



New York State Insurance Fund
Procurement Unit

August 5, 2019

The following (Q&A) will serve as Amendment #2 to NYSIF's Request for Proposals (RFP) for Insurance Consulting Services (Scope 1, Insurance and Scope 2, Investments), bid number 2019-45-INS. Material in this Amendment supersedes any contradictory material in the RFP.

Please note that the due date for the submission of bids **remains unchanged since the posting of Amendment 1 on July 25, 2019.**

All bids are due 8/19/19, by 2:00 p.m.(eastern).

Sincerely,

A handwritten signature in black ink that reads "Mara Angier". The signature is written in a cursive, flowing style.

Mara Angier

Insurance Consulting Services

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Question #	RFP Page #	RFP Section and Sub-Section Reference #/Heading	Question	NYSIF Response
1	General	General	Is there an incumbent for this RFP or with similar scope of work? If, yes, please list the current contractor and describe the task current contractor is assigned.	Not material to this RFP.
2	General	General	Can you tell us if the \$1B minimum AUM for Investment Advisory services also applies to MWBE certified firms?	Yes, this is a requirement for all bidders under this RFP.
3	General	General	Will the chosen vendor be barred from responding to any future RFP's related to the COTS system replacement?	COTS System Replacement is not currently material to this RFP. Should a contracted firm under this contract be awarded a Statement of Work (SOW) relating to providing consulting services for a COTS system replacement, the contracted firm would be disqualified from submitting a proposal for any subsequent procurements that results from the consulting services provided by the firm under this RFP.
4	8	1.4	What are the drivers for you to undertake this comprehensive insurance rfp?	To establish a panel of qualified vendors when consulting services are needed.
5	8	1.4	Are there existing challenges that you are facing with your vendor(s) that you are hoping to address when you select your new vendor?	Not material to this RFP.
6	8	1.4	Who is your current vendor(s) for the services outlined in the RFP?	Not material to this RFP.
7	8	1.4	How many firms have committed to responding to this RFP?	Not material to this RFP.
8	9	1.7	Can you provide any additional information on the timing of when you expect to make a final decision for awarding the work and when you expect the work to begin?	The timeframe is to be determined pending successful contract negotiations.

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9	13	2.2.3	To what extent is NYSIF seeking insurance related services for disability benefits and paid family leave, in addition to workers' compensation?	There is no immediate need for any of the services identified in the RFP. The goal is to establish a qualified panel of vendors from which to select if such a need arises in the future.
10	15	2.3.2.a	What are your current sources for workers' compensation (WC) insurance market information for both NY State and nationally?	Not material to RFP
11	15	2.3.2.c	Can you describe your current customer service programs and issues for each line?	NYSIF's mission is to provide the lowest cost insurance consistent with maintaining a solvent fund to pay benefits to injured workers.
12	15	2.3.2.d	Can you describe your current business operations for each line?	NYSIF WC operations are structured to support segments of business (small, mid/large & safety group) with specialties for construction and healthcare. All functional operations are regionalized to assist in the delivery of services to our clients. NYSIF's DB operation is centrally managed with two locations and core areas: underwriting and claims.
13	15	2.3.2.e	Please describe how training and staff development is currently accomplished.	Training and staff development is the responsibility of each functional department. The majority of programs are self created supplemented when needed by outside training resources.
14	15	2.3.2.f	Please describe the current systems, including their names if possible, used for workers' compensation, disability and PFL and the extent they are custom built or off the shelf.	NYSIF's utilizes proprietary or custom built underwriting, claims and billing systems.
15	15	2.3.2.j	Please describe the current fraud detection systems and/or processes in place.	NYSIF's utilizes various data warehouse tools, along with an internal and external referral process for identifying fraud. NYSIF has an internal fraud detection unit that uses various tools to detect fraud.
16	15	2.3.2.m	Can you provide the prior actuarial report or description that was prepared for Terrorism Catastrophe risk?	Not material to respond to this RFP.

