

RESOLUTION 2004-87

AUTHORIZING THE PURCHASE OF A WORKERS' COMPENSATION SURETY BOND FROM FIREMANS FUND INSURANCE COMPANY THROUGH ACORDIA WELLS FARGO, CASUALTY INSURANCE BROKER FOR THE GCRTA, FOR A PERIOD OF ONE YEAR IN AN AMOUNT NOT TO EXCEED \$37,000.00 (GENERAL FUND - RISK MANAGEMENT DEPARTMENT BUDGET).

WHEREAS, the GCRTA requires financial security for the Ohio Bureau of Workers' Compensation; and

WHEREAS, GCRTA has determined that a surety bond is the best and most cost effective instrument to be utilized in providing the required security; and

WHEREAS, the submittal from Firemans Fund Insurance Company through Acordia Wells Fargo located at 1301 East Ninth Street, Suite 3800, Cleveland, Ohio 44114 for a Workers' Compensation Surety Bond in the face amount of \$2,400,000 for a period of one year in an amount not to exceed \$37,000.00 was determined to be the most advantageous to the Authority, price and all other factors considered; and

WHEREAS, the General Manager/Secretary-Treasurer deems acceptance of the submittal of Firemans Fund Insurance Company through Acordia Wells Fargo for a Workers' Compensation Surety Bond, to be the most advantageous to the Authority and recommends acceptance thereof to 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 submittal of Firemans Fund Insurance Company through Acordia Wells Fargo for a Workers' Compensation Surety Bond is hereby accepted as the most advantageous to the Authority, price and all other factors considered.

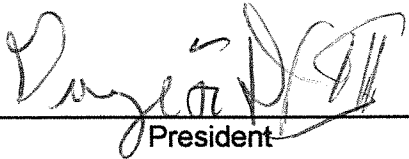
Section 2. That the General Manager/Secretary-Treasurer of the Authority be and he is hereby authorized to enter into a contract with Acordia Wells Fargo for a Workers' Compensation Surety Bond written by Firemans Fund Insurance Company in the face amount of \$2,400,000.00.

Section 3. That said contract shall be payable from the General Fund, Risk Management Department budget in an amount not to exceed thirty seven thousand & 00/100 dollars (\$37,000.00) for a period of one year.

Section 4. That said contract shall be binding upon and an obligation of the Authority and contingent upon compliance by the contractor to the Specification and Addenda; if any; the Affirmative Action Plan adopted by the Board of Trustees in Resolution 2003-107; bonding and insurance requirements and all applicable laws relating to the contractual obligation of the Authority.

Section 5. That this resolution shall become effective immediately upon its adoption.

Adopted: June 15, 2004



President

Attest: 

CEO, General Manager/Secretary-Treasurer



TITLE/DESCRIPTION: AUTHORIZING THE PURCHASE OF A WORKERS' COMPENSATION SURETY BOND FROM FIREMANS FUND INSURANCE COMPANY THROUGH ACORDIA WELLS FARGO, CASUALTY INSURANCE BROKER FOR THE GCRTA, FOR A PERIOD OF ONE YEAR IN AN AMOUNT NOT TO EXCEED \$37,000.00 (GENERAL FUND, RISK MANAGEMENT DEPARTMENT BUDGET).	Resolution No.: 2004- 87
	Date: June 10, 2004
	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/SCOPE:** This action will provide GCRTA with the required financial security for the Ohio Bureau of Workers' Compensation in the form of a Workers' Compensation Surety Bond.
- 2.0 **DESCRIPTION/JUSTIFICATION:** The GCRTA is required to provide the Ohio Bureau of Worker's Compensation with financial security for certain obligations related to Workers' Compensation claims which occurred in 1987 and prior years. A recent analysis by the Office of Management and Budget has concluded that the most cost-effective way to meet this obligation, considering our current financial situation is through a surety bond. The surety bond to support the requirement is due on July 1, 2004 and the annual premium is \$37,000.00.
- 3.0 **PROCUREMENT BACKGROUND:** Due to the state of the surety bond market, only one proposal was received by Acordia Wells Fargo, Casualty Insurance broker for the GCRTA. After evaluation in accordance with Procurement Policies and Procedures, the submittal of Firemans Fund Insurance Company for a Workers' Compensation Surety Bond was determined to be the most advantageous to the Authority.

 Based on the evaluation of cost and price by Acordia Wells Fargo and the Authority for the coverage identified, the Procurement Department has determined the price to be fair and reasonable.
- 4.0 **AFFIRMATIVE ACTION/DBE BACKGROUND:** Does not apply.
- 5.0 **POLICY IMPACT:** Does not apply.
- 6.0 **ECONOMIC IMPACT:** This contract will be funded through the General Fund, Risk Management Department budget in an amount not to exceed thirty seven thousand & 00/100 dollars (\$37,000.00) for a period of one year.
- 7.0 **ALTERNATIVES:** Reject this offer. Rejection of this resolution will put the Authority at risk of being non-compliant with the Ohio Bureau of Workers' Compensation rules and regulations.
- 8.0 **RECOMMENDATION:** It is recommended that the submittal of Firemans Fund Insurance Company through Acordia Wells Fargo be accepted and a resolution passed authorizing the General Manager/Secretary-Treasurer to enter into a contract.

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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