

**Metropolitan Transportation Commission
Administration Committee**

March 13, 2024

Agenda Item 2c-24-0304

**Contract – Business Insurance Broker, Consultation and Third-Party Insurance Certificate
Management Services: USI Insurance Services**

Subject:

Authorization to negotiate and enter into a contract with USI Insurance Services (USI) to provide business insurance brokerage and consulting services and third-party insurance certificate management services. USI is compensated for its services through commissions earned directly from the insurance carriers for policies secured by MTC or the agency staffed by MTC.

Background:

MTC, MTC SAFE, BATA, BAHA, BAIFA, BAHFA, ABAG and all ABAG entities (“Agencies”) purchase insurance coverage to protect their assets from liability and losses and other risk exposures. To that effect, the Agencies need the services and advice of an insurance broker to procure coverage at the most advantageous risk retention level for the most cost-effective pricing. Furthermore, the broker provides advice to the Agencies on a multitude of projects to evaluate the various risk exposures and how best to address those via risk transfer to third parties. Lastly, the broker assists with the management of our third-party insurance tracking process. USI has provided services to MTC since July 2014.

On November 16, 2023, MTC and ABAG issued a Request for Proposal (RFP) for business insurance brokerage services, consultation services and third-party insurance certificate management services (the “Project”). The RFP notice advertising the Project was sent to 3,824 firms and individuals. On the closing date of January 9, 2024, MTC received one proposal, which was evaluated by a panel of representatives from MTC.

The evaluation criteria included: 1) Experience in relevant insurance brokerage and consulting services, including public agency experience (30%); 2) Professional background/qualifications of staff (30%); 3) Service approach and responsiveness to clients (30%); and Cost effectiveness (10%). The MTC Small Business Enterprise (SBE) Program was also applied.

Based on the evaluation panel’s results, staff recommend USI as it outlined an approach that demonstrated a strong understanding of the needs of the Project. USI demonstrates 1) extensive experience serving local transit agencies; 2) a thorough understanding of the Agencies’ risk

profiles, including a robust risk transfer program for third-party contracting; 3) cost-conscious commission structure which includes services ranging from coverage renewals, claims advocacy, risk control with site inspections, and including comprehensive expert consultation on risk management and contracting at no fee to the Agencies; and 4) assistance with obtaining vendor compliance with the required insurance provisions.

USI will provide the services for the Project as requested in the RFP at no direct cost to the Agencies. Commission paid by each insurance carrier directly to USI (ranging from 13.5% - 17.5% of premiums) for the business insurance brokerage services as well expert risk consulting services and third-party insurance certificate management services. USI has provided these extensive consulting services at no direct fee to the Agencies.

USI is neither a small business nor a disadvantaged business enterprise and will not use subcontractors.

Issues:

None identified.

Recommendations:

Staff recommends that this Committee authorize the Executive Director, or his designated representative to negotiate and enter into a contract with USI on behalf of the Agencies for the period of January 1, 2024 through December 31, 2027, with the option to extend for three (3) additional years, at increments of MTC's choosing and to issue payment(s) to secure the appropriate business insurance policies at the annual renewal period as recommended by the selected broker, up to the amount set aside in the FY operating budget for insurance expenses.

Attachments:

- Request for Committee Approval – Summary of Proposed Contract



Andrew B. Fremier

Request for Committee Approval

Summary of Proposed Contract for Business Insurance Broker, Consultation and Third-Party Insurance Certificate Management Services: USI Insurance Services (\$0)

Work Item No.: 1153

Consultant: USI Insurance Services, San Francisco, CA

Work Project Title: Business Insurance Broker

Purpose of Project: To provide business insurance broker, consultation, and third-party insurance certificate management services

Brief Scope of Work: To provide MTC, MTC SAFE, BATA, BAHA, BAIFA and BAHFA, ABAG and all ABAG entities with business insurance services, risk management consultation and third-party certificate management services

Project Cost Not to Exceed: Business Insurance Brokerage Services and Consulting Services: Commission paid by insurance carriers (est. at 13.5-17.5% of premiums)

Funding Source: MTC, MTC SAFE, BATA, BAHA, BAIFA, BAHFA, ABAG and all ABAG entities FY 2024-25 through FY 2027-28 Operating Budgets

Fiscal Impact: Funds are included in the FY 2024-25 budget subject to adoption. Future costs are subject to the adoption of subsequent annual operating budgets

Motion by Committee: 1) That the Executive Director or his designee is authorized to negotiate and enter into a contract with USI Insurance Services to provide brokerage, consulting and third-party certificate management services for a three-year period, with the option to extend for up to three (3) additional years as described above and in the Executive Director's memorandum dated March 13, 2024. 2) That the Executive Director, or his designee, is authorized to issue payment(s) to secure the appropriate business insurance policies at the annual renewal period as recommended by the selected broker, up to the amount set aside in the FY operating budget for insurance expenses.

Administration Committee:

Gina Papan, Chair

Approved:

February 14, 2024