

RESOLUTION NO. 2002- 197

AUTHORIZING CONTRACT 2002-116 WITH AON RISK SERVICES, INC. OF OHIO TO PROVIDE PROPERTY AND CRIME INSURANCE BROKERAGE SERVICES FOR A PERIOD OF ONE YEAR WITH TWO ONE-YEAR OPTIONS IN AN AMOUNT NOT TO EXCEED \$67,941.00 FOR THE BASE YEAR AND EACH OPTION YEAR AND PROPERTY INSURANCE FOR A PERIOD OF ONE YEAR IN AN AMOUNT NOT TO EXCEED \$601,810.00 FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$669,751.00 (GENERAL FUND - RISK MANAGEMENT DEPARTMENT BUDGET)

WHEREAS, the Authority requires the services of a commercial insurance broker in the areas of property and crime insurance placement and support; and

WHEREAS, the proposal of Aon Risk Services, Inc. of Ohio located at 1660 West 2nd Street, Suite 650, Cleveland, Ohio 44113 to provide property and crime insurance broker services was received on September 26, 2002, for a base year with two, one year options; and

WHEREAS, the General Manager deems the offer of Aon Risk Services, Inc. of Ohio for said brokerage services, as negotiated, to be the most advantageous to the Authority, price and all other factors considered and recommends acceptance thereof by the Board of Trustees; and

WHEREAS, Aon Risk Services, Inc., as the result of a competitive process, has proposed that said property insurance be provided by FM Global; and

WHEREAS, the Authority deems the proposal provided by FM Global to Aon Risk Services, Inc. as the most advantageous for the provision of property insurance to the Authority, price and all other factors considered 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 proposal submitted by Aon Risk Services, Inc. of Ohio, as modified by negotiations, be and the same is hereby accepted as the most advantageous offer, price and other factors considered, to provide property and crime insurance brokerage services for a one year period with the Authority's option for two one-year terms.

Section 2. That the General Manager of the Authority be and he is hereby authorized to enter into a contract with Aon Risk Services, Inc. of Ohio to provide property and crime insurance brokerage services for a one year period with the Authority retaining two, one year options at a price of \$67,941.00 per year, subject to approval of the exercise of each option by the Authority's Board of Trustees.

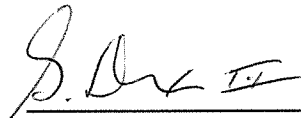
Section 3. That the proposal submitted by FM Global through Aon Risk Service, Inc. of Ohio as the Authority's broker for a property insurance policy for the Authority for a period of one year is hereby accepted as the most advantageous offer, price and all other factors considered.

Section 4. That said contract shall be payable from the General Fund, Risk Management Department Budget in an amount not to exceed six hundred sixty nine thousand seven hundred fifty one and 00/100 (\$669,751.00).

Section 5. That said contract shall be binding upon and an obligation of the Authority contingent upon appropriations for future years; compliance by the contractor to the Specification and Addenda, if any; the Affirmative Action Plan adopted by the Board of Trustees in Resolution 2002-120; bonding and insurance requirements and all applicable laws relating to the contractual obligations of the Authority.

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

Adopted: December 17, 2002



President

Attest: 

CEO, General Manager/Secretary-Treasurer



TITLE/DESCRIPTION: AUTHORIZING CONTRACT 2002-116 WITH AON RISK SERVICES, INC. OF OHIO TO PROVIDE PROPERTY AND CRIME INSURANCE BROKERAGE SERVICES FOR A PERIOD OF ONE YEAR WITH TWO ONE-YEAR OPTIONS IN AN AMOUNT NOT TO EXCEED \$67,941.00 FOR THE BASE YEAR AND EACH OPTION YEAR AND PROPERTY INSURANCE FOR A PERIOD OF ONE YEAR IN AN AMOUNT NOT TO EXCEED \$601,810.00 FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$669,751.00 (GENERAL FUND- RISK MANAGEMENT DEPARTMENT BUDGET)	Resolution No.: 2002- 197
	Date: December 12, 2002
	Initiator: Risk Management Department
ACTION REQUEST: <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Review/Comment <input type="checkbox"/> Information Only <input type="checkbox"/> Other _____	

1.0 **PURPOSE:** This action will allow the Authority to enter into an agreement with a commercial insurance broker in the areas of property and crime insurance placement and support and to obtain property insurance of a period of one year commencing January 1, 2003.

2.0 **DESCRIPTION/JUSTIFICATION:** The Authority requires services of a commercial insurance broker to assist in the areas of property and crime insurance program marketing, placement and support. In addition to obtaining property insurance for the year commencing January 1, 2003 and crime insurance for the year commencing February 1, 2003, the broker will provide market research and benchmarking services to improve the Authority's ability to evaluate its needs and costs in terms of the overall marketplace.

3.0 **PROCUREMENT BACKGROUND:** Proposals were received on Thursday, September 26, 2002 for this solicitation. After evaluation by a panel of Authority employees in accordance with established Procurement Policies and Procedures, and negotiations, the proposal of Aon Risk Services, Inc. of Ohio was determined to be most advantageous to the Authority.

Aon Risk Services Inc. of Ohio is one of the largest commercial insurance brokers in the United States with a strong local presence. They provide the Authority with extensive experience in the design and placement of insurance programs. They demonstrate particular expertise in the area of large commercial property accounts; e.g. they employ specialized property insurance syndicators that are dedicated to this task. They also maintain a National Rail Practice which allows the Authority access to specialists in evaluating and placing rail-related risks. They have proven experience handling unique exposures to risk management requirements for public entities.

After soliciting and evaluating several competitive quotations/proposals from other insurance carriers, Aon has proposed coverage for property insurance through FM Global, our incumbent carrier and one of the premier property insurance carriers in the world. The coverages and premium proposed by FM Global have been determined to be the best available in the current market.

A cost/price analysis has been performed and the Procurement Department determined that the proposal of Aon Risk Services, Inc. of Ohio is fair and reasonable to the Authority.

- 4.0 AFFIRMATIVE ACTION/DBE BACKGROUND: All Affirmative Action requirements have been met. An 8% DBE goal was established for this procurement. Aon Risk Services, Inc. of Ohio has committed to achieve the goal through the utilization of the following DBE firm(s):

DBE(s) Name/Address	DBE Category	Scope of Work	AMOUNT	PERCENT
Washington Insurance Agency, Inc. Cleveland Heights, Ohio	African American	Assist in risk management process, preparation of marketing submission and ongoing client support services	\$5,436.00	8%

- 5.0 POLICY IMPACT: Does not apply.
- 6.0 ECONOMIC IMPACT: This contract shall be funded through the General Fund, Risk Management Department budget, in an amount not to exceed six hundred sixty nine thousand seven hundred fifty one and 00/100 dollars (\$669,751.00) for the base year.
- 7.0 ALTERNATIVES: Reject this offer. Rejection of this offer would delay the identification of property and crime insurance needs, risking the Authority not having proper coverage.
- 8.0 RECOMMENDATION: It is recommended that the offer of Aon Risk Services, Inc. of Ohio for insurance brokerage services and the offer of FM Global for property insurance be accepted and the resolution passed authorizing the General Manager 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.



CEO, General Manager/Secretary-Treasurer