

**Housing Authority of the City of Pittsburgh
RFP/RFQ#650-42-11
Workers Compensation Insurance Program**

*Workers' Compensation
Insurance Specifications*

for the year starting January 1, 2012

Proposals Due:

Tuesday, November 15, 2011 at 10:00 a.m.

To be delivered to:

**Will McDanel, Director of Procurement
Housing Authority of the City of Pittsburgh
100 Ross Street, 2nd Floor
Pittsburgh, PA 15219**

TABLE OF CONTENTS

INSTRUCTIONS FOR PROPOSAL	2
GENERAL INFORMATION	3
SUMMARY OF OPERATIONS	4
WORKERS' COMPENSATION	11
EXHIBITS	12

Exhibits downloadable as a separate electronic file

Exhibit I - Engineering/Loss Control Attendees Form

Exhibit II – Financial Information

Exhibit III – Loss Information

Exhibit IV – Safety Program Accomplishments & Sample Minutes

Exhibit V – General Underwriting Information

Exhibit VI – Workers' Compensation Supplemental Application

Exhibit VII – Payroll Exposure & History

INSTRUCTIONS FOR PROPOSAL

Important Dates

Loss Control Date (10 am) **November 9, 2011**
Loss Control Form Due (Exhibit I) *November 8, 2011*

Proposals Due to HACP by 10 am: **November 15, 2011**

**deadlines are subject to extension at HACP discretion and will be communicated as an addendum to this solicitation.

Your Proposals are to include the following items

- Specimen contracts for all coverages quoted.
- Premium determination details including any rating plan agreements.
- The most recent A.M. Best Report on all insuring companies.
 - ⇒ Suggested Policyholder Rating: **A- or Better**
 - ⇒ Suggested Policyholder Surplus: **100 million or more (Class VIII)**
- A description of Loss Control and Claims services that your agency and the insurance company will provide.
- Details of any mandatory loss control recommendations.
- A Certificate of Insurance evidencing your Errors & Omissions insurance.
- Any declination letters received.
- The Housing Authority of the City of Pittsburgh reserves the right to reject any and all proposals.

Other Information

- Your proposal will be evaluated based on the following criteria:
 - ⇒ Financial stability of the insuring company (25% of total evaluation score)
 - ⇒ Coverages provided (25% of total evaluation score)
 - ⇒ Services provided by the agent/broker and insurance company (25% of total evaluation score)
 - ⇒ Premiums (25% of total evaluation score)

- Inquiries should be directed in writing to both :

Will McDanel, Director of Procurement
Housing Authority City of Pittsburgh
100 Ross Street, 2nd Floor
Pittsburgh, PA 15219
Phone: (412)-456-5116 ext1
Fax: (412)-456-5007
E-mail: will.mcdanel@hacp.org

Mr. Gerald L. Raabe, CPCU, ARM
Baily Raabe & Associates
602 Evans City Road, Suite 103
Butler, PA 16001
Phone: (724) 482-9244
Fax: (724) 482-9244
E-mail: jerry@bailyraabe.com

GENERAL INFORMATION

Named Insured: Housing Authority of the City of Pittsburgh
(See Manuscript Endorsements -
Broadened Named Insured)

Mailing Address: 200 Ross St., 9th Floor
Pittsburgh, PA 15219

Phone Number: (412) 456-5015

Facsimile Number: (412) 456-5175

Insurance Contacts: Gerald L. Raabe, CPCU, ARM
Baily Raabe & Associates - (412) 429-3304 x34

Clair Ann Fitzgerald – General Counsel
Edward Mauk – Chief Financial Officer
Keava B. Jones – HR Director
Linda May - Benefits Manager
Mike Jonota – Pest Control (Safety Committee)

FEIN: 25-6001768

SIC: 9531

Fiscal Year: 1/1

Accountant: MaherDuessel

Legal Counsel: Cohen & Grigsby

Banking: PNC

Current Carriers:

Coverage	Expires	Carriers
Workers' Compensation	1/1/12	Synergy Comp Ins. Co.

SUMMARY OF OPERATIONS

The Housing Authority of the City of Pittsburgh (HACP) is a municipal corporation, formed under the United States Housing Act of 1937, charged with providing decent, affordable housing for low-income persons.

The Authority is governed by a seven-member Board of Directors which establishes goals, approves policy and budgets, and provides general direction to the HACP Executive Staff.

HACP provides publicly assisted housing comprised of traditional public housing, scattered sites and Housing Choice Vouchers (Section 8). We currently house more than 20,000 Pittsburghers, manage more than 4,000 public housing units, and provide oversight of management on an additional 900 mixed-finance units.

