



NOT-FOR-PROFIT HOSPITAL CORPORATION

January 27, 2021

The Honorable Phil Mendelson
Chairman, Council of the District of Columbia
John A. Wilson Building
1350 Pennsylvania Avenue, N.W.
Suite 504
Washington, DC 20004

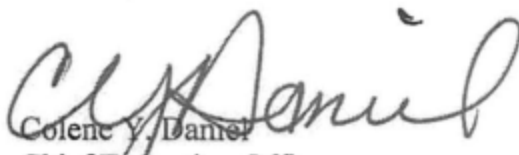
Dear Chairman Mendelson:

Enclosed for consideration and approval by the Council of the District of Columbia is Contract No. NFPHC-RSKM-21-C-00015 between the Not-for-Profit Hospital Corporation and Ascot Underwriting Bermuda, LTD Approval and Payment Authorization Emergency Amendment Act of 2021, and Contract No. NFPHC-RSKM-21-C-00015 between the Not-for-Profit Hospital Corporation and Ascot Underwriting Bermuda, LTD Approval and Payment Authorization Emergency Declaration Resolution of 2021, for the provision of Healthcare Professional Liability, General Liability Physicians & Excess Liability insurance coverage ("Contract").


Council action is necessary to approve the proposed Contract in the amount of \$3,353,000.00 for the period of November 23, 2020 to November 23, 2021. Not only did the NFPHC change its broker mid-year, but early proposals received appeared to assess higher premiums due to COVID-19 standard increases for all hospitals – instead of NFPHC's actual activity. Additionally, new tax rules in DC and Bermuda necessitated a more coordinated review and reconciliation for a Clean Hands Certification to be issued. But for these issues, particularly the time taken to ensure maximum contract value for NFPHC risk, the proposed Contract would have been timely transmitted to Council.

As always, I am available to discuss any questions you may have regarding this submittal. In order to facilitate a response to any questions you may have, please have your staff contact me at (202) 574-6611. I look forward to a favorable consideration on this contract.

Sincerely,


Colene Y. Daniel
Chief Executive Officer
Not-for-Profit Hospital Corporation

Enclosure


Chairman Phil Mendelson
on behalf of the Not-for-Profit
Hospital Corporation

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To approve, on an emergency basis, Contract No. NFPHC-RSKM-21-C-00015 between the Not-for-Profit Hospital Corporation, commonly known as United Medical Center (“Hospital”) and Ascot Underwriting Bermuda, LTD to provide Healthcare Professional Liability, General Liability Physicians & Excess Liability insurance coverage to the Hospital, and to authorize payment for the services received and to be received under the Contract.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Contract No. NFPHC-RSKM-21-C-00015 between Not-for-Profit Hospital Corporation and Ascot Underwriting Bermuda, LTD Approval and Payment Authorization Emergency Amendment Act of 2021”.

Sec. 2. Pursuant to section 451 of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 803; D.C. Official Code § 1-204.51), and notwithstanding the requirements of section 202 of the Procurement Practices Reform Act of 2010, effective April 8, 2011 (D.C. Law 18-371; D.C. Official Code § 2-352.02), the Council approves Contract No. NFPHC-RSKM-21-C-00015 between the Not-for-Profit Hospital Corporation and Ascot Underwriting Bermuda, LTD to provide Healthcare Professional Liability, General Liability Physicians & Excess Liability

37 insurance coverage and authorizes payment for the services received and to be received
38 under this Contract and payment in the amount of \$3,353,000.00.

39 Sec. 3. Fiscal impact statement.

40 The Council adopts the fiscal impact statement of the Chief Financial Officer as
41 the fiscal impact statement required by section 4a of the General Legislative Procedures
42 Act of 1975, approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-
43 301.47a).

44 Sec. 4. Effective date.

45 This act shall take effect following approval by the Mayor (or in the event of veto
46 by the Mayor, action by the Council to override the veto), and shall remain in effect for
47 no longer than 90 days, as provided for emergency acts of the Council of the District of
48 Columbia in section 412(a) of the District of Columbia Home Rule Act, approved
49 December 24, 1973 (87 Stat. 788; D.C. Official Code § 1-204.12(a)).

