



Report to the Board of Directors

Recommendation to Award Two Contracts for Insurance Broker Services

July 2018



Purpose

- The Business Administration Committee approved and recommends to the Board of Directors that the Airports Authority enter into two contracts.
 - The first is a contract 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 Insurance Program.
 - The second is a contract 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.
- Each proposed contract will have a three-year base term with two one-year option periods.



Background

- On November 15, 2017, 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.
 - Under this procurement method, technical proposals are first evaluated to determine whether they are technically acceptable, and offerors who submit technically acceptable proposals are then invited to submit financial bids.
- The solicitations were issued separately, as contracts for the Metrorail Project are required to include Federal Transit Administration contract provisions.



Background (cont.)

- The Department of Supplier Diversity 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 review.



Evaluation

- The IFBs were issued on February 23, 2018, and technical proposals were received on April 12, 2018.
- 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.
- Technical proposals were evaluated against the following evaluation criteria:
 1. Minimum Qualifications of Brokerage Firm and Key Personnel
 2. Experience, Past Performance, and Staffing Plan



Evaluation (cont.)

- The Technical Evaluation Committee determined that all proposals received were technically acceptable for the Metrorail Project Construction Insurance Program and that three proposals were technically acceptable for the Airports Authority Operational and Construction Insurance Programs.
- The firms that were determined to be technically acceptable were invited to submit financial bids, which were publicly opened on May 18, 2018.



Evaluation (cont.)

- 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.
- The cost for the five-year contract term is estimated at \$6.3 million with the broker service fees at \$1.0 million and insurance premiums estimated at \$5.3 million.
- Although there was no DBE goal for this contract, Willis of Maryland, Inc. proposed a voluntary goal of 20 percent DBE participation.



Evaluation (cont.)

- 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.
- 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.
- USI Insurance Services LLC proposed two certified LDBE firms to meet the contract requirement.



Recommendation

The Business Administration Committee approved and recommends to the Board of Directors that the Airports Authority enter into a contract with Willis of Maryland, Inc. to provide insurance broker services, to include obtaining insurance policies, for the Metrorail Project Construction Insurance Program and a contract with USI Insurance Services LLC to provide insurance broker services, to include obtaining insurance policies, for the Airports Authority Operational and Construction Insurance Programs.



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Proposed Resolution

Selecting Firms to Provide Insurance Broker Services

WHEREAS, In November 2017, the Business Administration Committee concurred with the pre-solicitation terms for the issuance of two solicitations for the provision of insurance broker services, one for Phase 2 of the Dulles Corridor Metrorail Project (Metrorail Project) Construction Insurance Program and one for the Airports Authority's Operational and Construction Insurance Programs;

WHEREAS, the solicitation for the Metrorail Project insurance broker services included the required Federal Transit Administration contract provisions;

WHEREAS, the solicitation for the Airports Authority's Operational and Construction Insurance Programs included a 20 percent Local Disadvantaged Business Enterprise participation requirement;

WHEREAS, The Evaluation Committee reviewed and evaluated the proposals submitted in response to the solicitations; and

WHEREAS, The Business Administration Committee received the results of the Evaluation Committee's evaluations of the submitted proposals, as well as the staff recommendations, and recommended that the Board of Directors approve the selections of Willis of Maryland, Inc. for the Metrorail Project Construction Insurance Program and USI Insurance Services LLC for the Airports Authority's Operational and Construction Insurance Programs; now, therefore, be it

RESOLVED, That the selection of Willis of Maryland, Inc. to provide insurance broker services, which will include obtaining insurance policies, for the Metrorail Project Construction Insurance Program, for a three-year base term with two one-year option periods, at a value estimated not to exceed \$6.3 million, is approved;

2. That the selection of USI Insurance Services LLC to provide insurance broker services, which will include obtaining insurance policies, for the Airports Authority's Operational and Construction Insurance Programs, for a three-year base term with two one-year option periods, at a value estimated not to exceed \$37.2 million, is approved; and

3. That the President and Chief Executive Officer is authorized and directed to enter into contracts with Willis of Maryland, Inc. and USI Insurance Services LLC, consistent with the terms presented to the Business Administration Committee at its June 20, 2018 meeting.

*Recommended by the Business Administration Committee on June 20, 2018
For Consideration by the Board of Directors on July 18, 2018*