



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

TITLE/DESCRIPTION: AUTHORIZING A CONTRACT WITH SHEN SHEN SHANG IN AN AMOUNT NOT TO EXCEED EIGHTY-ONE THOUSAND DOLLARS (\$81,000.00) FOR PUBLIC ARTWORK ASSOCIATED WITH THE EAST 55 TH STREET RAPID TRANSIT STATION PROJECT (RTA DEVELOPMENT FUND, PROGRAMMING & PLANNING DEPARTMENT BUDGET)	Resolution No.:
	2006-228
	Date: December 14, 2006
	Initiator: Programming & Planning

ACTION REQUEST:

- Approval Review/Comment Information Only Other _____

- 1.0 PURPOSE/SCOPE: This action will allow the Authority to enter into a contract with Shen Shen Shang for a public art installation to be located at the East 55th Street Rapid Transit Station.
- 2.0 DESCRIPTION/JUSTIFICATION: This contract will allow GCRTA to fund the design, fabrication and installation of a colorful art mobile to be placed in the pedestrian bridge of the new East 55th Street Rapid Transit Station when construction is completed. The artwork's design will be coordinated through the station architect and installed by the Artist with the cooperation of the construction contractor. The artwork is part of the GCRTA Arts-in-Transit Program.
- 3.0 PROCUREMENT BACKGROUND: The selection of this artist included a competitive process with a Call to Artist announcement being advertised to solicit artists to submit proposals for review and evaluation by the Arts and Transit/RTA Selection Committee. Twenty-seven (27) Artists submitted proposals for consideration. The Committee selected Shen Shen Shang as the top submission based on the best use of space and art contribution to the area. The award amount was determined to be fair and reasonable to the Authority and commensurate with other projects of its size and scale.
- 4.0 DBE/AFFIRMATIVE ACTION BACKGROUND: The Office of Business Development does not conduct Affirmative Action reviews or establish goals on procurements involving the Arts-in-Transit Program.
- 5.0 POLICY IMPACT: Does not apply.
- 6.0 ECONOMIC IMPACT: contract shall be payable from the RTA Development Fund, Programming and Planning Department Budget, including but not limited to Capital Grant OH-03-0265 in the amount of \$81,000 (\$64,800 in Federal Funds which represent 80% of the total cost).
- 7.0 ALTERNATIVES: The contract to Shen Shen Shang could not be awarded and the art selection process redone. This would delay the project and could jeopardize the integrity of the Arts-in-Transit Committee and selection process.
- 8.0 RECOMMENDATION: The public artwork was reviewed and approved by the Board of Trustees Executive Committee at their December 5, 2006 meeting and recommended to the Board for approval. Staff recommends that the Board of Trustees approve the resolution to authorize award of this contract to Shen Shen Shang.

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

RESOLUTION NO. 2006-229

AUTHORIZING THE PURCHASE OF PROPERTY INSURANCE FROM FM GLOBAL THROUGH AON RISK SERVICES, INC. OF OHIO, PROPERTY INSURANCE BROKER FOR THE GCRTA, FOR A PERIOD OF 12 MONTHS FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$577,000.00 (GENERAL FUND 2007, RISK MANAGEMENT DEPARTMENT BUDGET)

WHEREAS, the Authority requires insurance to protect its physical assets; and

WHEREAS, the Authority along with Aon Risk Services, Inc. of Ohio and Pinkney Perry, property insurance brokers for the Authority as authorized by Resolution No. 2006-161, negotiated a property insurance renewal with FM Global for a period of twelve (12) months in an amount not to exceed \$577,000.00; and

WHEREAS, the General Manager/Secretary-Treasurer deems the negotiated offer of FM Global through Aon Risk Services, Inc. of Ohio to provide property insurance coverage to be the most advantageous to 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 proposal submitted by FM Global through Aon Risk Services, Inc. of Ohio to provide property insurance coverage to the Authority for a period of twelve (12) months be and the same is hereby accepted.

