

PROCUREMENT SUMMARY

RISK MANAGEMENT INSURANCE BORKERAGE SERVICES

1.	Contract Number: PS63853000	
2.	Recommended Vendor: USI INSURANCE SERVICES LLC	
3.	Type of Procurement (check one): <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: August 12, 2019	
	B. Advertised/Publicized: August 12, 2019	
	C. Pre-Proposal Conference: August 28, 2019	
	D. Proposals Due: September 16, 2019	
	E. Pre-Qualification Completed: Pending	
	F. Conflict of Interest Form Submitted to Ethics: December 3, 2019	
	G. Protest Period End Date: 1/20/20	
5.	Solicitations Picked up/Downloaded: 30	Bids/Proposals Received: 4
6.	Contract Administrator: Marc Margoni	Telephone Number: (213) 922-1304
7.	Project Manager: Tim Rosevear	Telephone Number: (213) 922-6354

A. Procurement Background

This Board Action is to approve the award of Contract No. PS63853000 to USI Insurance Services LLC to provide insurance brokerage services. Board approval of contract awards are subject to resolution of any properly submitted protest.

On August 12, 2019, Request for Proposal (RFP) No. PS63853 was issued in accordance with Metro's Acquisition Policy. The contract type is firm fixed price. This RFP was issued with a DBE goal of 15%.

One amendment was issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on September 10, 2019 extended the proposal due date.

A pre-proposal conference was held on August 28, 2019, and was attended by eight participants representing six firms. There were 40 questions received and responses were provided prior to the proposal due date. A total of 30 firms downloaded the RFP and were included on the plan holders list.

A total of four proposals were received on September 16, 2019 from firms listed below in alphabetical order:

- Alliant Insurance Services, Inc.
- Aon Risk Insurance Services West, Inc.

- Arthur J. Gallagher & Co., Insurance Brokers of California, Inc.
- USI Insurance Services LLC

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of staff from Risk Management and San Diego Metropolitan Transit System (MTS), was convened and conducted a comprehensive technical evaluation of the proposals received.

On October 8, 2019, the PET met to review the evaluation criteria package, process confidentiality and conflict of interest forms and take receipt of the four proposals to initiate the evaluation phase. Evaluations were conducted from October 8, 2019 through October 23, 2019.

The proposals were initially evaluated based on pass/fail minimum qualifications criteria to determine proposals that are “technically acceptable.” The pass/fail criteria included experience in specialized insurance coverages, experience in the public sector, and having the required insurance licenses.

Of the four proposals received, Aon Risk Insurance Services West, Inc. was deemed non-responsive for failure to meet the DBE goal. The remaining three proposals were deemed technically acceptable and were further evaluated based on the following weighted evaluation criteria:

- | | |
|--|------------|
| • Qualification of Key Personnel Assigned | 35 Percent |
| • Qualifications of Contractor | 35 Percent |
| • Commission Rate Earned on Major Construction Umbrella Policies | 10 Percent |
| • Brokerage Cost Proposal | 20 Percent |

Several factors were considered in developing these weights, giving the greatest importance to both the qualifications of key personnel assigned and the qualifications of the contractor.

Qualification Summary of Firms:

Alliant Insurance Services, Inc.

Founded in 1925, Alliant Insurance Services, Inc. (Alliant) is headquartered in Newport Beach, CA. It is a nationwide distributor of diversified insurance products and services. Operating through a national network of offices, Alliant offers a comprehensive portfolio of services including risk solutions, employee benefits, co-brokered solutions, risk control consulting and property valuation.

Arthur J. Gallagher & Co., Insurance Brokers of CA, Inc.

Arthur J. Gallagher & Co., Insurance Brokers of CA, Inc. is a U.S. based insurance brokerage and risk management services firm with principal place of business in Rolling Meadows, Illinois. The firm was established in 1927 and is one of the largest insurance brokers in the world. It provides personal, commercial, surety, life, health, and long-term care insurance solutions for individuals, families, and businesses.

USI Insurance Services LLC:

Founded in 1994 Insurance Services LLC (USI) provides integrated distribution of general and specialty property and casualty insurance, as well as financial services including employee benefits outsourcing and related consulting. USI has served over 150,000 clients covering several industry sectors. Within the public sector, USI handles all lines of property/casualty insurance, employee benefits and bonds. Clients include Metropolitan Transit Authority of Harris County, San Joaquin Regional Transit District, Utah Department of Transportation and the Cities Atlanta, Chicago, Dallas, Charlotte and San Antonio.

On October 23, 2019, the PET reconvened and USI Insurance Services LLC was determined to be the top ranked firm.

The following is a summary of the PET Scores:

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	USI Insurance Services, LLC				
3	Qualification of Key Personnel Assigned	91.69	35.00%	32.09	
4	Qualifications of Contractor	89.00	35.00%	31.15	
5	Commission Rate Earned on Major Construction Umbrella Policies	100.00	10.00%	10.00	
6	Brokerage Cost Proposal	81.70	20.00%	16.34	
7	Total		100.00%	89.58	1
8	Alliant Insurance Services, Inc.				
9	Qualification of Key Personnel Assigned	89.20	35.00%	31.22	
10	Qualifications of Contractor	91.34	35.00%	31.97	
11	Commission Rate Earned on Major Construction Umbrella Policies	100.00	10.00%	10.00	
12	Brokerage Cost Proposal	71.50	20.00%	14.30	
13	Total		100.00%	87.49	2

14	Arthur J. Gallagher & Co., Insurance Brokers of CA, Inc.				
15	Qualification of Key Personnel Assigned	86.69	35.00%	30.34	
16	Qualifications of Contractor	83.66	35.00%	29.28	
17	Commission Rate Earned on Major Construction Umbrella Policies	75.00	10.00%	7.50	
18	Brokerage Cost Proposal	100.00	20.00%	20.00	
19	Total		100.00%	87.12	3

C. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon adequate price competition, price analysis, technical analysis, fact finding, and historical costs. The recommended price is lower than Metro's independent cost estimate (ICE). Metro's ICE included a three percent rate of inflation for each year during the period of performance, inclusive of the option periods, while the proposed price included an escalation rate for the option periods only.

	Proposer Name	Proposal Amount	Metro ICE	Negotiated or NTE amount
1.	USI Insurance Services	\$2,361,914	\$4,063,642	\$2,361,914
2.	Alliant Insurance Services, Inc.	\$2,700,000		
3.	Arthur J. Gallagher & Co., Insurance Brokers of Ca, Inc.	\$1,930,050		

D. Background on Recommended Contractor

The recommended firm, USI Insurance Services LLC (USI), is headquartered in Valhalla, New York. It is one of the largest insurance brokerage and consulting firms in the world, delivering property and casualty, employee benefits, personal risk programs, and retirement solutions throughout the United States. It is a leading insurance brokerage nationwide approaching \$2 billion in revenue and over \$12 billion in premium placements.

For the past eight years, USI has been assisting Metro in identifying risk exposure, coverages and trends that are unique to a transit agency and performance has been satisfactory. USI's team includes a DBE subcontractor, Barragan Corp International, that will provide associated safety and loss control services.

The proposed Project Manager has 40 years of large account experience and is well versed in all aspects of Metro's property and casualty programs. She has worked with Metro since 2011 and has been actively involved in every facet of Metro's insurance

brokerage program including marketing, placements, coverage and policy review, contract analyses and claims advocacy.