

## A G E N D A



## Recommendation for Council Action (Purchasing)

Austin City Council

Item ID:

67492

Agenda Number

19.

Meeting Date:

February 16, 2017

Department:

Purchasing

## Subject

Authorize negotiation and execution of a contract with MARSH USA, INC., or one of the other qualified offerors to Request for Proposals TLF0301, to provide administration services for the Rolling Owner Controlled Insurance Program (ROCIP) VII, in an estimated amount of \$650,000; and to authorize the administrator to negotiate and purchase workers' compensation, general liability, and excess liability insurance coverage for contractors of all tiers participating in construction projects included in the ROCIP VII program, in an estimated amount of \$5,739,720, for a total contract amount not to exceed \$6,389,720.

## Amount and Source of Funding

Funding is available in the Fiscal Year 2016-2017 Capital Budgets of various City departments.

## Fiscal Note

A fiscal note is not required.

Purchasing Language:

The Purchasing Office issued a Request for Proposals (RFP) TLF0301 for these services on June 20, 2016 and it closed on July 21, 2016 with four offers received. The recommended offer is the best evaluated offer submitted by a responsible offeror. Additional information on the solicitation is included below the line. The recommended offeror is the current provider for these services.

Prior Council Action:

For More Information:

Monica McClure, Corporate Contract Administrator, 512-974-1714

Boards and Commission Action:

January 23, 2017 – Unanimously recommended by the Electric Utility Commission on a 9-0 vote, with two vacancies.  
February 8, 2017 – Recommended by the Water and Wastewater Commission on a 9-0 vote, with Commissioners Parker and Maia absent.

Related Items:

MBE / WBE:

This 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 this solicitation, there were no subcontracting opportunities; therefore, no subcontracting goals were established.

## Additional Backup Information

The contract will provide administration services for the City's Rolling Owner Controlled Insurance Program (ROCIP) VII and workers' compensation, general liability, and excess liability insurance coverage for contractors of all tiers participating in construction projects included in ROCIP VII. Through ROCIP VII, the City will obtain insurance coverage instead of requiring individual contractors to provide their own which will lead to improved contractor equity; remove insurance barriers that can impact small and minority contractors, assure broad and uniform insurance protection is in place for the City, and provide cost savings as participating contractors remove insurance costs from their construction contract bids.

Insurance cost avoidance under ROCIP VII is estimated at \$1.1 million. The City has identified 27 potential capital improvement projects totaling approximately \$400 million in construction values as initial candidates for inclusion in ROCIP VII. The majority of these construction values (\$230 million) are related to the Austin-Bergstrom International Airport expansion. The City implemented its first ROCIP program in 1992 and ROCIP VII will be a continuation of the City's efforts to achieve these goals.

An evaluation team with expertise in this area evaluated the offers and scored Marsh USA, Inc. as the best to provide these services based on experience and services; conceptual strategy for premium and coverage provisions; payment terms and structure; risk management information systems, procedures, and reports; proposed cost and local business presence.

This request allows for the development of a contract with a qualified offeror selected by Council. If the City is unsuccessful in negotiating a satisfactory contract with the selected offeror, negotiations will cease with that provider. Staff will return to Council so that another qualified offeror may be selected, authorizing contract negotiations with a new provider.

The contract is needed to continue the City's ROCIP program for future construction projects. Without it, small and minority contractor participation may decrease, and costs to the City may increase.

The ROCIP VI program administration contract is in effect until July 15, 2018, but covers different capital improvement projects than ROCIP VII. The total authorization amount for the ROCIP VI program administration contract was \$7,330,000 (\$875,000 for administration services and \$6,455,000 for insurance coverage). The decrease in cost is due to differences in the size and types of projects for the two programs.

A complete solicitation package, including a response list, is on file in the City's Purchasing Office and is available on the City's Financial Services Austin Finance Online website. Link: [Solicitation Documents](#)