More than half of our residents live in Section 8 housing located throughout the City of Pittsburgh. HACP provides Section 8 residents with a voucher to be used toward their rent; however, private landlords manage the properties.

Our facilities are conveniently located throughout Pittsburgh, with public and senior housing communities located in each region of the city.

HACP's purpose is to develop and make available affordable, safe housing and help families achieve the independence they strive for. A brighter future is always within reach thanks to the commitment of HACP.

Our administrative offices are located in downtown Pittsburgh at the Civic Building, 200 Ross St., Pittsburgh, PA, 15219. We occupy five floors within the building and are open Monday - Friday 8:00 a.m. to 5:00 p.m. The main telephone number is 412-456-5000.

History

Beginnings

On August 26, 1937, following the signing of the U.S. Housing Act, the City Council of Pittsburgh created the Pittsburgh Housing Authority. The Act was intended to provide for the elimination of unsafe and unsanitary housing conditions, the eradication of slums, and the provision of decent, safe and sanitary dwellings for families of low income. The Pittsburgh Housing Authority was the first in Pennsylvania and one of the first in the nation.

HACP's first action, the development of Bedford Dwellings, was approved by President Franklin D. Roosevelt, in 1938. Over the next two years the Authority cleared 19 acres of slums along a

hillcrest overlooking the Allegheny River to create the 420 apartments of Bedford Dwellings. On July 15, 1940, the first HACP tenant moved into an apartment on Bedford Avenue. In that same year, on Oct. 9, 1940, President Roosevelt dedicated Addison Terrace, in front of a crowd of nearly 30,000 Pittsburghers.

From 1939 to 1944, in spite of massive social, financial and human problems, a total of seven housing developments were constructed: Bedford Dwellings, Addison Terrace, Allequippa Terrace, Arlington Heights, Allegheny Dwellings, Glen Hazel Heights and Broadhead Manor. These developments, however, were not sufficient to keep up with the growing need for housing. This was partly due to two of the developments, Broadhead Manor and Glen Hazel Heights, being designated as war housing during World War II.

After the war, life began to return to normal, and in 1949 HACP built two more communities, Bedford Addition and St. Clair Village. As public housing facilities grew in the City of Pittsburgh, so did the activities provided for the residents of the communities. Programs were implemented by the Red Cross, Carnegie Library, the Board of Education, and Parks and Recreation. Residents also participated in sports, arts and crafts, social clubs, carnivals and parties.

Changing Times

In the late 1960s, a new era in public housing began with the purchase of the first Scattered Site homes for leasing to eligible low-income families. Our Scattered Site homes are located throughout various economically diverse Pittsburgh neighborhoods. The program was intended to find new and better alternatives to traditional publicly subsidized housing; giving low-income families the opportunity to live among people of various economic standings.

During this period, the country was in the midst of civil unrest, crime was on the increase, and these societal events were reflected in HACP's communities. In 1974, in response to these trends, HACP created an adjunct security force, substantially reducing criminal activity in our communities. Due to this success, the security force became part of the regular HACP staff, and officially became a police department. This department was discontinued in 2007 and HACP now utilizes contracted security services and the City of Pittsburgh Police Department. In this same time period, HACP constructed twelve new, predominantly high-rise, developments. Additionally, due to its poor condition, Glen Hazel Heights was demolished and rebuilt in 1974-75. In the mid 1970s, two major Congressional acts occurred that directly impacted HACP. With passage of the 1973 Rehabilitation Act, handicapped-accessible units were mandated as part of the services provided. Then in 1976 the Section 8 program went into effect, which enabled tenants to rent from a private landlord, with rental assistance administered by HACP.

Senior Housing

In 1977, HACP began to focus more on the quality of housing being provided, and the quality of life of its tenants. In particular, HACP began outreach to the elderly population. For example, our senior citizen's lives were enhanced with bus transportation, refurbished dining areas, flower planting, and other activities.

In the 1980s, senior citizens high rises were built and two schools were rehabilitated to provide senior housing. The historic Morse School, a South Side landmark, was restored and expanded to

create seventy new apartments. It was the first time any housing authority had converted a landmark on the National Register of Historic Places into public housing. Also during this decade, the former Lee School became Gualtieri Manor, a 31-apartment, four-story senior citizens home.

Recent Times

The 1990s was a decade of change for HACP, with a major internal reorganization of the authority. The Maintenance Department changed to a zone system of operations, and instituted the use of sophisticated computer technology that significantly improved resident services. The Occupancy Department instituted a Home Selection program giving applicants freedom of choice, marking the first time any public housing authority had enabled applicants to choose where they wanted to live.

