City of Austin

Recommendation for Action

File #: 26-1157, **Agenda Item #:** 3/12/2026

Posting Language
Authorize a contract for an insurance broker of record and administrative services for Austin-Bergstrom International Airport's rolling owner-controlled insurance program for Austin Aviation with Marsh & McLennan Companies Inc / Marsh USA LLC / McGriff, A Marsh & McLennan Agency LLC Company, for a term of six years in an amount not to exceed $49,579,000. Funding: $4,131,583 is available in the Capital Budget of Austin Aviation. Funding for the remaining contract term is contingent upon available funding in future budgets.

Lead Department
Austin Financial Services.

Client Department(s)
Austin Aviation.

Fiscal Note
Funding in the amount of $4,131,583 is available in the Capital Budget of Austin Aviation. Funding for the remaining contract term is contingent upon available funding in future budgets.

Procurement Language:
Austin Financial Services issued a Request for Proposals solicitation RFP 5800 SLW3028 for these services. The solicitation was published on June 30, 2025 and closed on July 31, 2025. Of the four offers received, the proposal submitted by the recommended contractor represented best value to the City based on the solicitation's evaluation criteria. A complete solicitation package, including a log of offers received, is available for viewing on the City's website. This information can currently be found at https://financeonline.austintexas.gov/afo/account_services/solicitation/solicitation_details.cfm?sid=142725.

MBE/WBE:
This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9B (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.

For More Information:
Direct questions regarding this Recommendation for Council Action to the Austin Financial Services - Central Procurement at: FSDCentralProcurementRCAs@austintexas.gov or 512-974-2500. Respondents to the solicitation and their Agents should direct all questions to the Authorized Contact Person identified in the solicitation.

Council Committee, Boards and Commission Action:
February 11, 2026 - To be reviewed by the Airport Advisory Commission.

Additional Backup Information:

The contract will provide administration services for Austin-Bergstrom International Airport's rolling owner-controlled insurance program for Austin Aviation (ROCIP AUS), as well as broker of record services for the purchase of worker's compensation, general liability, contractor's pollution liability, and excess liability insurance coverages for contractors of all tiers participating on upcoming Austin Aviation construction projects, including the Austin-Bergstrom International Airport's Expansion and Redevelopment Program. ROCIP AUS administration services include enrollment and closeout of all the construction contractors covered under the ROCIP AUS program and collection and reporting of all program statistics.

Under ROCIP AUS, the City will obtain insurance coverage instead of requiring individual contractors and subcontractors to each provide their own insurance coverage. This structure results in improved contractor equity, removes insurance barriers that can impact contractors, assures broad and uniform insurance protection is in place for AUS construction projects, and provides construction cost savings through the volume purchasing of insurance coverage as participating contractors remove insurance costs from their construction contract bids.

Austin Aviation has identified 18 upcoming construction projects totaling approximately $3.3 billion in construction values as candidates for inclusion in ROCIP AUS. Insurance cost savings under ROCIP AUS are estimated at $24 million.

Premiums for ROCIP AUS insurance coverage will be paid to insurance providers as brokered by Marsh as part of its contractual responsibilities and approved by Aviation.

This is a new contract separating AUS from the City's ROCIP 8 program. Marsh & McLennan Companies Inc / Marsh USA LLC / McGriff, A Marsh & McLennan Agency LLC Company is the current provider for ROCIP 8 administrative services. The requested authorization was determined using the offeror's proposed fee as well as the anticipated payments to insurance providers.

An evaluation team with expertise in this area evaluated the offers and scored Marsh & McLennan Companies Inc / Marsh USA LLC / McGriff, A Marsh & McLennan Agency LLC Company as the best to provide these services based on price, small business preference, and local business preference, offeror experience, ROCIP conceptual strategy for premium and coverage provisions, RMIS system, administration procedures, and reports, and contract form compliance.

If a contract is not secured, Austin Aviation construction projects may be delayed due to lack of contractor insurance coverage, and costs to the City will increase.