

RESOLUTION NO. 2006-161

AUTHORIZING CONTRACT NO. 2006-088 WITH AON RISK SERVICES, INC. OF OHIO TO PROVIDE PROPERTY AND CRIME INSURANCE BROKERAGE SERVICES FOR A PERIOD OF ONE YEAR IN AN AMOUNT NOT TO EXCEED \$58,484.00 WITH TWO, ONE-YEAR OPTIONS IN AN AMOUNT NOT TO EXCEED \$120,227.00 FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$178,711.00 (GENERAL FUND, RISK MANAGEMENT DEPARTMENT BUDGET)

WHEREAS, the Authority requires the services of a commercial 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 August 17, 2006, in an amount not to exceed \$58,484.00 for the base year with two, one-year options in an amount not to exceed \$120,227.00; and

WHEREAS, the General Manager/Secretary-Treasurer deems the offer of Aon Risk Services, Inc. of Ohio for said brokerage services, as negotiated, to be in the Authority's best interest 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 to provide commercial property and crime insurance brokerage services for a period of one year with two, one-year options, as modified by negotiations, be and the same is hereby accepted.

Section 2. That the General Manager/Secretary-Treasurer be, and he hereby is authorized to enter into a contract with Aon Risk Services, Inc. of Ohio to provide said services for a one year period with the Authority retaining two, one-year options, subject to approval of the exercise of each option by the General Manager/Secretary-Treasurer.

Section 3. That said contract shall be payable out of the General Fund, Risk Management Department budget in an amount not to exceed fifty-eight thousand four hundred eighty-four & 00/100 dollars (\$58,484.00) for the base year and in an amount not to exceed one hundred twenty thousand two hundred twenty-seven & 00/100 dollars (\$120,227.00) for the two options years for a total contract amount not to exceed one hundred seventy-eight thousand seven hundred eleven & 00/100 dollars (\$178,711.00).

Section 4. That said contract shall be binding upon and an obligation of the Authority and contingent upon funding for future years, compliance by the contractor to Specifications and Addenda, if any; the Affirmative Action Plan adopted by the Board of Trustees in Resolution 2006-77; bonding and insurance requirements and all applicable laws relating to the contractual obligation of the Authority.

Section 5. That the Greater Cleveland Regional Transit Authority's Board of Trustees expects that Aon Risk Services, Inc. of Ohio will attempt to exceed the 15% DBE goal assigned to this procurement.

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

Adopted: September 19, 2006

President

Attest: _____
CEO, General Manager/Secretary-Treasurer



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

TITLE/DESCRIPTION: AUTHORIZING CONTRACT NO. 2006-088 WITH AON RISK SERVICES, INC. OF OHIO TO PROVIDE PROPERTY AND CRIME INSURANCE BROKERAGE SERVICES FOR A PERIOD OF ONE YEAR IN AN AMOUNT NOT TO EXCEED \$58,484.00 WITH TWO, ONE-YEAR OPTIONS IN AN AMOUNT NOT TO EXCEED \$120,227.00 FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$178,711.00 (GENERAL FUND, RISK MANAGEMENT DEPARTMENT BUDGET)	Resolution No.: 2006-161
	Date: September 14, 2006
	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 allow the Authority to enter into a contract for a property and crime insurance broker.

2.0 DESCRIPTION/JUSTIFICATION: The Authority requires services of a commercial 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, 2007 and crime insurance for the year commencing February 1, 2007, 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. The broker will be asked to provide a full marketing effort during one of the renewal terms.

3.0 PROCUREMENT BACKGROUND: The Request for Proposal was posted on the GCRTA web site and advertised in the local newspapers. Proposals were received on August 17, 2006 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 the most advantageous to the Authority. The negotiated amounts will be \$58,484.00 for the first year and one of the options years. An amount not to exceed \$61,743.00 was negotiated for the year the broker performs the full marketing effort resulting in a total contract amount not to exceed \$178,711.00.

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 that allows the Authority access to specialists in evaluation and placement of rail-related risks as well as claims specialists in both the property and crime insurance areas. They have proven experience handling unique exposures and addressing risk management requirements for public entities.

A cost/price analysis has been performed by the Procurement Department and the proposal of Aon Risk Services, Inc. of Ohio, as modified by negotiations, has been determined to be fair and reasonable to the Authority.

4.0 AFFIRMATIVE ACTION/DBE BACKGROUND: All Affirmative Action requirements have been met. A 15% DBE goal was established for this procurement. Aon Risk Services, Inc. has committed to meet the DBE goal through the utilization of Pinkney Perry Insurance Agency.

- 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 fifty-eight thousand four hundred eighty-four & 00/100 dollars (\$58,484.00) for the base year and in an amount not to exceed one hundred twenty thousand two hundred twenty-seven & 00/100 dollars (\$120,227.00) for the two option years for a total contract amount not to exceed one hundred seventy-eight thousand seven hundred eleven & 00/100 dollars (\$178,711.00). The amount of \$58,484.00 is 26% below the budgeted amount of \$80,000 for this project.
- 7.0 ALTERNATIVES: Reject this offer. Rejection of the offer would deny 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, as modified by negotiations, be accepted and the resolution passed authorizing the General Manager/Secretary-Treasurer 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