HACP renovated and demolished many of its older communities. Ten of Bidwell's row homes and fifteen of Manchester's Scattered Site row homes were demolished to make way for new town homes. Aliquippa Terrace and Bedford Dwellings underwent an aggressive reconfiguration and redesign, including the addition of resident programs and job opportunities services.

The changes haven't stopped there. With new executive management, HACP has been reinvigorated and is moving rapidly to realize its vision of being the highest quality provider of affordable housing in the City of Pittsburgh.

Departments

The services provided to residents and the overall administration of HACP are conducted by professionals within various departments of the Authority.

Communications

The Community Affairs Department serves as HACP's information liaison with the media, public, residents and HACP staff. The department strives to highlight the many positive aspects of public housing, while challenging the myths and misconceptions with which it is often associated.

The department develops press information, annual reports, quarterly news magazines, marketing pieces, as well as informational brochures, publications, and video and slide presentations, along with the creative makeup of our commercials for television and radio, print, and bus advertising.

The Community Affairs Department is also responsible for coordinating special programs and projects, such as the highly acclaimed Clean Slate Drug Free Program, the Senior Awareness Series and the Scholarship Program.

Development

The Development and Modernization Department is responsible for developing plans, identifying resources and implementing capital improvements, as well as managing public and/or private partnership opportunities to assure the value, effective use and proper management of our real estate assets. Programs managed by this department include: major rehabilitation of infrastructures and facilities, demolition and site development.

Development and Modernization manages the non-routine repairs and upgrade of HACP buildings and property by engaging contracted architects and qualified construction companies. Examples of work managed by the department include roof replacements, internal or external structure corrections and major mechanical replacement contracts, as well as redesign of interior facilities to preserve the life and usefulness of our facilities.

Working with private sector developers, the department manages the demolition of old, and development of new housing neighborhoods, establishing mixed income environments.

Once contracts are awarded, Development and Modernization manages these agreements, monitoring progress and authorizing payments. The department is also responsible for identifying and competing for funding in support of HACP programming objectives.

Finance

The Finance Department consists of two divisions, Accounting and Budgeting. The department oversees a budget in excess of \$100 million, derived from more than 30 different capital, grant and operational funding sources.

Throughout the year, the department reviews, evaluates and analyzes the activities of the individual departments to ensure that expenditures adhere to budgets. The department records all HACP business transactions and monitors HACP's financial activities, while producing approximately 50,000 checks per year for payroll, accounts payable and Section 8 subsidy payments.

Human Resources

The Human Resources Department is responsible for all employment related activities including benefits administration, hiring and separation activities, workers' compensation and safety programs, labor relations administration, internal training, employee file maintenance and policy implementation. The department serves HACP's administration and its departments, and provides services directly to employees.

Legal

The Legal Department is responsible for representing HACP in a variety of administrative and civil litigation matters.

The department's goal is to protect the interests of HACP and promote up front consultations to avoid litigation. Practice areas include tenant-landlord matters, construction contract compliance and administration, human resources and employment law issues, liability claims, statutory and regulatory compliance, real estate development, and a myriad of other fields.

Reporting to the General Counsel, an experienced staff of attorneys attends meetings, hearings and trials, and prepares legal documents on behalf of HACP. Their most valued role, however, is serving as counselors to HACP staff to assure legally correct policies and practices.

The Legal Department also has administrative responsibility for contract and procurement management, and processing of legal documentation.

Facilities Services

The Facilities Services Department conducts inspections, performs repairs, and assures our units are clean, mechanically safe, and ready for residents. This guarantees HACP homes meet our comprehensive standards of quality.

The department maintains over 100 acres and 6,000 apartments in almost 30 sites throughout the City. This responsibility requires the department to be able to respond to any routine maintenance needs a homeowner might encounter.

Facilities Services is staffed by over 200 trade people, laborers and administrative personnel, whose commitment to customer service is highlighted by their response to over 60,000 service calls each year. The department also utilizes specialty workers, such as the cabinet shop, the fire restoration crew, and the preventive maintenance team in order to assure health and safety concerns are addressed to maintain HACP's quality standards.

Occupancy

The Occupancy Department is the first point of contact for prospective tenants and is responsible for processing applications for both the Low-income Housing Program, and for our Section 8 Housing Program.

The Occupancy Department staff assists applicants in understanding the different housing programs and the eligibility criteria for each.

They also have administrative responsibility for collecting and evaluating housing applications to assure compliance with government regulations and Housing Authority policies that govern our tenant selection process.

Once applicants are determined to be eligible for our programs, the Occupancy Department invites them to "Come on Home," an event hosted by staff and designed to market available apartments in our public housing communities and at scattered sites throughout the City of Pittsburgh. Both an educational and fun event, "Come on Home" includes tours of available housing units and is quite successful in matching applicants with housing.

