



## Recommendation for Action

**File #:** 20-2934, **Agenda Item #:** 45.

9/17/2020

### **Posting Language**

Authorize negotiation and execution of a contract with Marsh USA, Inc. D/B/A Marsh Wortham, for Austin Energy property insurance and related services, for a term of five years in an amount not to exceed \$38,565,000.

(Note: This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. For the services required for this solicitation, there were no subcontracting opportunities; therefore, no subcontracting goals were established).

### **Lead Department**

Purchasing Office.

### **Client Department(s)**

Austin Energy; Human Resources Department.

### **Fiscal Note**

Funding in the amount of \$5,182,000 is available in the Fiscal Year 2020-2021 Operating Budget of Austin Energy. Funding for the remaining contract term is contingent upon available funding in future budgets.

### **Purchasing Language:**

The Purchasing Office issued a Request for Proposals (RFP) 5800 MMO3006 for these services. The solicitation issued on April 13, 2020 and it closed on May 21, 2020. The recommended contractor submitted the only responsive offer. A complete solicitation package, including a log of offer received, is available for viewing on the City's Financial Services website, Austin Finance Online. Link: [Sollicitation Documents <https://www.austintexas.gov/financeonline/account\\_services/solicitation/solicitation\\_details.cfm?sid=134289>](https://www.austintexas.gov/financeonline/account_services/solicitation/solicitation_details.cfm?sid=134289).

### **For More Information:**

Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or [AgendaOffice@austintexas.gov <mailto:AgendaOffice@austintexas.gov>](mailto:AgendaOffice@austintexas.gov)

NOTE: Respondents to this solicitation, and their representatives, shall continue to direct inquiries to the solicitation's Authorized Contact Person: Marian Moore, at 512-974-2062 or [Marian.Moore@austintexas.gov <mailto:Marian.Moore@austintexas.gov>](mailto:Marian.Moore@austintexas.gov).

### **Council Committee, Boards and Commission Action:**

September 14, 2020 - To be reviewed by the Electric Utility Commission.

### **Additional Backup Information:**

The contract is for necessary coverage to insure Austin Energy's property, boilers, and machinery, valued at over \$2 billion. This coverage is comprehensive in nature and provides a \$750 million blanket risk protection

which includes coverage for fire, flood, wind, hail, explosion, earthquake, and collapse.

Additional services include property inspection services, review of structural plans to ensure compliance with established fire codes and safety standards, and jurisdictional boiler inspections.

The contract will replace an existing contract expiring on September 30, 2020. The premium includes the recently purchased \$513 million Nacogdoches Bio Mass Plant as well as the newly constructed Winchester substation valued at \$5.6 million. The requested authorization amount is based on the pricing received in the proposal and anticipated usage for future years based on anticipated increases in property values as well as rate increases over the life of the contract.

The recommended contractor is the current provider for these services.

An evaluation team with expertise in this area evaluated the offer and scored Marsh USA D/B/A Marsh Wortham as the best to provide these services based on coverage and limits and adjusting services; premium quoted; carrier and broker qualifications; ancillary services; local business presence, and Service-Disabled Veteran Business Enterprise.

**Strategic Outcome(s):**

Government that Works for All.