Section 2. That the General Manager/Secretary-Treasurer be, and he is hereby authorized to purchase a property insurance policy through Aon Risk Services, Inc. of Ohio to provide this insurance coverage.

Section 3. That this insurance policy shall be payable out of the General Fund, Risk Management Department budget payable with 2007 funds (contingent upon Board Approval of the 2007 Operating Budget), at a total amount not to exceed five hundred seventy-seven thousand & 00/100 dollars (\$577,000.00).

Section 4. That said agreement shall be binding upon and an obligation of the Authority contingent upon 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 this resolution shall become effective immediately upon its adoption.

Adopted: December 19, 2006



President

Attest:



CEO, General Manager/Secretary-Treasurer



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TITLE/DESCRIPTION: AUTHORIZING THE PURCHASE OF PROPERTY INSURANCE FROM FM GLOBAL THROUGH AON RISK SERVICES, INC. OF OHIO, PROPERTY INSURANCE BROKER FOR THE GCRTA, FOR A PERIOD OF 12 MONTHS FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$577,000.00 (GENERAL FUND 2007, RISK MANAGEMENT DEPARTMENT BUDGET)

Resolution No.: 2006-229
Date: December 14, 2006
Initiator: Risk Management
Department

ACTION REQUEST:

Approval Review/Comment Information Only Other _____

- 1.0 **PURPOSE/SCOPE:** This action will provide the Authority with insurance to protect the physical assets of the Authority.
- 2.0 **DESCRIPTION/JUSTIFICATION:** The Authority requires all risk property insurance to protect its physical assets in case of fire, explosion, windstorm and similar perils. The current property insurance policy expires January 1, 2007.
- 3.0 **PROCUREMENT BACKGROUND:** As a result of a competitive solicitation, Aon Risk Services, Inc. of Ohio and Pinkney Perry were awarded a contract in September, 2006 by Resolution No. 2006-161 to act as property insurance brokers for the Authority. With their assistance, renewal terms were negotiated with FM Global, the Authority's incumbent property insurer and one of the premier property insurance carriers in the world, for the period January 1, 2007 to January 1, 2008.

Last year, the Authority negotiated a very early renewal of this program in order to avoid the drastic increases that were anticipated due to the severe hurricane losses in the industry. This year the Authority was told to expect a 5-10% rate increase. The quotation from FM Global is a 5.5% increase. This, coupled with the 5% increase in insured value, will result in a premium of approximately \$665,000 vs. the expiring premium of \$587,000. The new premium also includes an estimate of the cost to insure the new ECTP buses, which are anticipated for delivery in August 2007.

The premium proposed by FM Global is \$85,000 below the budgeted amount for this coverage and after the \$88,000 premium credit the net premium is actually \$173,000 below the budgeted amount.

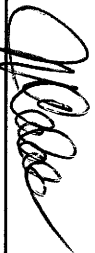
A cost analysis has been performed and the Procurement Department has determined the negotiated rates to be fair and reasonable to the Authority.
- 4.0 **AFFIRMATIVE ACTION/DBE BACKGROUND:** Does not apply.
- 5.0 **POLICY IMPACT:** Does not apply.
- 6.0 **ECONOMIC IMPACT:** This insurance policy shall be funded through the General Fund, Risk Management Department budget payable with 2007 funds (contingent upon Board Approval of the 2007 Operating Budget) at a total contract amount not to exceed five hundred seventy-seven thousand and 00/100 dollars (\$577,000.00).

7.0 ALTERNATIVES: Reject this offer. Rejection of this proposal will leave the Authority without property insurance, putting substantial assets of the Authority at risk.

8.0 RECOMMENDATION: It is recommended that the offer of FM Global, through Aon Risk Services, Inc. of Ohio be accepted and the resolution passed authorizing the General Manager/Secretary-Treasurer to purchase the property insurance policy.

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