

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	27811	Agenda Number	37.
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Meeting Date:	October 3, 2013
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Department:	Purchasing
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Subject

Authorize award, negotiation and execution of a 12-month contract with FALCON INSURANCE AGENCY, INC. or one of the other qualified offerors to RFP No. JSD0137, to provide aircraft liability and physical damage insurance in an amount not to exceed \$67,464 with five 12-month extension options in amount not to exceed \$74,210 for the first extension and \$79,651 for the second extension, and \$87,616 for the third extension, \$96,378 for the fourth extension, \$106,016 for the fifth extension, for a total contract amount not to exceed \$511,335.

Amount and Source of Funding

Funding in the amount of \$67,464 is available in the 2013-2014 Approved Operating Budget of the Police Department. Funding for the extension options is contingent upon available funding in future budgets.

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	Best proposal received.
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Prior Council Action:	
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For More Information:	Rosemary Ledesma, Purchasing Manager, 512-322-6155
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Boards and Commission Action:	
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Related Items:	
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MBE / WBE:	This contract will be awarded in compliance with City Code Chapter 2-9C (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore no goals were established for this solicitation.
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Additional Backup Information

This contract provides a package of comprehensive liability and physical damage insurance coverages for the Police Department's 2012 Eurocopter AS 350, helicopter, 2001 Eurocopter EC 120 helicopter, 1973 Cessna 182P airplane, and 1969 Bell OH 58 helicopter. The crafts are housed at the Austin Bergstrom International Airport and are used by the police department for law enforcement and surveillance.

Falcon Insurance Agency is a specialty aviation brokerage located in Austin, Texas and has been in business over 30 years. They write numerous airport and aircraft insurance policies and have offered coverage through the Old Republic Insurance Company, which is licensed in the state of Texas and has an A.M. Best Rating of A XI by the Best Key Rating guide. This is considered to be a good financial rating status. Old Republic is providing comprehensive liability coverage with a liability limit of \$25 Million and Agreed Amount hull coverage. War Risk Liability and Hull coverage is also being provided. Major coverage exclusions are: Wear and Tear, Deterioration, Conversion, Embezzlement, Non Adherence to Approved Pilot requirements, Use of Chemicals, and Pollution except arising from an accident.

The City recently purchased the \$3.75 million 2012 Eurocopter and coverage is being provided on a short term basis until a new long term contract was awarded covering all aviation aircrafts needing this coverage. The current contract established an expiration date of December 22, 2015. The current contract with Falcon Insurance Agency will be cancelled and coverage replaced with the approval of this procurement.

An evaluation team with expertise in this area evaluated the proposals and unanimously chose this proposal as the best to provide these services. Evaluation criteria used to evaluate the proposals included coverage and limits, premiums quoted, carrier qualifications, claims services and local business presence.

This request allows for the development of an agreement with the qualified offeror that Council selects. If the City is unsuccessful in negotiating a satisfactory agreement with the selected offeror, negotiations will cease with that provider. Staff will return to Council so that Council may select other qualified offeror and authorize contract negotiations with that provider.

MBE/WBE solicited: 4/3

MBE/WBE bid: 0/0

PRICE ANALYSIS

- a. Adequate competition.
- b. One hundred and forty notices were sent, including three MBEs and four WBEs. Five proposals were received, with no response from the MBE/WBEs.

APPROVAL JUSTIFICATION

- a. Best evaluated proposal received. Falcon Insurance Agency was the provider on the previous contract.
- b. The Purchasing Office concurs with the Human Resources Department's recommended award.
- c. Advertised in the Austin American Statesman and on the Internet.