

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	72191	Agenda Number	28.
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Meeting Date:	June 22, 2017
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Department:	Purchasing
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Subject

Authorize execution of a contract with LIBERTY MUTUAL INSURANCE GROUP for the Rolling Owner Controlled Insurance Program VII insurance carrier, and to reallocate \$5,008,646 of the amount previously authorized by Council.

Amount and Source of Funding

No changes to the amount and source of funding for this contract.

Fiscal Note

A fiscal note is not required.

Purchasing Language:	
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Prior Council Action:	February 16, 2017 – approved original contract, item # 19.
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For More Information:	Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or AgendaOffice@ austintexas.gov or to the buyer, Monica McClure, at 512-974-1714 or Monica.McClure@ austintexas.gov
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Boards and Commission Action:	
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Related Items:	
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MBE / WBE:	The previous solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. For the services required for the previous solicitation, there were no subcontracting opportunities; therefore, no subcontracting goals were established.
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Additional Backup Information

On February 16, 2017, Council approved a contract with Marsh USA Inc. in a not-to-exceed amount of \$6,389,720 for the administration of the Rolling Owner Controlled Insurance Program (ROCIP VII), and also authorized the firm to negotiate and purchase workers' compensation, general liability, and excess liability insurance coverage for contractors who participate in construction projects under the program.

This contract with Liberty Mutual Insurance Group, the selected insurance carrier, is at no additional cost to the City as the authorization amounts for these services were originally approved by the Council in February 2017. This contract is necessary to allow the City to process insurance premium payments directly to the selected insurance carrier, Liberty Mutual Insurance Group, Philadelphia, PA.

This contract will allow Marsh USA Inc. to be paid \$1,381,074; \$650,000 for its administrator services and \$731,074 for excess insurance coverage. This also allows for Liberty Mutual Insurance Group to be paid directly by the City a total not-to-exceed amount of \$5,008,646 for insurance coverages procured by Marsh USA Inc.

This will create a more transparent financial arrangement between the City and the selected carrier, reduce payment processing timeframes, and allow the City to sign important financial security documents the carrier requires in establishing these types of programs with clients.