



Recommendation for Action

File #: 22-2870, Agenda Item #: 19.

9/15/2022

Posting Language

Authorize negotiation and execution of a contract with Marsh USA Inc. d/b/a Marsh USA or Marsh Wortham for Rolling Owner Controlled Insurance Program VIII administration and broker of record services, for a term of seven years for a total contract amount not to exceed \$16,015,000.

(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

Financial Services Department.

Client Department(s)

All City Departments.

Fiscal Note

Funding in the amount of \$2,287,858 is available in the Capital Budget of various City Departments. Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

The Financial Services Department issued a Request for Proposals (RFP) 5800 BY3017 for these services. The solicitation was issued on April 4, 2022 and closed on May 10, 2022. Of the two offers received, the recommended contractor submitted the best evaluated responsive offer. A complete solicitation package, including a log of offers received, is available for viewing on the City's Financial Services website, Austin Finance Online. Link: [Solicitation Documents](#)

https://financeonline.austintexas.gov/afo/account_services/solicitation/solicitation_details.cfm?sid=136115.

For More Information:

Respondents to this solicitation, and their representatives, shall continue to direct inquiries to the solicitation's Authorized Contact Person: Brenita Wilkison, at 512-974-3164 or Brenita.selement@austintexas.gov [<mailto:Brenita.selement@austintexas.gov>](mailto:Brenita.selement@austintexas.gov) or Jim Howard, at 512-974-2031 or jim.howard@austintexas.gov [<mailto:jim.howard@austintexas.gov>](mailto:jim.howard@austintexas.gov).

Additional Backup Information:

The contract will provide administration services for the City's Rolling Owner Controlled Insurance Program (ROCIP) VIII, as well as well as broker of record services for the purchase of worker's compensation, general liability, and excess liability insurance for contractors of all tiers participating in construction projects included in ROCIP VIII. ROCIP VIII administration services include negotiation and placement of the insurance coverages, enrollment and closeout of all contractors that are covered under the ROCIP VIII program, collection and reporting of all program statistics, and payment of the excess liability insurance premiums for

contractors of all tiers participating in construction projects included in the ROCIP VIII program.

Under ROCIP, the City obtains insurance coverage instead of requiring individual contractors to provide their own. This structure results in improved contractor equity, removes insurance barriers that can impact small and minority contractors, assures broad and uniform insurance protection is in place for the City, and provides construction cost savings through the volume purchasing of insurance coverage as participating contractors remove insurance costs from their construction contract bids. Since its inception in 1992, the City's total estimated cost savings from ROCIPs I-VII are \$29.5 million.

The City has identified 48 upcoming capital improvement program projects totaling approximately \$1 billion in construction values as potential candidates for inclusion in ROCIP VIII. Administrative costs are estimated at \$4,950,000 and insurance premiums are estimated at \$11,065,000. Insurance cost savings under ROCIP VIII are estimated at \$6.6 million. Upon completion of the broker of record services, a second Recommendation for Council Action will be brought to Council for the purchase of the program's worker's compensation and general liability insurance coverages from the selected insurance carrier(s).

An evaluation team with expertise in this area evaluated the offers and scored Marsh USA Inc. as the best to provide these services based on proposer experience, ROCIP conceptual strategy for premium and coverage provisions, risk management information systems, administration procedures, and reports, contract form compliance, price proposal, local business presence, and service-disabled veteran business enterprise.

If a contract is not secured, small and minority contractor participation may decrease, and costs to the City may increase.

Strategic Outcome(s):

Government that Works for All.