

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
2	11/14/16	Open	Action	10/24/16

Subject: Award Insurance Broker Services Contract to Alliant Insurance Services, Inc.

ISSUE

Whether or not to award a Contract for Insurance Broker Services to Alliant Insurance Services, Inc.

RECOMMENDED ACTION

Adopt Resolution No. 16-11-_____, Awarding a Contract for Insurance Broker Services to Alliant Insurance Services, Inc.

FISCAL IMPACT

Budgeted:	Yes	FY17:	:	\$46,923
Budget Source:	Operating	FY18:	:	\$94,785
Funding Source:	Local	FY19:	:	\$96,681
Cost Center:	47	FY20:	:	\$48,819
GL:	630005			
Total Budget:	\$287,208	Total Amount:	:	\$287,208

DISCUSSION

On July 25, 2016, the RT Board authorized the release of a Request for Proposals (RFP) for Insurance Broker Services for a 3-year term contract with an option to renew for two additional 1-year periods. The current Insurance Broker Contract with Aon Risk Services, Inc. expires on December 31, 2016. RT requires the expertise of a broker who designs, markets, obtain quotes, and evaluates insurers' financial status using specifications approved by RT. Upon approval of costs and coverages by RT's Board of Directors, the broker places and services RT's policies for excess property, excess liability, excess workers' compensation, boiler and machinery, employment practices liability and employee dishonesty, as well as providing other customary brokerage support services.

Staff released the RFP on August 2, 2016 and held a pre-proposal conference on August 17, 2016. The solicitation was advertised in publications of general circulation and posted on RT's website under Contracting Opportunities. In response, RT received 3 responsive proposals on September 2, 2016, from: Alliant Insurance Services, Inc. (Alliant); Aon Risk Services, Inc. (Aon); and Lockton Insurance Brokers, LLC.

The qualifying criteria included the Proposer's response to understanding the project, staffing and experience, project work plan, and competitiveness of price. The Selection Committee consisted

Approved:

Presented:

Final 11/09/16

General Manager/CEO

Chief Counsel

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November

14,

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of: Darla Modjeski, Risk Administrator; Alan Beltramo, Senior Risk Analyst; and, Paul Selenis, Manager, Accounting. After evaluating and scoring of the written proposals, staff determined that all three proposing firms were in the competitive range and would be asked to provide an oral presentation and be interviewed by the evaluation committee. Interviews were concluded on October 12, 2016. The Selection Committee determined Alliant's proposal to be the most advantageous to RT for Insurance Broker Services.

The RFP included a 10% point preference to Proposers meeting the Small Business Enterprises (SBE) participation goal and a 10% point preference to Proposers meeting the Local Business Preference (LBE) goal set for this Contract. All three of the Proposers are LBE's and all received the 10% point preference for meeting the LBE goal. In addition, Alliant received the 10% SBE point preference based on its partnership with SBE subconsultant Bedford Falls Insurance Services, Inc. The 10% price preference is computed using the highest-scoring Proposal. The final scores by the Selection Committee are as follows.

	Alliant	Aon	Lockton
Total Points:	262.50	224.60	261.75
SBE/LBE Points			
SBE Points (10%)	10%	None	None
LBE Points (10%)	10%	10%	10%
Total SBE/LBE %	20%	10%	10%
Points added	52.50	24.82	24.82
New Total: (Rounded)	315	249	287

While all three of the proposers were very qualified and competitive, Alliant was selected as the stronger Broker for the following reasons:

1. Its commitment to be an aggressive and innovative resource to deliver the best insurance products available to RT.
2. Its significant public transit experience. Alliant has a client base that includes: San Diego Metro Transit System, North County Transit District, Santa Clara Valley Transportation Authority, California Transit Indemnity Pool, San Francisco Municipal Transportation Agency, Sonoma-Marín Area Rail Transit, Tri-County Metropolitan District of Oregon, and King County Metro in Seattle, Washington State Transit Insurance Pool, and the Chicago Transit Authority.
3. Its significant experience in Northern California. Other local clients include the Cities of Sacramento, Elk Grove, Folsom, Citrus Heights, and the State of California.
4. Its SBE subconsultant, Bedford Falls Insurance Services, is a liability marketing specialist.
5. The team is very knowledgeable regarding RT challenges and recent successes.
6. Alliant is highly regarded by other Risk professionals in transit and the public sector.
7. Desire by RT Staff to have a "fresh set of eyes" review and service RT's account.

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The insurance broker contract payment structure is based on an annual retainer fee basis. The independent cost estimate for the 3-year retainer is \$300,000 to \$360,000 based on historical information and adjusted for cost of living and inflation. Alliant's 3-year price of \$287,208 has been deemed fair and reasonable and falls below the established budget.

Staff recommends the Board award a Contract for Insurance Broker Services to Alliant Insurance Services, Inc. for a 3-year term in an amount not to exceed \$287,208, with an option to renew for 2 additional 1-year terms.

RESOLUTION NO. 16-11-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

November 14, 2016

**AWARDING A CONTRACT FOR INSURANCE BROKER SERVICES TO ALLIANT
INSURANCE SERVICES, INC.**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE
SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Contract between Sacramento Regional Transit District, therein referred to as "RT," and Alliant Insurance Services, Inc., therein referred to as "Consultant," whereas Consultant agrees to provide Insurance Broker Services, as specified, for an amount not to exceed \$287,208, for the three year term of January 1, 2017 through December 31, 2019, with an RT option to renew for two additional 1-year periods, is hereby approved.

THAT, the Chair and General Manager/CEO are hereby authorized and directed to execute said Contract.

JAY SCHENIRER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary