	86.40	85.40
Raelin Storey	72.50	79.90	76.70	88.00	80.40	77.40
Stacy Myers	68.50	84.90	67.70	95.00	86.40	80.40
Tammie L. Hechler	80.50	84.90	45.70	66.00	82.40	75.40
Tanya Bouloy	74.50	84.90	76.70	91.00	83.40	83.40
Gross Score	377.50	418.50	349.50	440.00	419.00	402.00
Firm Average Score	75.50	83.70	69.90	88.00	83.80	80.40
Firm Final Ranking	5	3	6	1	2	4
Fee Proposed (Maximum 20 points)	<u>\$37,000.00</u> \$300,000.00	<u>\$37,000.00</u> \$151,875.00	<u>\$37,000.00</u> \$85,000.00	<u>\$37,000.00</u> \$37,000.00	<u>\$37,000.00</u> \$115,000.00	<u>\$37,000.00</u> \$100,000.00
Calculation: $\text{Lowest Fee Price} = \text{Total} \times 20 \text{ points}$ Firm's Fee Price						
Price Proposal	\$300,000.00	\$151,875.00	\$85,000.00	\$37,000.00	\$115,000.00	\$100,000.00
Total Score for Proposed Fees'	2.5	4.872427984	8.7	20.0	6.4	7.4

Scenario B - Proposers' Fee Schedule scoring criteria removed/eliminated.

Insurance Broker Services (RFP-060-23-WV) Evaluation Form	Alliant Insurance Services, Inc.	Aon	Arthur J. Gallagher Risk Management Services, LLC	MCGRUFF	Risk Management Associates, Inc.	RSC Insurance Brokerage, Inc.
RANK (Ordinal Number)						
Azita Behmardi	79	79	74	80	80	78
Raelin Storey	70	75	68	68	74	70
Stacy Myers	66	80	59	75	80	73
Tammie L. Hechler	78	80	37	46	76	68
Tanya Bouloy	72	80	68	71	77	76
Gross Score	365	394	306	340	387	365
Firm Average Score	73	79	61	68	77	73
Firm Final Ranking	3	1	6	5	2	3

After reviewing the Protest and RFP documents in their entirety, analyzing the factors above, and taking other relevant issues into consideration, the Committee made a final determination that the protest is without merit. Therefore, the Final Scores and Ranks for RFP 060-23-WV (*See Attachment 3*) shall remain and the City shall proceed with the Notice of Intent to Award (*See Attachment 6*) that was posted on May 2, 2023 for the RFP.

Please contact me at (954) 921-3628 if you have any questions or require any further assistance.

Very truly yours,

Steve Stewart

Steve Stewart
Director/CPO, Office of Procurement and Contract Compliance

Attachments:

1. Bid Protest
2. RFP 060-23-WV (Insurance Broker Services)
3. Final Scores and Ranks (RFP 060-23-WV)
4. RFP 4606-19-AP (Previous RFP for Insurance Broker Services)
5. Four Sample RFPs Without a Formula for Cost
6. Notice of Intent to Award