50

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of Contracting and Procurement



Pursuant to section 202(c-1) of the Procurement Practices Reform Act of 2010, as amended, D.C. Official Code § 2-352.02(c-1), the following contract summary is provided:

COUNCIL CONTRACT SUMMARY

(Retroactive)

Pursuant to D.C. Official Code § 2-352.02 (c), the following contract summary is provided:

- (A) The proposed contractor, contract amount, unit and method of compensation, contract term, and type of contract:

Proposed Contractor: Ascot Underwriting Bermuda, LTD

Contract Amount (Base Period): \$3,353,000.00

Unit and Method of Compensation: Twenty-five percent (25%) balance down and remaining Seventy-Five (75%) in eight equal installments.

Term of Contract: November 23, 2020 – November 23, 2021

Type of Contract: Fixed Fee

Source Selection Method: Competitive

- (B) For a contract containing option periods, the contract amount for the base period and for each option period. If the contract amount for one or more of the option periods differs from the amount for the base period, provide an explanation of the reason for the difference:

N/A

- (C) The goods or services to be provided, the methods of delivering goods or services, and any significant program changes reflected in the proposed contract:

Healthcare Professional Liability, General Liability Physicians & Excess Liability Insurance Coverage (“Physicians Liability”) for the period from November 23, 2020 to November 23, 2021.

- (D) The selection process, including the number of offerors, the evaluation criteria, and the evaluation results, including the price and technical components:**

The Hospital's insurance broker received twelve (12) competitive quotes for the Hospital's 2020-2021 Healthcare Professional Liability, General Liability Physicians & Excess Liability insurance coverage. In addition to price, the other major evaluation criteria were 1) the ability for the Hospital to pay the premium by installment; and 2) a policy that did not require the Hospital to indemnify the insurer, in order to comply with the Hospital's federal and local Anti-Deficiency Act obligations. Out of the 12 requested quotes, only Ascot's proposed policy met the above-referenced criteria.

- (E) A description of any bid protest related to the award of the contract, including whether the protest was resolved through litigation, withdrawal of the protest by the protestor, or voluntary corrective action by the District. Include the identity of the protestor, the grounds alleged in the protest, and any deficiencies identified by the District as a result of the protest:**

There was no bid protest associated with this contract.

- (F) The background and qualifications of the proposed contractor, including its organization, financial stability, personnel, and performance on past or current government or private sector contracts with requirements similar to those of the proposed contract:**

Ascot Underwriting Bermuda, LTD is an insurance provider based out of Bermuda. Ascot is a global specialist in insurance and reinsurance. Ascot is owned by Canada Pension Plan Investment Board (CPPIB), the largest pension plan in Canada with over \$300 billion in invested assets and is "AAA" rated by both S&P's and Moody's rating agencies.

- (G) The period of performance associated with the proposed change, including date as of which the proposed change is to be made effective:**

November 23, 2020 – November 23, 2021

- (H) The value of any work or services performed pursuant to a proposed change for which the Council has not provided approval, disaggregated by each proposed change if more than one proposed change has been aggregated for Council review:**

\$1,126,812.50

- (I) The aggregate dollar value of the proposed changes as compared with the amount of the contract as awarded:**

N/A

- (J) The date on which the contracting officer was notified of the proposed change:**

November 4, 2020

(K) The reason why the proposed change was sent to Council for approval after it is intended to take effect:

Not only did the NFPHC change its broker mid-year, but early proposals received appeared to assess higher premiums due to COVID-19 standard increases for all hospitals – instead of NFPHC’s actual activity. Additionally, new tax rules in DC and Bermuda necessitated a more coordinated review and reconciliation for a Clean Hands Certification to be issued. But for these issues, particularly the time taken to ensure maximum contract value for NFPHC risk, the proposed Contract would have been timely transmitted to Council.

