

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a contract with **Beecher Carlson** for Commercial Insurance Broker Services.

Board Meeting Date: September 4, 2018

Project Name/Contract#: Commercial Insurance Services / RFP 027-2018

Primary Contact: Sue Fahey Ext. 7688

Purchasing Contact: Ramie Alkire Ext. 7413

Contract Amount:

Original Contract Amount: \$ 225,000 (Over 5 years)

Additional \$ Previously Approved: \$ N/A

Invoices over last approval: \$ N/A

Percentage over last approval: N/A %

Amount this Request: \$ 225,000

Resulting Cumulative Total: \$ 225,000

Contracting Method:

Method of Solicitation: Formal RFP

If applicable, basis for exemption: N/A

Term of Agreement: September 5, 2018 – September 4, 2023

Option to Renew? Annually up to 5 years

Approval for purchases "as needed" for the life of the contract Yes

Proposals/Bids Received (Range): 8 (\$37,500/annually + commissions, \$75,000/annually)

Selection Basis: Highest Ranked Proposer

Operational Requirement and Alignment with Strategic Plan

EWEB requires the services of qualified brokers to market and administer EWEB's commercial insurance portfolio and provide other services related to insurance and risk management.

Contracted Goods or Services

The contract requires contractor to work with EWEB to design and develop the commercial insurance program, including but not limited to:

- Research insurance markets to determine appropriateness of current coverage and recommend other additional or different coverage as needed
- Obtain competitive quotes for coverage exposures
- Develop a mutually agreeable renewal action plan and timeline that highlights accountability and meets EWEB's objectives
- Assist in the evaluation of self-insurance fund administration and financing strategies, retention and deductible levels
- Identify and negotiate, with insurers, on EWEB's behalf for most competitive costs and comprehensive coverage

Prior Contract Activities

The last contracting approach used to purchase commercial insurance broker services was a Formal Request for Proposal process in 2013. The contract was awarded to Marsh USA for a five year period. The contract will expire at the end of September with no additional renewals.

Purchasing Process

In June 2018, EWEB issued a Formal Request for Proposals (RFP) for commercial insurance broker services. Thirty-

one (31) entities reviewed the RFP on the State of Oregon's Procurement site (ORPIN). ORPIN sends out automatic notifications to registered firms interested in the specific type of services in our RFP. Staff also proactively reached out to nine firms in advance of the closing date.

EWEB received eight (8) responses: (1) Alliant of San Francisco, CA; (2) WHA Insurance of Eugene, OR; and (3) Willis of Oregon of Portland, OR; (4) Arthur J. Gallagher Risk Management Services of Tacoma, WA; (5) Arthur J. Gallagher Risk Management Services of Boston, MA; (6) Beecher Carlson of Eugene, OR; (7) Marsh USA of Portland, OR; and (8) USI Insurance Services of Portland, OR. The responses were evaluated based on the weighted criteria stated in the RFP which consisted of Ability/Capability to perform the work; Key Staff experience; Transition Management Services; Available/optional additional services; and Fees.

Beecher Carlson was found to be responsive and received the highest score in the evaluation of proposals. They are a locally based firm with strong key staff with a large pool of talent, including an attorney and an actuary; broad experience providing insurance broker services to utility and public entity clients; and an extensive list of services included in their base fee. Staff has successfully negotiated a contract, and has issued a Notice of Intent to Award, pending Board approval.

The total contract amount will be approximately \$225,000 over the total five-year period.

ACTION REQUESTED:

Management requests the Board approve a new contract with **Beecher Carlson** of Eugene, OR for Commercial Insurance Broker Services. The total Finance division budget is \$8.6 million for 2018. This item will be budgeted annually.

SIGNATURES:

Project Coordinator: _____

Manager: _____

Purchasing Supervisor: _____

Executive Officer: _____

Board Approval Date: _____