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17	20	2.1	What services and what portion of the Insurance related services are expected to be performed at NYSIF offices (i.e., What is the approximate %)? What is the historical average amount of time per each onsite visit of services being performed?	The amount of services to be performed at NYSIF sites are unknown at this time. Depending on the nature of the engagement the amount of time on site will vary.
18	9	1.7	Section 1.7 of the RFP states NYSIF may "split separable portions of the contract by scope and award to one or more Bidders". In this sentence, does the word "scope" refer to the two different Scopes in Section 2 (Insurance and Investments) or is the word "scope" intended to be interpreted more generally? For example, there are 14 "Subjects of Interest" listed within "Scope 1 - Insurance" - might NYSIF select different Bidders for different "Subjects of Interest" or would NYSIF prefer to select a single Bidder for all of "Scope 1 - Insurance"? Would a Bidder that demonstrates superior expertise in a subset of the "Subjects of Interest" but no expertise in others be advantaged or disadvantaged vs. a Bidder that demonstrates moderate expertise across all "Subjects of Interest"?	Yes, it refers to Scope 1, Insurance and Scope 2, Investments. Upon determination by NYSIF that services are required, the awardees will be asked to submit a Statement of Work (SOW) detailing the project specifics (e.g. scope, deliverables, effort, cost, etc.). Work will be awarded based on an evaluation of the SOWs.

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19	27	4.2.8 Appendices	A Non-Disclosure Agreement (NDA) [referred to as "Attachment 3" on page 5 of the RFP] is listed as an item that must be completed and returned with the proposal in 4.2.8. No document labeled "Attachment 3" is included in the RFP documents or on the NYSIF website; however, an NDA agreement is included on pages 33-40 of the RFP following the "Bidder Certifications". Is this the agreement referred to in section 4.2.8? If so, does the bidder need to submit this completed form with the bid or simply acknowledge the willingness to sign the agreement? [The form would need to be completed by both NYSIF and the bidder, and signed by a notary. It seems this is something that would be required after the vendor has been selected.]	Yes. Per section 4.2.8, the Non-Disclosure agreement should be completed and returned with your proposal.
20	24, 102-107	4 - Bid/Proposal Format	The RFP includes Contractor Certification to Covered Agency Form ST-220-CA and Contractor Certification Form ST-220-TD, however, the format requirement section of the RFP (which lays out the required order of the various items comprising the proposal) does not specify that these forms should be included in the proposal. Are these forms required to be included in the proposal? Or, rather, are these forms to be completed once work is awarded?	ST-220-CA and ST-220-TD would be required upon award.
21	27, 108-11	4.2.8 Appendices, Appendix O	Appendix O is not listed as a required appendix in section 4.2.8. This form appears to be applicable once work is awarded and a scope is defined. Can NYSIF confirm that is the case and that Appendix O is not required for the proposal?	Appendix O, Form A will be required upon award.

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22	18, 22, 125	2.8, 3.1.2, Appendix Z	Section 2.8 and Appendix Z state bidders should submit hourly rates; nowhere in Appendix Z does it ask for estimates of total cost or the number of hours, which makes sense given such estimates are more appropriately made for each SOW (as noted in 1.7). Section 3.1.2, however, refers to "a review of Grand Total Cost". Does some estimate of "Grand Total Cost" need to be provided, or just hourly billing rates? If something beyond hourly billing rates is needed, please specify the format requested, as Appendix Z solely asks for billing rates.	NYSIF is requiring Bidders submit all-inclusive hourly rates on Appendix Z, Fee Schedule Proposal.
23	97	Appendix M - Form 101	The instructions for Form 101 state where the work force to be utilized in the performance of the contract cannot be separated out from the contractor's total work force, the form may be completed for the contractor's total work force. While we can identify the persons who would be utilized in the performance of the contract, we cannot separate out their number of hours until the precise scope of any SOWs is determined. As a result, we plan to complete this form with the individuals separated out but with hours shown based on the total work anticipated for those individuals rather than just their hours for this contract. Is this acceptable?	Yes.
24	9	1.7	When do you anticipate the first SOWs will be released?	Upon determination by NYSIF that services are required, the awardees will be asked to submit a Statement of Work (SOW) detailing the project specifics (e.g. scope, deliverables, effort, cost, etc.). No timeframe has been established at this time.