(L) The reason for the proposed change:

See Section K above.

(M) The legal, regulatory, or contractual authority for the proposed change:

NFPHC Contracting Authority; NFPHC Establishment Act; Home Rule Act.

(N) A summary of the subcontracting plan required under section 2346 of the Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005, as amended, D.C. Official Code § 2-218.01 *et seq.* (“Act”), including a certification that the subcontracting plan meets the minimum requirements of the Act and the dollar volume of the portion of the contract to be subcontracted, expressed both in total dollars and as a percentage of the total contract amount:

The Contractor does not have a subcontracting plan associated with this contract.

(O) Performance standards and the expected outcome of the proposed contract:

The Contractor’s performance will be regularly and routinely monitored by the Director of Risk Management and reported to the Chief Executive Officer for the Hospital. The expected outcome of this contract is to have the Contractor’s services provided to the Hospital in an efficient, competent and cost effective manner.

(P) The amount and date of any expenditure of funds by the District pursuant to the contract prior to its submission to the Council for approval:

\$1,126,812.50

(Q) A certification that the proposed contract is within the appropriated budget authority for the agency for the fiscal year and is consistent with the financial plan and budget adopted in accordance with D.C. Official Code §§ 47-392.01 and 47-392.02:

See enclosed fiscal certification from the OCFO.

(R) A certification that the contract is legally sufficient, including whether the proposed contractor has any pending legal claims against the District:

See enclosed legal certification from UMC Counsel.

- (S) A certification that Citywide Clean Hands database indicates that the proposed contractor is current with its District taxes. If the Citywide Clean Hands Database indicates that the proposed contractor is not current with its District taxes, either: (1) a certification that the contractor has worked out and is current with a payment schedule approved by the District; or (2) a certification that the contractor will be current with its District taxes after the District recovers any outstanding debt as provided under D.C. Official Code § 2-353.01(b):**

The Citywide Clean Hands report indicates the contractor is current with its District taxes.

- (T) A certification from the proposed contractor that it is current with its federal taxes, or has worked out and is current with a payment schedule approved by the federal government:**

The proposed contractor has certified its compliance.

- (U) The status of the proposed contractor as a certified local, small, or disadvantaged business enterprise as defined in the Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005, as amended, D.C. Official Code § 2-218.01 *et seq.*:**

The Contractor is not a certified local, small or disadvantaged business enterprise.

- (V) Other aspects of the proposed contract that the Chief Procurement Officer considers significant:**

All relevant aspects of the proposed Contract are enclosed.

- (W) A statement indicating whether the proposed contractor is currently debarred from providing services or goods to the District or federal government, the dates of the debarment, and the reasons for debarment:**

As of December 7, 2020 the Contractor's name does not appear on the Federal or District Excluded Parties Lists.

- (X) Any determination and findings issues relating to the contract's formation, including any determination and findings made under D.C. Official Code § 2-352.05 (privatization contracts):**

None.

- (Y) Where the contract, and any amendments or modifications, if executed, will be made available online:**

The Hospital's website is currently being upgraded and the Hospital intends to post the executed contract as soon as possible. Until then, the contract remains available onsite.

(Z) Where the original solicitation, and any amendments or modifications, will be made available online:

The Hospital's website is currently being upgraded and the Hospital intends to post the executed contract as soon as possible. Until then, the contract remains available onsite.



Government of the District of Columbia
Office of the Chief Financial Officer
Office of Tax and Revenue

1101 4th Street, SW
Washington, DC 20024

Date of Notice: December 17, 2020

Notice Number: L0004534047

ASCOT UNDERWRITING BERMUDA, LTD
1 BRYANT PARK
NEW YORK NY 10036-6728

FEIN: **-***6977
Case ID: 621523



CERTIFICATE OF CLEAN HANDS

As reported in the Clean Hands system, the above referenced individual/entity has no outstanding liability with the District of Columbia Office of Tax and Revenue or the Department of Employment Services. As of the date above, the individual/entity has complied with DC Code § 47-2862, therefore this Certificate of Clean Hands is issued.

