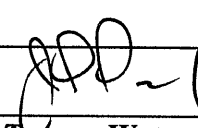


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Alameda Corridor Transportation Authority

September 12, 2019

To:	Governing Board
From:	James P. Preusch, Chief Financial Officer 
Subject:	<i>Approval of Agreement No. C0886 with Willis Towers Watson Insurance Services West, Inc. for Insurance Brokerage Services (APPROVAL)</i>

Recommendation:

Approve Agreement No. C0886 with Willis Towers Watson Insurance Services West, Inc. (WTW) for Insurance Brokerage Services in an amount not-to-exceed \$425,000 for the five-year term; and authorize the Chief Executive Officer or Chief Financial Officer to execute said agreement.

Discussion:

In July, ACTA published a Request for Proposals (RFP) for insurance brokerage services. ACTA advertised its RFP in three local publications, posted the RFP on its website, and sent the RFP announcement directly to several firms. The City of Los Angeles also posted the RFP information on its contracting opportunities website. Several firms registered to review the RFP on the ACTA website. Three responses were received on or before the due date of August 1, 2019. A three-member proposal review panel consisting of ACTA's Chief Financial Officer, ACTA's Director of Systems, Revenue, and Finance and the Risk Manager from the Port of Long Beach reviewed and evaluated the responses. No firms were interviewed because the written proposals provided adequate information to evaluate the proposers. Each firm was evaluated on the basis of firm qualifications; personnel; conceptual approach and understanding; compensation; and clarity and comprehensiveness of the proposal. All three evaluators ranked WTW first. As a result, the review panel selected and recommends WTW as the firm to provide ACTA with insurance broker of record services.

The agreement with WTW will be for a five-year term and compensation will be a fixed annual fee of \$70,000 (two payments of \$35,000) plus an additional annual payment of up to \$15,000 based on performance criteria established in the agreement. The proposed compensation



represents an overall 15% reduction in fees from the last agreement, consisting of a 12.5% reduction in the fixed annual fee and a 25% reduction in the performance-based payment.

A summary of the scoring and ranking of the proposals and the proposed agreement with WTW are attached to this board report.

Background:

In 2005, ACTA selected Hilb Rogal & Hobbs to serve as its Broker of Record to provide insurance broker services to obtain insurance policies on behalf of ACTA. Hilb Rogal Hobbs merged with Willis Insurance Services of California, Inc. in 2008. Willis was re-selected as ACTA's Broker of Record through an RFP process in 2016, with an agreement approved by the Governing Board in June 2016 for a three-year term beginning July 1, 2016. In 2018, Willis merged with Towers Watson to become Willis Towers Watson. The company filed a name change with the State of California, changing its name to Willis Towers Watson Insurance Services West, Inc. effective August 1, 2019.

Budget Impact:

Funds for the current fiscal year in the amount of \$85,000, including the base services and the annual performance-based payment, are included in the FY20 Program and Operating Budget.

Co-General Counsel:

ACTA's Co-General Counsel has reviewed and approved the proposed Agreement as to form.

Transmittals:

- Transmittal 1 – Scoring and Ranking Matrix
- Transmittal 2 – Insurance Broker Services Agreement No. C0886