

BOARD MEETING DATE: September 1, 2017

AGENDA NO. 8

PROPOSAL: Execute Contract for Insurance Brokerage Services

SYNOPSIS: The current contract for insurance brokerage services expires September 30, 2017. On May 5, 2017, the Board approved release of an RFP to solicit proposals from firms interested in providing these services for the next three-year period. This action is to execute a contract with Alliant Insurance Services, Inc. from October 1, 2017 through September 30, 2020 for an amount not to exceed \$149,960 for the three-year period. Funding for the first year of this contract has been included in the FY 2017-18 Budget, and will be requested in successive fiscal years for subsequent annual payments.

COMMITTEE: Administrative, July 14, 2017; Recommended for Approval

**RECOMMENDED ACTION:**

Authorize the Chairman to execute a three-year contract with Alliant Insurance Services, Inc. to perform insurance brokerage services for the period from October 1, 2017 through September 30, 2020, for a total amount not to exceed \$149,960.

Wayne Natri  
Executive Officer

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**Background**

SCAQMD currently contracts with Alliant Insurance Services, Inc. to provide insurance brokerage services. These services include marketing SCAQMD's property and liability insurance needs and representing SCAQMD's interest in the negotiation and placement of various insurance instruments for loss exposures. Brokerage services also include data collection and analysis of properties subject to loss and their values (property valuation), preparation of insurance proposal submissions, and the development of strategies for obtaining cost-effective coverage based on existing market conditions.

The current contract expires September 30, 2017. On May 5, 2017, the Board approved release of RFP #P2017-14 to solicit proposals from insurance brokerage firms interested in providing these services for the next three-year period.

## Outreach

In accordance with SCAQMD's Procurement Policy and Procedure, a public notice advertising the RFP and inviting bids was published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County's Press Enterprise newspapers to leverage the most cost-effective method of outreach to the South Coast Basin.

Additionally, potential bidders may have been notified utilizing SCAQMD's own electronic listing of certified minority vendors. Notice of the RFP has been emailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations, and placed on the Internet at SCAQMD's website (<http://www.aqmd.gov>).

## Proposal Evaluation

A total of fourteen copies of the RFP were mailed to insurance brokerage firms. There were two proposals received by the submittal deadline of 3:00 p.m. on Wednesday, June 7, 2017. The panel scored the two proposals based on criteria set forth in the RFP, which included firms' understanding of the scope of work, technical insurance brokerage expertise, relevant public-sector experience, and cost.

The panel evaluating the proposals included a Senior Deputy District Counsel, the Acting Risk Manager, and the Business Services Manager. Of these, two are Caucasian and one is Hispanic; one is male and two are female. The evaluation results are as follows:

<b>Bidder</b>	<b>3-Year Cost</b>	<b>Cost Points</b>	<b>Technical Points</b>	<b>Additional Points</b>	<b>Total Points</b>
Alliant Insurance Services, Inc.	\$149,960	23	69	5	97
Epic Insurance Brokers & Consultants	\$120,000	30	55	2	87

Alliant Insurance Services, Inc. received the panel's higher rating. The firm submitted the higher-rated qualified bid, which included excellent references for comparable public sectors. The firm demonstrated expertise in obtaining advantageous insurance coverage from national and international insurers at cost-effective rates based on current market conditions, which would result in cost savings to SCAQMD. As part of Alliant's proposal, they also included 50 hours per contract year of professional loss control and/or personal property valuation service.

## Resource Impacts

Funds for insurance premiums are included in SCAQMD's budget each fiscal year under the District General – Insurance account. Funding of \$49,000 is available in the FY 2017-18 Budget for the first year of the contract; funding of \$49,980 and \$50,980 for the second and third years, respectively, will be requested in successive budget years. The total contract amount will not exceed \$149,960 for the three-year period.