TITLE 47. TAXATION, LICENSING, PERMITS, ASSESSMENTS, AND FEES
CHAPTER 28 GENERAL LICENSE
SUBCHAPTER II. CLEAN HANDS BEFORE RECEIVING A LICENSE OR PERMIT
D.C. CODE § 47-2862 (2006)
§ 47-2862 PROHIBITION AGAINST ISSUANCE OF LICENSE OR PERMIT

Authorized By Marc Aronin
Chief, Collection Division

To validate this certificate, please visit MyTax.DC.gov. On the MyTax DC homepage, click the "Validate a Certificate of Clean Hands" hyperlink under the Clean Hands section.

Government of the District of Columbia
Office of the Chief Financial Officer



MEMORANDUM

To: Colene Y. Daniel, Chief Executive Officer

From: Lilian Chukwuma, CFO – Not-for-Profit Hospital Corporation



Date: January 27, 2021

Re: Contract No. NFPHC-RSKM-21-C-00015 between the Not-for-Profit Hospital Corporation and Ascot Underwriting Bermuda, LTD Approval and Payment Authorization Emergency Amendment Act of 2021

The Not-for-Profit Hospital Corporation (NFPHC) intends to contract with Ascot Underwriting Bermuda, LTD for the provision of Healthcare Professional Liability, General Liability Physicians & Excess Liability insurance coverage. The total annual cost for the definitized Contract is \$3,353,000.00 covering a twelve-month period (November 23, 2020 – November 23, 2021).

The Office of the Chief Financial Officer hereby certifies that the funds are included in the NFPHC FY21 approved budget.



NOT-FOR-PROFIT HOSPITAL CORPORATION

MEMORANDUM

To: Colene Y. Daniel
Chief Executive Officer

From: Michael Austin *MA*
UMC Associate Counsel

Reference: Contract No. NFPHC-RSKM-21-C-00015 between the Not-for-Profit Hospital Corporation and Ascot Underwriting Bermuda, LTD Approval and Payment Authorization Emergency Amendment Act of 2021

Date: January 27, 2021

Subject: Legal Sufficiency

I have reviewed the above-referenced Contract No. NFPHC-RSKM-21-C-00015 between the Not-for-Profit Hospital Corporation and Ascot Underwriting Bermuda, LTD for the provision of Healthcare Professional Liability, General Liability Physicians & Excess Liability insurance coverage.

I hereby certify that it appears to be legally sufficient. Please be advised that my finding is premised on the Contract being submitted to and approved by the Council of the District of Columbia.

UMC

Acknowledgment of Payment Schedule for Physician Liability

(This Invoice Must Be Signed and Submitted No Later Than November 20, 2020.)

NFPHC hereby acknowledges and agrees to make timely payments of the **Healthcare General Liability, Healthcare Professional Liability, Physicians Professional Liability, Employee Benefits Liability, Entity Excess Liability (Excludes Physicians) for a total annual premium of \$3,278,000.** The payment schedule for the November 23, 2020 to November 23, 2021 policy year is:

25% or \$5819,500 is Due No Later Than December 10, 2020

The remaining 75% is Due in eight equal installments with the following payments due No Later Than:

January 15, 2021 - \$272,502.50
February 15, 2021 - \$272,502.50
March 15, 2021 - \$272,502.50
April 15, 2021 - \$272,502.50
May 15, 2021 - \$272,502.50
June 15, 2021 - \$272,502.50
July 15, 2021 - \$272,502.50
August 15, 2021 - \$272,502.50

Overnight Payments Payable to Capitol Insurance Services:

Bank Name: Pacific Premier Bank

Routing #: 322285781

Account number: 8000200248

Name on account: CAPITOL INSURANCE SERVICES LLC

*Bank Address is 17901 Von Karman Avenue Suite 1200. Irvine, CA 92614

Date

Not-for-Profit Hospital Corp/UMC