

SUMMARY OF RESOLUTION

Authorization to Enter into an Agreement with Willis of Pennsylvania, Inc., to Provide Property and Casualty Risk Management Services

Description

Port Authority of Allegheny County (Authority) requires a contractor to assist the Authority with its property and casualty risk management programs, including the marketing of its operating insurance coverages, net of commissions and other brokerage fees (Services). The agreement for Services would be for a three-year period with the option to extend the term of the agreement up to an additional two years at the sole discretion of the Authority.

Evaluation Committee

Consistent with the Authority's Board-adopted Procurement Policy and Procedures for Competitive Negotiations for Professional and Technical Services, an Evaluation Committee (Committee) was convened to evaluate proposals and recommend the top-rated proposer to perform Services. Committee was comprised of seven members and represented the Legal and Corporate Services, Finance, Human Resources and Operations Divisions.

Schedule

Request for Proposal No. 11-05 for Services was publicly advertised and an informational meeting was held on April 21, 2011. Three proposals were received on May 11, 2011 and were distributed to Committee.

Evaluation Process

Committee met to discuss and evaluate the proposals and determined that all three of the proposals were in the competitive range that would ultimately be able to achieve the top ranked status. Interviews were subsequently conducted with the three proposers including Willis of Pennsylvania, Inc. (Willis), Aon Risk Services Central, Inc. (Aon) and Marsh USA Inc. (Marsh).

As a result of the review of the proposals and the interviews, Committee identified Willis as the proposer with the highest rated proposal to perform Services.

Summations by Committee for each of the proposers follows.

Willis' proposed project manager has comprehensive insurance experience and proposed staff has a considerable depth of knowledge and experience and presented the most cohesive team. Willis has relevant corporate experience including transit experience. Willis proposed the best understanding of the project work plan both in its

written proposal and oral presentation. Willis' proposed costs for Services for the initial three-year period are \$405,000, which is approximately nine percent less than the current agreement costs with Willis. Willis adequately described the roles and responsibilities of the proposed individuals in its project organization and management plan. Willis proposes to utilize the PAUCP certified DBE firm of Carolina Insurance Services for approximately 10 percent of the work. Willis has assigned its DBE meaningful involvement in the work.

Aon's proposed project manager has relevant experience but does not have the depth of insurance experience compared to the other proposed project managers. Aon's proposed staff has overall good experience, including transit experience, but there is some concern that key staff are not located in Pittsburgh. The corporate experience provided by Aon in its proposal did not have enough detail. Aon's project work plan relied heavily on modeling and did not clearly convey understanding of the overall needs of the Authority. Aon's proposed costs for Services for the initial three-year period are \$420,000, and are slightly higher than Willis. Aon adequately described the roles and responsibilities of the proposed individuals in its project organization and management plan. Aon proposes to utilize the PAUCP certified DBE firm of Exico, Inc., for 10 percent of the work. The tasks assigned to Exico, Inc., were not as specific as those assigned by Willis to its DBE.

Marsh proposed a project manager and an assistant project manager. Both have relevant experience and appeared to work well together but were not as strong as the other proposers proposed project managers. The proposed staff has good experience but did not demonstrate a cohesive team as the other proposers. Marsh has relevant corporate experience including transit experience. Marsh provided a general project work plan in its proposal and did not provide any additional insight as to its understanding of the project at the oral presentation. Marsh's proposed costs for Services for the initial three-year period are \$435,000, and were the highest among the proposers. Marsh provided an adequate project organization and management plan. Marsh proposes to utilize Carolina Insurance Services for approximately 10 percent of the work. The tasks assigned to Carolina Insurance Services were general in nature compared to those assigned by Willis to the same firm.

Negotiations

Negotiations with Willis have been completed and have resulted in a proposed agreement to provide Services for a total not-to-exceed amount of \$405,000. The agreement will be for a three-year period with the option to extend the term of the agreement up to an additional two years at the sole discretion of the Authority.

7/22/11
J. Letwin

RESOLUTION

WHEREAS, Port Authority of Allegheny County (Authority) requires a contractor for the performance of property and casualty risk management services, including the marketing of its operating insurance coverages, net of commissions and other brokerage fees (Services); and

WHEREAS, in order to obtain a qualified firm to provide Services, a Request for Proposal No. 11-05 detailing the required scope of services was prepared and publicly advertised; and

WHEREAS, three proposals were received on May 11, 2011, and were reviewed by the Authority's Evaluation Committee; and

WHEREAS, the proposal submitted by Willis of Pennsylvania, Inc., (Willis) has been determined to be the highest rated proposal for the performance of Services; and

WHEREAS, negotiations with Willis have resulted in a proposed agreement to perform Services for a total not-to-exceed amount of \$405,000.

NOW, THEREFORE, BE IT RESOLVED, that the chief executive officer and/or assistant general manager Legal and Corporate Services be, and hereby are, authorized to enter into an agreement, in a form approved by counsel, with Willis to provide Services for a total not-to-exceed amount of \$405,000, and also to take all such other actions necessary and proper to carry out the purpose and intent of this resolution. The agreement will be for a three-year period with the option to extend the term of the agreement up to an additional two years at the sole discretion of the Authority.