



Recommendation for Action

File #: 20-1548, **Agenda Item #:** 18.

4/9/2020

Posting Language

Authorize an amendment to an existing contract with Marsh USA, Inc. D/B/A Marsh USA, for continued administration services for the Rolling Owner Controlled Insurance Program VII, for an increase in the amount of \$355,000, for a revised contract amount not to exceed \$1,856,074.

(Note: This contract 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 contract, there were no subcontracting opportunities; therefore, no subcontracting goals were established).

Lead Department

Purchasing Office.

Client Department(s)

Human Resources Department.

Fiscal Note

Funding in the amount of \$154,675 is available in the Fiscal Year 2019-2020 Capital Budgets of various City departments. Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

Contract Amendment.

Prior Council Action:

February 16, 2017 - Council approved the original contract, item 19, on a 11-0 vote.

June 22, 2017 - Council approved the reallocation of funds from this contract to Liberty Mutual Insurance Company, item 28, on a 10-0 vote with Council Member Troxclair absent.

For More Information:

Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or AgendaOffice@austintexas.gov <<mailto:AgendaOffice@austintexas.gov>> or to Sydney Ceder, at 512-974-2225 or Sydney.Ceder@austintexas.gov <<mailto:Sydney.Ceder@austintexas.gov>>.

Council Committee, Boards and Commission Action:

March 11, 2020 - Recommended by the Water and Wastewater Commission on a 7-0 vote, with Commissioners Michel, Parton, Schmitt and Williams absent.

Additional Backup Information:

Under the Rolling Owner Controlled Insurance Program (ROCIP) VII, the City obtains insurance coverage instead of requiring individual contractors to provide their own. This structure establishes improved contractor

equity, removes insurance barriers that can impact small and minority contractors, assures broad and uniform insurance protection is in place for the City, and provides construction cost reductions through the volume purchasing of insurance coverage. The City implemented the first ROCIP program in 1992 and ROCIP VII is a continuation of the City's efforts to achieve these goals.

ROCIP VII administrator services include negotiation of the insurance coverage, enrollment and close out of all contractors that are covered under the ROCIP VII program and payment of the excess liability insurance premiums for the program.

Council approved the ROCIP VII on February 16, 2017 with an anticipated \$400 million in construction values and 27 projects as initial candidates for inclusion in the program. The City has now identified an additional 13 projects with total construction values of \$246 million for inclusion in the program. This proposed amendment will allow for additional administrative services associated with the increased construction values and includes the increased excess liability premium to cover an additional \$246 million in City construction values.

This proposed amendment will allow the City to take advantage of the favorable insurance rates that were negotiated during the 2017 soft insurance market while also maintaining broad and uniform coverage terms and conditions negotiated and purchased in 2017.

Strategic Outcome(s):

Government that Works for All.