

RESOLUTION NO. 2023-28

AUTHORIZING CONTRACT NO. 2022-142 WITH USI INSURANCE SERVICES LLC TO PROVIDE CASUALTY INSURANCE BROKER SERVICES FOR A PERIOD OF THREE YEARS IN AN AMOUNT NOT TO EXCEED \$300,000.00, WITH TWO, ONE-YEAR OPTIONS IN AN AMOUNT NOT TO EXCEED \$100,000.00 FOR EACH OPTION YEAR, FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$500,000.00 (INSURANCE FUND, RISK MANAGEMENT DEPARTMENT BUDGET)

WHEREAS, the Greater Cleveland Regional Transit Authority ("Authority") is seeking the services of a commercial insurance broker in the areas of casualty risk assessment, funding, and insurance placement and support; and

WHEREAS, the proposal of USI Insurance Services LLC, located at 575 Market Street, Suite 3750, San Francisco, California 94105, to provide casualty insurance broker services, was received on January 27, 2023 for a three-year period with two, one-year options for renewal; and

WHEREAS, after negotiations, USI Insurance Services LLC offered to provide casualty insurance broker services in an amount not to exceed \$300,000.00 for the base three years, and in an amount not to exceed \$100,000.00 for each of the two option years, for a total contract amount not to exceed \$500,000.00; and

WHEREAS, the CEO, General Manager/Chief Executive Officer deems the offer of USI Insurance Services LLC, as negotiated, to be in the best interest of the Authority and recommends acceptance thereof by the Board of Trustees.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Greater Cleveland Regional Transit Authority, Cuyahoga County, Ohio:

Section 1. That the offer of USI Insurance Services LLC to provide casualty insurance broker services for a period of three years with two, one-year options be and the same is hereby accepted.

Section 2. That the General Manager, Chief Executive Officer of the Authority be and she is hereby authorized to enter into a contract with USI Insurance Services LLC to provide casualty insurance broker services for a period of three years, with the authority to exercise each of the two option year renewals.


Section 3. That said contract shall be payable from the Insurance Fund, Risk Management Department budget, in an amount not to exceed \$300,000.00 for the base three years, and in an amount not to exceed \$100,000.00 for each of the two option years, for a total contract amount not to exceed \$500,000.00.

Section 4. That said contract shall be binding upon and an obligation of the Authority contingent upon future funding, compliance by the contractor to the Specifications and Addenda, if any; the Affirmative Action Plan adopted by the Board of Trustees; bonding and insurance requirements and all applicable laws relating to contractual obligations of the Authority.

Section 5. That the Greater Cleveland Regional Transit Authority's Board of Trustees expects that USI Insurance Services LLC will attempt to exceed the 10% minimum DBE goal assigned to this procurement.

Section 6. That this resolution shall become effective immediately upon its adoption.

Adopted: April 18, 2023

  
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President

Attest:   
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Secretary-Treasurer



<b>TITLE/DESCRIPTION:</b> <b>CONTRACT:</b> CASUALTY INSURANCE BROKER  <b>VENDOR:</b> USI INSURANCE SERVICES LLC  <b>AMOUNT:</b> AN AMOUNT NTE \$300,000.00 FOR THE BASE THREE YEARS, AND AN AMOUNT NTE \$100,000.00 FOR EACH OF THE TWO OPTION YEARS FOR A TOTAL CONTRACT AMOUNT NTE \$500,000.00	<b>Resolution No.:</b> 2023-28
	<b>Date:</b> April 13, 2023
	<b>Initiator:</b> Risk Management Department
<b>ACTION REQUEST:</b> <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Review/Comment <input type="checkbox"/> Information Only <input type="checkbox"/> Other _____	

1.0 **PURPOSE/SCOPE:** This action will allow the Greater Cleveland Regional Transit Authority (“Authority”) to enter into a contract for casualty insurance broker services for a period of three years with two, one-year options for renewal.

2.0 **DESCRIPTION/JUSTIFICATION:** The Authority is seeking the services of a commercial insurance broker to assist in the areas of risk management, risk financing, and insurance program marketing and placement.

Currently, the Authority carries casualty insurance coverages including rail, general, and automobile liability at a level of \$95 million in excess of a self-insured retention of \$5 million per occurrence. Other casualty insurance coverages include excess workers’ compensation coverage at a limit of \$10 million and public officials/employment practices liability coverages at a limit of \$5 million. These programs are intended to provide protection of the Authority’s assets against catastrophic loss and resulting financial impact.

The insurance broker will be responsible for assisting the Authority in evaluating any changes in exposures in the above areas, compiling submissions to underwriters, and negotiating the most favorable terms and conditions and pricing for renewal of the above-described insurance programs. The broker will also provide expertise and support services in a variety of insurance and risk management related areas such as claims administration, insurance requirements and compliance for Authority contractors, surety bonding, actuarial analysis of loss experience, and loss forecasting.

3.0 **PROCUREMENT BACKGROUND:** The Request for Proposals (“RFP”) was posted on the GCRTA Procurement website and advertised in the local newspapers. Eleven (11) interested parties downloaded the solicitation and three (3) proposals were received on January 27, 2023. After evaluation by a panel of Authority employees in accordance with established Procurement Department policies and procedures, the proposal of USI Insurance Services LLC, to provide casualty insurance broker services, was determined to be the most advantageous to the Authority, price and all other factors considered. After negotiations, an amount not to exceed \$300,000.00 for a period of three years with two, one-year options in an amount not to exceed \$100,000.00 per year, for a total contract amount not to exceed \$500,000.00, was agreed upon.

USI Insurance Services LLC is one of the largest commercial insurance brokerage firms in the United States. They will continue to provide the Authority with extensive experience in the design and placement of insurance programs for large commercial accounts. USI Insurance Services LLC has partnered with Price Forbes, a Lloyd’s of London broker, which specializes in passenger rail accounts and has experience with numerous public transit authorities.

A cost analysis has been performed, and the offer of USI Insurance Services LLC has been determined by the Procurement Department to be fair and reasonable to the Authority.

- 4.0 **AFFIRMATIVE ACTION/ DBE BACKGROUND:** All Affirmative Action requirements have been met. A 10% DBE goal was established for this procurement. USI Insurance Services LLC has committed to achieving the DBE participation goal through the utilization of Rutledge Group, Inc. (African American male-owned) in the amount of \$50,000.00 or 10%.
- 5.0 **POLICY IMPACT:** Does not apply.
- 6.0 **ECONOMIC IMPACT:** This contract will be funded through the Insurance Fund, Risk Management Department budget, in an amount not to exceed \$300,000.00 for the base three years, and in an amount not to exceed \$100,000.00 for each of the two option years, for a total contract amount not to exceed \$500,000.00. This is approximately 10% below the budgeted amount for these services.
- 7.0 **ALTERNATIVES:** Reject this offer. Rejection of this offer would delay the identification of the Authority's casualty insurance needs, risking the Authority not having proper excess liability, public official, and workers' compensation coverages.
- 8.0 **RECOMMENDATION:** This procurement was discussed by the Board of Trustees at the April 4, 2023 Audit, Safety Compliance, and Real Estate Committee meeting. It is recommended that the offer of USI Insurance Services LLC be accepted and the resolution passed authorizing the General Manager, Chief Executive Officer to enter into a contract.
- 9.0 **ATTACHMENTS:** None

Recommended and certified as appropriate to the availability of funds, legal form and conformance with the Procurement requirements.

  
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(General Manager, Chief Executive Officer)