

December 13, 2001

02-055

ACCEPT PROPOSAL/AWARD CONTRACT - INSURANCE
AGENT OF RECORD FOR PROPERTY AND LIABILITY
INSURANCE

PREPARED BY: Roger Cardinal, Manager, Procurement & Risk Services

FINANCIAL
RESPONSIBILITY: Roger Cardinal, Manager, Procurement & Risk Services

APPROVED BY: Randy McEwen, Vice-President, Administrative Services
Jesus "Jess" Carreon, President

REPORT: The College contracts with an insurance brokerage firm to act as the College's Insurance Agent of Record (AOR) for non-benefit related insurance. The services this firm typically provides are: preparing specifications for insurance coverage, seeking competitive proposals from insurance carriers, providing technical support in the continuing analysis and processing of insurance needs, and some claims adjustment services. The current AOR contract with Marsh USA Inc. will expire as of December 31, 2001.

A Request for Proposals (RFP) for a new AOR contract for non-benefit related insurance was advertised in the Daily Journal of Commerce, and on the State Vendor Information Program, on November 1, 2001. RFP documents were sent to six (6) firms and two (2) proposals were received for consideration by the due date of November 20, 2001. Proposals were submitted by Marsh USA Inc., and Jewett, Barton, Leavy & Kern, Inc. (JBL&K). They were then evaluated by a committee composed of Wing-Kit Chung, Jerry Donnelly, Roger Cardinal and Chris Ells. The evaluations were based on: a) qualifications and experience of both the firm in general, and the key staff to be assigned, with AOR contracts with public agencies; b) proposed methodology of servicing this contract; c) clients and references, and d) proposed fees. Both firms were rated as having the required qualifications and experience and were then both interviewed on December 7, 2001. The interviews focused on insurance coverages available, particularly for errors and omissions (E&O) insurance, and also claims handling processes and procedures.

The evaluation committee recommends awarding this new AOR contract to JBL&K, primarily to attempt to improve the College's E&O insurance coverage and claims handling.

Note: Neither firm is a certified MWESB.

RECOMMENDATION:

That the Board of Directors accept the proposal from, and award a contract to, JBL&K to provide AOR services for the College's property and liability insurance program. The initial contract will be for a period of three (3) years, commencing January 1, 2002 and ending December 31, 2004. At the option of the College, the contract may be extended up to an additional two (2) years, not-to-exceed five (5) years total length. The annual fees paid for the initial contract years will be: \$34,500 for 2002, \$36,000 for 2003, and \$37,500 for 2004. Fees for these services will be paid from the General Fund.

Director Germond moved to approve Resolutions 02-053 through 02-055 and it passed unanimously.