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25	9	1.7	How often will SOWs will be solicited throughout the 5 year contract?	Upon determination by NYSIF that services are required, the awardees will be asked to submit a Statement of Work (SOW) detailing the project specifics (e.g. scope, deliverables, effort, cost, etc.). The frequency has not been established at this time as it is based on need.
26	14	Section 2.2/Item 7	Please provide additional clarity on the current reinsurance tower complexity in terms of types of reinsurance products in force and for which underwriting years	The State Fund does not currently purchase reinsurance.
27	17	Section 2.4/Item 2.a	Please clarify your view of current investment practices	We invest our assets based on workers comp 87 statutory rules and guidelines.
28	17	Section 2.4/Item 2.a	Please clarify the minimum requirements for Investment Advisory. Would you only consider firms that are registered with SEC under Investment Advisors Act of 1940?	No.
29	General	General	Please provide information regarding key project stakeholders that the selected vendor would likely interact with during the course of the work.	Stakeholders vary depending on the specific SOW.
30	15	2.3.1.a	This item references “current key insurance related systems.” Please provide information regarding these current key systems such as name, vendor, and purpose/use.	NYSIF utilizes proprietary or custom built underwriting, claims and billing systems.
31	15	2.3.1.b	Please provide a description of the pain points currently experienced with respect to existing insurance-based business systems.	NYSIF's primary pain points relate to time to market, external data integration, and internal/external interface design.
32	15	2.3.1.c	Please describe any specific areas for which you are interested in alternative business solutions and general business advice (beyond market conditions and laws/compliance).	NYSIF is seeking consultation resources to assist in improving the services delivered to our customers. This includes WC expertise in all insurance related operations to provide guidance on how to improve internal and external customer interaction, business process improvement, business automation with the goal of improving customer experience, reducing expenses and improving operational performance.

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33	15	2.3.2.a	Please provide a description of the specific expectations of the consultant with respect to the monitoring and reporting of market in NY and nationally.	The consultant should be able to provide NYSIF with relevant market and competitor information nationwide and NYS specific this includes but is not limited to providing NYSIF with advice, reports, and data related to the WC & DB market with segregation of information for various markets, industries, hazard groups, class codes and other relevant information related to insured and alternative insurance programs.
34	15	2.3.2.m	Please clarify whether advisory services related to the results of terrorism catastrophe modeling is relevant to this item, or if the actual modeling of terrorism risk itself is required.	Proposals for only a subset of services are permitted.
35	General	General	What is the maturity of usable data? Is data centrally stored? Is data of the right granularity, form and function?	Not material to RFP
36	15	2.3.2.C	Who is included in the definition of the customer? Is it the policy holder? Those covered under a policy?	All parties that NYSIF interacts with on an internal and external basis with an emphasis on policyholders, claimants, and insurance representatives.
37	15	2.3.2.C	Does documentation exist on current customer service enhancements?	Yes, documentation exists regarding NYSIF's ongoing customer service initiatives.
38	15	2.3.2.C	Which department(s) own customer service enhancements?	All
39	15	2.3.2.C	Does documentation exist on current customer service pain points?	NYSIF periodically surveys our customers to better understand there pain points and experiences with NYSIF.
40	15	2.3.2.C	What current method(s) and communications channels are used to engage with the customer?	Mail, email, web, Facebook, twitter.
41	15	2.3.2.C	Is there a defined customer strategy? Does it align with the businesses strategy and vision?	Yes, our strategy for our customers aligns with our business strategy.
42	15	2.3.2.D	Does documentation exist around current business operations?	Yes, documentation exists regarding current business operations.
43	15	2.3.2.D	Is there a defined process automation strategy? Does it align with the businesses strategy and vision?	NYSIF is seeking consultants to assist in better defining process automation to align with our business strategy and vision.
44	General	Organizational	How many employees, levels, divisions, locations will the new solution impact?	This is dependent upon the engagement and services being sought by NYSIF.

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45	General	Organizational	Does the state have a training team, OD&D team, and/or Communications team and resources the vendor can partner with during the program?	NYSIF has a training and customer service team that the vendor can partner with during engagement depending on the SOW requested.
46	General	Organizational	Has the state completed any similar transformation efforts, if so, what went well and what would you do differently?	Transformation has occurred and is ongoing. Consultant resources are being sought to assist NYSIF as needed in future transformation efforts.
47	General	Organizational	How would you describe the current “culture” of this department, i.e., core ideology/values, collaborative vs silo, communication styles, etc.	NYSIF's culture is evolving with an emphasis on collaboration and improving communication.
48	General	Organizational	What about the current “culture” is seen as an inhibitor to successfully transforming the organization?	NYSIF's culture is evolving with an emphasis on collaboration and improving communication.
49	General	Organizational	Are there any bargaining unit/union implications on any potential impacted workforces?	Not material to this RFP.
50	General	Organizational	How many additional strategic programs are in-flight, or scheduled to be in-flight, during this implementation timeframe?	Not material to this RFP.
51	General	Organizational	Are there any training delivery restrictions?	Training delivery methods will be dependent upon the engagement.
52	General	Organizational	How is training delivered today when there is a change to the way work is done?	Training is primarily delivered through a combination of class room and online training presentations.
53	General	Organizational	Does the state anticipate any organizational changes because of this new transformational operating model?	Organizational changes may occur as the result of changes being made or based on recommendations by consultant depending on the SOW.
54	15	2.3.2	Internal controls (transaction, management review, entity-level, application or automated controls) are not specifically included in the requirements or scope of the consulting services of the RFP; can you please confirm that not an expectation or deliverable?	All requirements/services are outlined in the RFP.

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55	14	2.3.1.a	The technical advice section indicated you need assistance in planning, creating and evaluating specifications, and managing programming projects which upgrade or replace current key insurance related systems. Do you have an ITS Governance Framework that covers strategy, investments and project management (e.g. documented System Development Life Cycle policies and procedures)?	NYSIF has an ITS Governance process.
56	General	Contractual Provisions	Will NYSIF consider modifications to terms of the RFP, including the contract terms and conditions set forth in both Exhibit B [General Specifications] and Exhibit C [Contract Provisions]? We confirm that we can meet [and do not take exception to] the terms and conditions set forth in Exhibit A [Standard Clauses]. However, in connection with the terms and conditions set forth in Exhibits B and C of the RFP, we would request modifications typical for the industry and type of services contemplated, which would include, but not necessarily be limited to, modification of various insurance provisions typical for the industry and in accordance with the way our policies provide coverage; warranty and remedy provisions typical for the type of services contemplated; the addition of language providing that our total liability, except for our indemnification obligations [which would be limited to third party claims], be limited to an amount equal to two times the fees we receive under the agreement, and exclude indirect, consequential, exemplary or similar such damages. Such requested modifications/exceptions would be included in the <i>Comments and Limitations</i> section of our proposal.	All comments and limitations to all portions of the RFP should be included in your proposal.

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57	General		Can you provide a functional organization chart(s) outlining the various functions / sub-functions (not looking for names, just how NYSIF is organized)?	Upon issuance of an award, a vendor may be provided a copy of the Organizational Chart depending on the SOW released.
58	8	1.4 Purpose of this RFP - Technology and management roles and practices continue to evolve and change; NYSIF is committed to utilizing optimal solutions, and recognizes that change is necessary to meet customer needs and to provide services.	In addition to the desire to align with the best practices are there any key regulatory mandates that you are trying to meet - If yes, can you share if there are any specific targets / milestones and in which areas?	There is no specific regulatory mandate that is driving this RFP. However, regulatory mandates or changes may require the assistance and engagement of the consultant.
59	14	2.3 SCOPE 1 – INSURANCE - SERVICES TO BE PROVIDED - including assisting in planning, creating and evaluating specifications, and managing programming projects which upgrade or replace current key insurance related systems. Provide advice in overall strategic planning, architecture needs, and hardware and software purchases.	Approximately, how many insurance related systems would be in scope (by functional area)? Are these systems developed inhouse or vendor systems?	The number of systems in-scope is unknown at this time as it is dependent on NYSIF's need over the course of the 5-year contract term. NYSIF utilizes proprietary or custom built underwriting, claims and billing systems.

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60	14	2.3 SCOPE 1 – INSURANCE - SERVICES TO BE PROVIDED Streamlining and automating business operations, establishing related procedures and systems, sharing insurance industry best practices	Do you have a future state road map or the expectation is for us to develop roadmap prioritizing the opportunities for automating business operations?	To be determined at the time of an issuance of a SOW.
61	14	2.3 SCOPE 1 – INSURANCE - SERVICES TO BE PROVIDED Streamlining and automating business operations, establishing related procedures and systems, sharing insurance industry best practices	Have you started any AI/ML and RPA initiatives ?	No.
62	14	2.3 SCOPE 1 – INSURANCE - SERVICES TO BE PROVIDED Streamlining and automating business operations, establishing related procedures and systems, sharing insurance industry best practices	Do you have documented process architecture and technology architecture across businesses?	Yes.
63	14	2.3 SCOPE 1 – INSURANCE - SERVICES TO BE PROVIDED Replacing legacy systems with products based in current technology	Are there any specific legacy system(s) that you want to replace?	To be determined at the time of an issuance of a SOW.

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Question #	RFP Page #	RFP Section and Sub-Section Reference #/Heading	Question	NYSIF Response
64	14	2.3 SCOPE 1 – INSURANCE - SERVICES TO BE PROVIDED Customer service enhancements using the latest methods and technologies	Have you engaged customers to get feedback on the types of experiences that make a difference to them? Do you have documented requirements?	NYSIF periodically surveys our customers to better understand there pain points and experiences with NYSIF.
65	14	2.3 SCOPE 1 – INSURANCE - SERVICES TO BE PROVIDED Customer service enhancements using the latest methods and technologies	What are the current technology solution(s) that you have ?	NYSIF utilizes proprietary or custom built underwriting, claims and billing systems.
66	16	2.4 SCOPE 2 – INVESTMENTS SERVICES TO BE PROVIDED Mandatory services	Could you please provide some additional details on your investment portfolio: 1. What investment functions do you perform internally vs. outsource (Trading, Portfolio Management, ALM, Investment Operations, Accounting etc..) 2. What are the typical asset classes you invest in ? 3. How big is your investment organization / by function? 4, What are the systems you use Investments ? 5. Are there any key pain points / go-forward objectives for your investment organization?	1) Currently, the only portion of the investment portfolio that is externally managed is Public equities. The rest of the functions are all managed internally. 2) Our portfolio is primarily investment grade fixed income consisting of IG corporate, Securitized, Government and Govt related and Municipals. 3) The dedicated investment staff is 16 people (excluding Middle office , back office and accounting etc). 4) Bloomberg, Yieldbook, BlackRock Aladdin, Intex. 5) NYSIF intends to diversify into other asset classes which could potentially include, below investment grade and Alternatives.
67	17	2.5 CONTRACTOR RESPONSIBILITIES Is the proposal consistent with NYSIF's core ideology and strategy?	Can you briefly describe NYSIF core ideology and strategy ?	NYSIF's mission is to provide the lowest cost insurance consistent with maintaining a solvent fund to pay benefits to injured workers.
68	GENERAL	GENERAL	If the GC will be working with a sub-contractor to provides some of the services, is the sub-contractor required to complete all of the same appendices as the GC?	In addition to the Prime submitting Appendix Y, subcontractors are required to complete Appendix E and Appendix V and will be required to provide various insurance documents upon award.
69	GENERAL	GENERAL	Will SIF select more than one GC pursuant to this RFP? If so, how many?	Please refer to section 1.7 of the RFP.

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70	GENERAL	GENERAL	What is the expectation, roughly, as to the number of hours per week that will be required for any and all GCs during the five-year term of the contract?	To be determined.
71	GENERAL	GENERAL	Does SIF currently have other GCs supplying some or all of the services requested in this RFP? If so, what services are currently being provided by vendors?	Not material to this RFP.
72	GENERAL	GENERAL	Are SOWs submitted for each assignment? How many SOWs were submitted for similar assignments in 2018? How many SOWs does SIF expect will be submitted in 2020?	SOWs are submitted for each assignment. Upon determination by NYSIF that services are required, the awardees will be asked to submit a Statement of Work (SOW) detailing the project specifics (e.g. scope, deliverables, effort, cost, etc.). Work will be awarded based on an evaluation of the SOWs. Not material to this RFP. Unknown at this time.
73	GENERAL	GENERAL	Will SIF be conducting interviews/seeking presentations from some or all bidders?	NYSIF, at its own discretion, may require contracted vendor to attend an interview during the SOW evaluation process. NYSIF may use the information gathered during this process to better review and evaluate the SOWs provided by the contracted vendor. No interviews will be conducted with bidders.