

## SUMMARY OF RESOLUTION

### Authorization to Extend the Term and Increase the Not-to-Exceed Amount of the Agreement with Marsh, U.S.A. Inc. for North Shore Connector Project Owner-Controlled Insurance Program Services

In May, 2004, Port Authority of Allegheny County (Authority), in accordance with its Board-adopted Procurement Policy and Procedures for Competitive Negotiations for Professional and Technical Services, solicited proposals to obtain the services of a firm to establish, implement and administer an Owner-Controlled Insurance Program (OCIP) for the North Shore Connector Project (Project) for the Authority (Services). Such Services more specifically include:

- coordinating the acquisition of all required insurance coverage for the Authority;
- identifying the appropriate types of insurance to be acquired and maintained over the duration of Project;
- performing evaluations, making recommendations and providing assistance to the Authority in selecting the types of insurance coverage to be acquired, amount of coverage, deductible limits, etc.;
- providing general marketing/administrative services;
- managing and administering OCIP, including Casualty, Property, Environmental and Marine Insurance marketing and claims management; and
- developing and administering Loss Control and Safety and Risk Control Management programs.

In July, 2004, the Authority's Board authorized the award of an agreement to Marsh USA Inc. (Marsh) to provide Services for a total not-to-exceed cost of \$1,084,000.00 (Agreement). Agreement expires on January 31, 2011.

To date, Services performed by Marsh have been satisfactory and in compliance with Agreement. The Authority has determined that it is in its best interest to further extend the term of Agreement for an additional primary term of 11 months to December 31, 2011 and to increase the total not-to-exceed amount for Services by \$78,100 in order for Services to continue through the duration of Project. Agreement also includes an 18-month post-construction claims service after the expiration of the primary term for Services to be provided by Marsh at no additional cost to the Authority during that time.

In accordance with the Authority's Limits of Authority policy, the attached resolution authorizes an amendment to Agreement to extend the term of Agreement for an additional 11 months and to increase the total not-to-exceed amount from \$1,084,000 to \$1,162,100.

## RESOLUTION

**WHEREAS**, Port Authority of Allegheny County's (Authority) Board of Directors, in accordance with its Board-adopted Procurement Policy and Procedures for Competitive Negotiations for Professional and Technical Services, authorized the award of an agreement to Marsh, USA Inc. (Marsh) in July 2004 to establish, implement and administer an Owner-Controlled Insurance Program (OCIP) for the North Shore Connector Project (Project) for the Authority for a total not-to-exceed amount of \$1,084,000 (Agreement); and

**WHEREAS**, Agreement provided for an original, primary term of six years and six months; and

**WHEREAS**, the term of Agreement will expire on January 31, 2011; and

**WHEREAS**, the Authority has determined that it is in its best interest to exercise its option to extend Agreement for an additional 11 months to December 31, 2011 to coincide with the anticipated completion date of Project; and

**WHEREAS**, the Authority has also determined that an increase of \$78,100 in the total not-to-exceed amount for the services is required and appropriate to continue the services; and

**WHEREAS**, following the expiration of the primary term of Agreement, Marsh has agreed to provide an 18-month post-construction claims service to the Authority at no additional cost to the Authority.

**NOW, THEREFORE, BE IT RESOLVED**, that the chief executive officer, Rail Operations/engineering officer and/or inside general counsel be, and they hereby are, authorized to execute an amendment to Agreement with Marsh, in a form approved by counsel, to extend the primary term of Agreement for 11 additional months to December 31, 2011 and to increase the previously authorized total not-to-exceed amount from \$1,084,000 to \$1,162,100 and to take all such other actions necessary and proper to carry out the purpose and intent of this resolution.