

SUMMARY MINUTES
BUSINESS ADMINISTRATION COMMITTEE
MEETING OF JUNE 20, 2018

Mr. Adams chaired the June 20 Business Administration Committee Meeting, calling it to order at 11:34 a.m. A quorum was present during the Meeting: Mr. Griffin, Ms. Hanley, Ms. Lang, Ms. Merrick, Mr. Mims, Mr. Pozen, Mr. Speck, Mr. Sudow, Mr. Tejada, Mr. Uncapher, Mr. Williams, and Mr. Session (ex officio).

Recommendation to Award Two Contracts for Insurance Broker Services. Tony Vegliante, Vice President for Human Resources and Administrative Services, was joined by Frank Wojnar, Manager, Risk Management Department. Mr. Wojnar presented the staff recommendation to enter into two contracts for insurance broker services. He reported that the first contract is with Willis of Maryland, Inc. of Potomac, MD, to provide insurance broker services, to include obtaining insurance policies, for Phase 2 of the Dulles Corridor Metrorail Project (Metrorail Project) Construction Program. The other contract is with USI Insurance Services LLC of Washington, DC, to provide insurance broker services, to include obtaining insurance policies, for the Airports Authority Operational and Construction Insurance Programs. Mr. Wojnar stated that each proposed contract would have a three-year base term with two one-year option periods.

Mr. Wojnar reported that the Business Administration Committee concurred with staff's recommendation to issue two solicitations for insurance broker services, each using the two-step Invitation for Bids (IFB) procurement method. He explained that technical proposals were first evaluated to determine whether they were technically acceptable and offerors who submitted technically acceptable proposals were then invited to submit financial bids. Mr. Wojnar advised that the solicitations were issued separately because contracts for the Metrorail Project are required to include Federal Transit Administration contract provisions. He further advised that the Department of Supplier Diversity (DSD) reviewed the solicitations and established a zero percent Disadvantaged Business Enterprise (DBE) goal on the Metrorail Project Construction Insurance Program contract and a 20 percent Local Disadvantaged Business Enterprise (LDBE) requirement for the Airports Authority Operational and Construction Insurance Programs contract based on the limited availability of DBE and LDBE firms that were

technically and financially capable of performing the required services at the time of staff's review.

Mr. Wojnar also reported that the IFBs were issued on February 23. Technical proposals were received from three firms for the Metrorail Project Construction Insurance Program and four firms for the Airports Authority Operational and Construction Insurance Programs. He advised that the Technical Evaluation Committee determined that three proposals each for the Metrorail Project Construction Insurance Program and Airports Authority Operational and Construction Insurance Programs were technically acceptable, and the six firms were invited to submit financial bids.

Mr. Wojnar reported that Willis of Maryland, Inc. submitted the lowest bid for the Metrorail Construction Insurance Program. The three-year maximum base period award amount is estimated at \$5.9 million with the broker service fees at \$604,000 and insurance premiums estimated at \$5.3 million. Mr. Wojnar reported that the cost of the five-year contract term is estimated at \$6.3 million with the broker service fees at \$1 million and insurance premiums estimated at \$5.3 million. He advised that although there was no DBE goal for the contract, Willis of Maryland, Inc. proposed a voluntary goal of 20 percent DBE participation.

Mr. Wojnar also reported that USI Insurance Services LLC submitted the lowest bid for the Airports Authority Operational and Construction Insurance Programs. The three-year maximum base period award amount is estimated at \$24.4 million with the broker service fees at \$816,000 and insurance premiums estimated at \$23.6 million. Mr. Wojnar reported that the cost for the five-year contract term is estimated at \$37.2 million with the broker service fees at \$1.3 million and insurance premiums estimated at \$35.9 million. He advised that USI Insurance Services LLC proposed two certified LDBE firms to meet the contract requirement.

Mr. Speck inquired as to whether the service fee is a standard percentage of the total award amount. Mr. Wojnar responded negatively and explained that the service fee represents a proposed amount that each offeror has bid.

Ms. Merrick inquired whether the full fee associated with each of the insurance contracts is included in the award amount, to which Mr. Wojnar responded affirmatively.

Mr. Adams observed that although there was no DBE contract requirement for the Metrorail Construction Insurance Program, Willis of Maryland, Inc. proposed a voluntary goal of 20 percent DBE participation. He asked why a DBE goal had not been designated during the DSD review. Julia Hodge, Vice President for Supply Chain Management, stated that there was not a sufficient pool of DBE firms available when the analysis was conducted. She further stated that the DSD would make sure that the DBE firms that Willis of Maryland, Inc. used would be included in the Airports Authority's database going forward. Mr. Adams stated that it was important to ensure that the Airports Authority's database is updated.

The meeting was thereupon adjourned at 11:45 a.m.