

MOTION NO. M2012-77
Contract for Insurance Brokerage and Consulting Services

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:	PHONE:
Operations and Administration Committee	11/01/12	Final Action	Brian McCartan, FIT Executive Director David Grenier, Director of Risk Management	206-398-5100 206-398-5096

PROPOSED ACTION

Authorizes the chief executive officer to execute a five-year contract with Willis of Seattle, Inc., to provide insurance brokerage and consulting services for the Agency Operations Insurance Program for a total authorized contract amount not to exceed \$1,670,190.

KEY FEATURES SUMMARY

- Willis of Seattle will provide insurance brokerage and consulting services to the Agency Operations Insurance Program (AOIP). The scope includes:
 - Overall marketing, placement, negotiation and completion of new and renewal insurance policies
 - Support services including loss control and claims management
 - AOIP account administration and Owner Controlled Insurance Program (OCIP) administration support services and reporting
 - Insurance and risk management consulting on the capital development program for current and future OCIPs, and other risk financing program structures.
- Willis of Seattle will be compensated on a fixed fee compensation structure rather than a commission based compensation structure calculated as a percentage of insurance premiums. The contract scope of work and specific duties and responsibilities to be performed are defined by a brokerage service agreement. The combination of a fixed fee compensation structure with a brokerage service agreement will provide the best value for the insurance brokerage and consulting services for Sound Transit's AOIP and OCIPs.
- The proposed action authorizes execution of a five year contract. The requested dollar amount will cover all five years.

BACKGROUND

The current AOIP Insurance Brokerage and Consulting Services contract expires on December 31, 2012.

On August 2, 2012 Sound Transit advertised a Request for Proposals for Agency Operations Insurance Program – Brokerage and Consulting Services. Willis of Seattle was selected through a standard Sound Transit Request for Proposal process. Four firms submitted proposals, and Willis of Seattle was selected as the most qualified firm.

Under this contract, Willis of Seattle, Inc., will provide agency-wide operations insurance brokerage and consulting services, and management and administration support services on the Sound Transit capital development program, which includes Sound Transit's OCIPs. The term for this contract is five years.

FISCAL IMPACT

There is no action outside the Board-adopted budget; there are no contingency funds required, no subarea impacts, or funding required from other parties other than what is already assumed in the financial plan.

Service under this agreement will begin in 2013. There are no fiscal impacts in 2012.

Funding for expenditures in 2013 of \$300,000 is included in the Proposed 2013 Budget in the Finance and Information Technology departmental budget which is scheduled to be adopted on December 20, 2012.

Budgets for the remaining years of this contract will be requested in future years.

Summary for Board Action (Year of Expenditure \$000)

	(A)	(B)	(C)	(D)
	Adopted 2012 Budget	Spent to date in 2012	Contract Expenditures 2012	Remaining 2012 Budget
Current Year Budget				
Risk Management - Consulting Services	-	-		-
Total Account Category	-	-	-	-

Contract Spending Plan	Prior Year(s) Spending	2012 Spending	Future Expenditures	Total
Willis of Seattle	-	-	1,670	1,670

	Current Approved Contract Value	Spent to Date	Proposed Action	Proposed Total Contract Value
Contract Budget				
Willis of Seattle	-	-	1,670	1,670
Contingency	-	-	-	-
Total	-	-	1,670	1,670
Percent Contingency	-	-	0%	0%

SMALL BUSINESS PARTICIPATION

Because of the specialized nature of the services sought in his procurement, a Small Business participation goal was not a part of this solicitation.

EQUAL EMPLOYMENT WORKFORCE PROFILE

44 employees; 59.0% women, 11.4% minorities.

PUBLIC INVOLVEMENT

Not applicable to this action.

TIME CONSTRAINTS

The existing contract for Insurance Brokerage and Consulting Services for Sound Transit's Agency Operations Insurance Program (AOIP) expires December 31, 2012. A new contract for the AOIP Insurance Brokerage and Consulting Services needs to be executed by January 1, 2013.

PRIOR BOARD/COMMITTEE ACTIONS

None.

ENVIRONMENTAL REVIEW

Jl 10/22/12

LEGAL REVIEW

JW 10/26/12

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A motion of the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a five-year contract with Willis of Seattle, Inc., to provide insurance brokerage and consulting services for the Agency Operations Insurance Program for a total authorized contract amount not to exceed \$1,670,190.

BACKGROUND:

The current Agency Operations Insurance Program (AOIP) Insurance Brokerage and Consulting Services contract expires on December 31, 2012.

On August 2, 2012 Sound Transit advertised a Request for Proposals for Agency Operations Insurance Program – Brokerage and Consulting Services. Willis of Seattle was selected through a standard Sound Transit Request for Proposal process. Four firms submitted proposals, and Willis of Seattle was selected as the most qualified firm.

Under this contract, Willis of Seattle, Inc., will provide agency-wide operations insurance brokerage and consulting services, and management and administration support services on the Sound Transit capital development program, which includes Sound Transit's Owner Controlled Insurance Programs (OCIPs). The term for this contract is five years. The requested dollar amount will cover all five years.

The scope contract includes overall marketing, placement, negotiation and completion of new and renewal insurance policies, support services including loss control and claims management, AOIP account administration and OCIP administration support services and reporting, and insurance and risk management consulting on the capital development program for current and future OCIPs, and other risk financing program structures.

Willis of Seattle will be compensated on a fixed fee compensation structure rather than a commission based compensation structure calculated as a percentage of insurance premiums. The contract scope of work and specific duties and responsibilities to be performed are defined by a brokerage service agreement. The combination of a fixed fee compensation structure with a brokerage service agreement will provide the best value for the insurance brokerage and consulting services for Sound Transit's AOIP and OCIPs.

MOTION:

It is hereby moved by the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a five-year contract with Willis of Seattle, Inc., to provide insurance brokerage and consulting services for the Agency Operations Insurance Program for a total authorized contract amount not to exceed \$1,670,190.

APPROVED by the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on November 1, 2012.



Paul Roberts
Operations and Administration Committee Chair

ATTEST:



Marcia Walker
Board Administrator