

BOARD MEETING DATE: September 5, 2014

AGENDA NO. 9

PROPOSAL: Execute Contract for Insurance Brokerage Services

SYNOPSIS: The current contract for insurance brokerage services expires September 30, 2014. On April 4, 2014, 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 through September 30, 2017, for an amount not to exceed \$ 49,000 per year. Funding for this contract has been included in the FY 2014-15 Budget and will be requested in successive fiscal years.

COMMITTEE: Administrative, July 18, 2014; Recommended for Approval

RECOMMENDED ACTION:

Authorize the Chairman to execute a three-year contract for the period October 1, 2014, through September 30, 2017, with Alliant Insurance Services to perform insurance brokerage services in an amount not to exceed \$49,000 for each of the three years.

Barry R. Wallerstein, D.Env.
Executive Officer

WJJ:PG

Background

SCAQMD currently contracts with Alliant Insurance Services 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. Broker 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, 2014. On April 4, 2014, the Board approved release of RFP #P2014-18 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/RFQ 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/RFQ has been e-mailed 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>).

Bid Evaluation

A total of nine copies of the RFP were mailed to insurance brokerage firms. There were three proposals received by the deadline for submittal at 3:00 p.m. on Friday, May 9, 2014. The panel scored the three responsive 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 Controller, a Senior Deputy District Counsel, a Principal Deputy District Counsel, and a Human Resources Analyst. Of these, two are Asian/Pacific Islanders, one is Caucasian and one is Hispanic; one is male and three are female.

Alliant Insurance Services received the panel's highest rating. The firm demonstrated expertise in obtaining advantageous insurance coverage from national and international insurers at cost-effective rates, which would result in cost savings to SCAQMD. The attachment lists the proposals and their ratings.

Proposal

This action is to execute a contract with Alliant Insurance Services for the period October 1, 2014, through September 30, 2017, to perform insurance brokerage services. Under the contract, Alliant Insurance Services would utilize its resources to negotiate cost-effective and advantageous insurance coverage for SCAQMD based on current market conditions. Staff is recommending the selection of a proposer with a high technical score but with an initial higher fee-for-service, as opposed to a lower cost proposer with a lower proposed fee-for-service, as this proposer would not be able to access proprietary joint purchase property and excess liability insurance programs

available exclusively to Alliant Insurance Services. Utilizing an insurance brokerage service unable to access these joint purchase programs would increase substantially SCAQMD's annual insurance premiums well in excess of the reduced fee-for-service. Funds for insurance premiums are included in SCAQMD's budget each fiscal year under the District General – Insurance account.

Resource Impacts

Sufficient funding is available for the remainder of FY 2014-15, and funding in an amount not to exceed \$49,000 will be requested in successive budget years.

Attachment

Proposal Evaluation Summary

ATTACHMENT A

PROPOSAL EVALUATION SUMMARY

RFP 2014-18

INSURANCE BROKERAGE SERVICES

Contractor	3-Year Cost	Cost Points	Technical Points	Additional Points	Total Points
Alliant Insurance Services	\$147,000	22	69	5	96
Kaercher Campbell & Associates	\$105,000	30	59	5	94
DVBE Insurance Services	**	-0-	27	15	42

** Proposed commission based compensation as opposed to fee-for-service arrangement as required by the RFP.