



ADMINISTRATION COMMITTEE

Administration Building
10844 Ellis Avenue
Fountain Valley, CA 92708
(714) 593-7433

Agenda Report

File #: 2023-2871

Agenda Date: 4/12/2023

Agenda Item No: 4.

FROM: Robert Thompson, General Manager
Originator: Lorenzo Tyner, Assistant General Manager

SUBJECT:

INSURANCE BROKER SERVICES

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

Approve a Professional Consultant Services Agreement to Alliant Insurance Services, Inc. to provide Insurance Broker of Record Services, Specification No. CS-2022-1359BD for a total amount not to exceed \$150,000 for the period beginning July 1, 2023 through June 30, 2024; with four (4) one-year renewal options.

BACKGROUND

Annually, the Orange County Sanitation District (OC San) works with the Insurance Broker of Record to purchase five major insurance coverages for its assets and operations, which include:

1. Excess General Liability Insurance
2. Excess Workers' Compensation
3. All-Risk Property and Flood Insurance
4. Boiler & Machinery Insurance
5. Earthquake Insurance

The insurance broker also assists with smaller coverages such as crime, cyber, and watercraft insurance.

The broker surveys the insurance market to find coverage that meets OC San's specific needs at the lowest possible premiums. This ensures OC San receives the best possible premiums and coverage. OC San does not pay the broker directly for these services; rather, the broker is paid by the individual insurance carrier through a commission. The commission is included in the premiums the insurance carrier quotes.

Alliant Insurance Services, Inc. (Alliant) is highly experienced with California governmental agencies, as it insures the vast majority of California counties, along with hundreds of California cities and special districts. Alliant has experience with many California sanitation districts and is currently the insurance broker for OC San. Alliant's Public Entity Property Insurance Program is considered one of the largest programs available. Alliant also provides access to workers compensation insurance

provided by Public Risk Innovation, Solutions, and Management (PRISM), which includes multiple agencies and serves as a risk pool.

RELEVANT STANDARDS

- Ensure the public's money is wisely spent
- Protect OC San assets

PROBLEM

Annually, through the expert services of an insurance broker, OC San purchases a variety of insurances designed to protect its assets and operations. The current agreement expires in June 2023.

PROPOSED SOLUTION

Authorize the selected firm to act as OC San's Insurance Broker of Record.

TIMING CONCERNS

OC San has a five-year agreement for insurance brokerage services that expires on June 30, 2023. OC San will be without a Broker of Record to approach and negotiate with insurance carriers until a new professional services agreement is approved by the Board.

RAMIFICATIONS OF NOT TAKING ACTION

Most commercial insurance is arranged through brokers and OC San will be unable to purchase insurance to protect its assets and operations until a new Broker of Record is selected.

PRIOR COMMITTEE/BOARD ACTIONS

N/A

ADDITIONAL INFORMATION

A Request for Proposal was issued on November 17, 2022 via PlanetBids. Proposals were due on January 10, 2023. OC San received two (2) proposals valid for 180 calendar days from the proposal opening date.

Prior to receipt of proposals, an evaluation team was formed consisting of the following OC San staff: Assistant General Manager, Human Resources & Risk Manager, Controller, and Senior Accountant. The team was chaired by a Purchasing representative as a non-voting member. On January 17, 2023, the evaluation team met to discuss the policies and procedures for the evaluation process.

Individual scoring was the chosen method of evaluation for this procurement. Members of the team performed an independent review of the proposals and later met as a group with the Buyer to discuss their preliminary scores and discuss any questions/concerns.

Proposals were evaluated based on the following criteria:

CRITERION	WEIGHT
Qualifications & Experience of Firm	30%
Proposed Staffing & Project Organization	25%
Work Plan	35%
Cost	10%

The evaluation team first reviewed and scored the proposals based upon the criteria listed above, other than cost.

Rank	Proposer	Criterion 1 (Max 30%)	Criterion 2 (Max 25%)	Criterion 3 (Max 35%)	Subtotal Score (Max 90%)
1	Alliant Insurance Services	25%	20%	28%	73%
2	Arthur J. Gallagher	24%	19%	27%	70%

Both proposals were accompanied by a sealed cost proposal and both were opened.

Rank	Proposer	Subtotal Score Without Cost (Max 90%)	Cost (Max 10%)	Total Weighted Score (Max 100%)
1	Alliant Insurance Services	73%	10%	83%
2	Arthur J. Gallagher	70%	4%	74%

Cost Information:

Rank	Proposer	Cost
1	Alliant Insurance Services	\$150,000
2	Arthur J. Gallagher	\$334,028

Based on these results, staff recommends approving an Agreement with Alliant.

CEQA

N/A

FINANCIAL CONSIDERATIONS

This request complies with authority levels of OC San's Purchasing Ordinance. This item has been budgeted.

ATTACHMENT

The following attachment(s) may be viewed on-line at the OC San website (www.ocsan.gov) with the complete agenda package:

- Professional Consultant Services Agreement