Section 8

The Section 8 Department administers the Housing Choice Voucher Program, which provides a rental subsidy to low-income individuals and families. Through the program, tenants may pay 30-40 percent of their net monthly income to a private landlord, with the remainder of the rent covered by HACP.

Eligible program applicants attend a briefing session and are issued a voucher. The tenant then must locate a unit, either inside or outside the City of Pittsburgh, that meets HACP rental and inspection requirements. If the unit requested is qualified, a contract is made between HACP and the landlord, and then the tenant signs a lease with a landlord for at least one year.

The Section 8 department has administrative responsibility for annual recertification of tenants and annual Housing Quality Standards (HQS) inspections. Participating landlords are assured HACP will send them a portion or all of each month's rent, depending on the household income of the tenant.

Resident Self-Sufficiency

The Resident Self-Sufficiency Department is responsible for providing supportive service coordination and case management programming for our residents.

The RSS staff is responsible for identifying community needs and gaps in service delivery, as well developing relationships that benefit the residents participating in our housing programs. Members of the staff are knowledgeable of local service providers and programs that serve targeted populations. Staff evaluates the effectiveness of service providers and often serves as a conduit between residents and supportive service organizations.

The department also provides case management to residents participating in both our conventional and Section 8 assisted housing programs. A major goal of the department is to facilitate self-sufficiency and create homeownership opportunities. In addition, the staff in this department has administrative responsibility for coordinating tenant council elections, hosting seasonal galas, and identifying and implementing educational and recreational programs designed to enrich the lives of residents regardless of age.

Some of the regular programs delivered to residents through this department include "Sparkle," a volunteer effort designed to assure that senior citizens are remembered and receive gifts during the holiday season; a flower awards program that encourages beautification of outdoor high rise surroundings and healthy competition for participants; HIV/AIDS programming that promotes healthy life styles; and sports programs designed to keep youth active in healthy past times.

Public Safety

The Public Safety Department serves as the liaison between the Housing Authority and the local law enforcement agencies. The department deals with all public safety issues relating to LIPH, Scattered Sites and Section 8 Properties.

This department is dedicated to enhancing the quality of life for all public housing residents. The Public Safety Staff take a grassroots approach to community safety, by forging a partnership with residents, community activist and other law enforcement agencies.

Safety

HACP maintains a safety committee and due to a technicality (a delayed meeting due to lack of a quorum) has been denied by the Department of Labor & Industry. A copy of a couple years of committee accomplishments and a sample meeting minutes are included in the Exhibit section. Additionally, HACP engages the services of Compliance Management International (Montgomeryville, PA) for safety consulting services. The consultant assigned to HACP has over 25 years of professional experience in occupational health & safety. The firm attends safety meetings, develops and promotes safety training and educational materials, develop safe operating procedures, provide summary reports, and advice on various safety and health issues that arise during the contract period.

WORKERS' COMPENSATION

Coverage/Limits

Workers' Compensation	Statutory
Employer's Liability	
BI by Accident – each accident	\$1,000,000
BI by Disease – each employee	\$1,000,000
BI by Disease – policy limit	\$1,000,000

Deductibles None

Extensions/Endorsements

No Minimum Premium (except per PCRB manual)
ALAE to be part of any loss limit or deductible amount (if applicable)
All States endorsement

Renewal Requirements

Housing Authority is contemplating the award of a 1 year contract with 2 two one year renewable options to be determined by the Housing Authority. The renewal options are contingent upon the renewal pricing being provided 90 days prior to the expiration of the policy.

Underwriting Information

Code	953	951	983	
Plan Year	Office	Sales	Housing Authority	Total
1/1/2012	\$7,610,898	\$554,543	\$6,481,455	\$14,646,896

Experience Modification effective 1/1/2012: 0.994

See WC Payroll Exposure Summary Exhibit for historical payrolls and code distribution.

See WC Loss History Exhibit for loss summaries and detail.

See General Underwriting Information for additional information.

Program Summary:

Prior to January 1, 2010, HACP self-insured the workers' compensation exposure. The self-insurance program began in 1992 and continued through January 1, 2010. At that time, HACP moved the program to a Paid Large Loss Deductible Program with a \$250,000 per accident deductible and a \$900,000 aggregate inclusive of ALAE. For the January 1, 2011 renewal, the program was moved to a guaranteed cost program. *Although HACP prefers a guaranteed cost program, other loss sensitive programs will be evaluated if received.*

EXHIBITS

Exhibits downloadable as a separate electronic file