

PROCUREMENT SUMMARY

GENERAL LIABILITY CLAIMS ADMINISTRATION SERVICES / PS05312717

1.	Contract Number: PS05312717		
2.	Contractor: Carl Warren & Company		
3.	Mod. Work Description: Exercise second, three-year option		
4.	Contract Work Description: Provide public liability/property damage third party claims administration services.		
5.	The following data is current as of: 06/04/18		
6.	Contract Completion Status		Financial Status
	Contract Awarded:	7/20/11	Contract Award Amount: \$ 10,307,876
	Notice to Proceed (NTP):	N/A	Total of Modifications Approved: \$ 7,721,051
	Original Complete Date:	10/31/18	Pending Modifications (including this action): \$ 7,867,714
	Current Est. Complete Date:	10/31/21	Current Contract Value (with this action): \$ 25,896,641
7.	Contract Administrator: Marc Margoni		Telephone Number: (213) 922-1304
8.	Project Manager: Tim Rosevear		Telephone Number: (213) 922-6354

A. Procurement Background

This Board Action is to approve Contract Modification No. 5 issued to continue the public liability/property damage third party claims administration services with Carl Warren & Company (CWC) by exercising the second, three-year option.

This Contract Modification will be processed in accordance with Metro's Acquisition Policy and the contract type is a fixed price.

On July 20, 2011, the Board awarded a fixed price contract to CWC for general liability claims administration services in an amount of \$25,896,641 for a total of ten years and two months, inclusive of two, three-year options, effective September 1, 2011. The original contract award amount is \$10,307,876 for the four-year base period, \$7,721,051 for the first, three-year option (November 1, 2015 through October 31, 2018), and \$7,867,714 for the second, three-year option (November 1, 2018 through October 31, 2021).

(Refer to Attachment B – Contract Modification/Change Order Log)

B. Cost/Price Analysis

The recommended price for the option years has been determined to be fair and reasonable based upon the monthly rates that were established and evaluated as part of the original competitive contract award. The negotiated rates for the option years increased by an average of 1.9%, which is lower than 3.1% reported by U.S. Bureau of Labor Statistics for total compensation, and wage and salaries for private industry workers – western area for the 12-month period ending March 2018. Therefore, exercising the options is in the best interest of Metro. The Contract was a result of a competitive RFP in which the option years pricing was evaluated and deemed to be fair and reasonable.

Proposal Amount	Metro ICE	Modification Amount
\$7,867,714	\$10,800,000	\$7,867,714