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October 10, 2024

SANTA FE COUNTY
RFP No. 2025-0110-FI/BT
RISK-BASED RESERVE ANALYSIS

ADDENDUM NO. 1

Dear Proponents,

This addendum is issued to reflect the following immediately. It shall be the responsibility of interested Offerors to adhere to any changes or revisions to the RFP as identified in this Addendum No. 1. This documentation shall become permanent and made part of the departmental files.

Question 1.

In reviewing the various documents provided and the scope of the exercise it appears that NMCIA financial statements and pooling of multiple policies to obtain reinsurance is an enterprise risk to SF County. Would an inclusion of their available financial information be appropriate to include in this response?

Response to Question 1: Offerors may recommend that the financial viability of the New Mexico County Insurance Authority (NMCIA) be considered in the risk-based reserve analysis.

By way of background, Santa Fe County is a member of NMCIA, a governmental risk pool created by joint powers agreement pursuant to the New Mexico Joint Powers Agreement Act and Sections 3-62-1 and 3-62-2 NMSA 1978. Santa Fe County receives property, liability, and workers compensation (and other) coverages through NMCIA.

NMCIA has adopted a Policy on Capital Adequacy, pursuant to which it has issued capital adequacy assessments to members. NMCIA has also created a captive insurance company domiciled in Utah, New Mexico County Reinsurance, Inc., to offer reinsurance to NMCIA. NMCIA is a member of County Reinsurance Limited, which provides property and workers compensation coverage to NMCIA and its members.

For purposes of determining whether NMCIA's financial viability should be considered as part of the risk-based reserve analysis, attached to this Addendum No. 1 are the following documents for general background: (1) NMCIA's Audited Financial Statements as of December 31, 2024;*

(2) NMCIA’s Policy on Capital Adequacy; (3) New Mexico County Reinsurance, Inc.’s Unaudited Financial Statements as of June 30, 2024; and (4) County Reinsurance, Limited Unaudited Financial Statements – Statutory Basis as of March 31, 2024, and County Reinsurance, Limited Property Plus Unaudited Financial Statements as of March 31, 2024.

* NMCIA’s financial statements will be adjusted by reducing the Investment in New Mexico County Reinsurance, Inc. from \$20,358,758 to \$17,701,233.37.

Questions 2.

The RFP states that the “the County wants to replace its existing Fund Balance...Policy with a risk-based reserve policy.” The Policy addresses general fund, special revenue funds, enterprise funds, and self-insurance funds. The RFP states that the County’s Water Enterprise Fund and Housing Enterprise Fund are excluded. Can you confirm, then, that the scope should include: general fund, special revenue funds, and self-insurance funds?

Response to Question 2: This will confirm that the scope of work under this RFP is limited to the general fund, special revenue funds, and self-insurance funds. (The County will be assessing reserve requirements relative to its Water Enterprise Fund through one or more separate contractors. In addition, because of its size, relatively stable funding from the U.S. Department of Housing and Urban Development (HUD), and specific reserve guidance from HUD, the Housing Authority Proprietary Fund was excluded from the scope of work under this RFP.)

Question 3.

In the Scope of Work section, the County required that the risk-based reserve analysis covers “hazards identified in the County’s Hazard Mitigation Plan” (p. 6). The referenced report – “*Santa Fe County – Hazard Mitigation Action Plan Update – 2024 draft*” – lists a hierarchy of 20 hazards/risks. Does the County expect the analysis to account for all of them? To what extent can the proposer suggest excluding some of these twenty from the scope?

Response to Question 3: Offerors may recommend that certain hazards/risks be excluded from the risk-based reserve analysis. If such a recommendation is made, the Offeror should include the rationale for the recommendation.

Question 4.

What is the minimum number years into the future the analysis should look?

Response to Question 4: Ten (10) years, but Offerors may recommend a shorter or longer period.

Please add this Addendum No. 1 to the original proposal documents and refer to proposal documents, as such. This and all subsequent addenda will become part of any resulting contract documents and have effects as if original issued. All other unaffected sections will have their original interpretation and remain in full force and effect. Responders are reminded that any questions or need for clarification must be addressed to Bill Taylor, Procurement Manager at wtaylor@santafecountynm.gov