

Financial Services
Richard H. Hinds, Chief Financial Officer

SUBJECT: RECOMMENDATION FOR AWARD OF REQUEST FOR QUALIFICATIONS (RFQ) #004-LL10, REQUEST FOR QUALIFICATIONS FOR PROPERTY AND CASUALTY INSURANCE BROKER SERVICES

COMMITTEE: INNOVATION, EFFICIENCY & GOVERNMENTAL RELATIONS

LINK TO STRATEGIC FRAMEWORK: IMPROVE FINANCIAL SERVICES

At the Board meeting of September 7, 2010, the Board authorized the Superintendent to issue Request for Qualifications (RFQ) #004-LL10, Request for Qualifications for Property and Casualty Insurance Broker Services for brokerage services related to the District's comprehensive property/casualty insurance programs. In addition to authorizing release of the RFQ, the Board also approved the makeup of the Superintendent's Ad-Hoc Insurance Committee, pursuant to the provisions of School Board Rule 6Gx13- 3F-1.022, Professional Service Contracts for Insurance or Risk Management Programs—Policy. The committee members who served in this capacity are as follows:

Deputy Superintendent, District/School Operations
Associate Superintendent and Chief Financial Officer, Financial Services
Assistant Superintendent, Intergovernmental Affairs, Grants Administration, and Community Services
Chief Facilities Officer
Risk and Benefits Officer, Office of Risk and Benefits Management
Assistant Superintendent, School Choice, School Operations
Property and Casualty Manager, Miami-Dade County Risk Management Division, GSA

Additionally, the following representatives will serve as non-voting resource persons to the Ad-Hoc Committee:

Representative from the Board Attorney's Office
Representative from the Office of Procurement Management
Representative from M/WBE & Related Services
Representative from Board's Risk Management Consultant

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Insurance coverages currently procured by the School Board for which brokerage services are required include the following:

- All risk, replacement cost property coverage including named windstorm for the Board's current total insured values of \$8.2 billion of real property.
- NFIP Flood
- Terrorism
- Portfolio/Blanket Builder's Risk
- Boiler and Machinery
- Excess Workers' Compensation
- Excess Third Party Liability
- Police Professional Liability
- Crime, Fidelity Bonds and other miscellaneous bonds
- Miscellaneous property/liability coverages including Facilities Use
- Business Auto Policy

Contained within Request For Qualifications (RFQ) #004-LL10 is an agreement between The School Board of Miami-Dade County, Florida and the recommended broker which contains requirements for dedicated on-site staffing consisting of a full time Customer Service Representative (CSR) to handle all flood insurance policies, certificates of insurance and facilities use insurance applications, as well as a full time Loss Prevention professional. Broker commission maximums by type of coverage are stipulated in the agreement.

State Board Rule 6A-1.012(15) and School Board Rule 6Gx13- 3F-1.022, Professional Service Contracts for Insurance or Risk Management Programs—Policy provide the Board the authority to directly negotiate for Risk Management Programs, under which this RFQ for Property and Casualty Insurance Broker Services was handled.

Proposals were received on October 7, 2010 from:

- Arthur J. Gallagher Risk Management Services
- BB&T Insurance Services, Inc. and McGriff, Seibels & Williams, Inc.
- Risk Management Associates, Inc. dba Public Risk Insurance Agency (Brown & Brown, Inc.)

The first meeting of the Superintendent's Ad-Hoc committee was held on November 5, 2010. At that meeting the committee made the determination that all three received proposals met the minimum qualifications contained in Request For Qualifications (RFQ) #004-LL10, Request For Qualifications for Property and Casualty Insurance Broker Services and all proposers agreed to the terms of the contract which appeared as part of the RFQ.

Following a review of the three proposals, the committee voted to eliminate BB&T from further consideration due to the fact that when compared to the other received proposals, BB&T did not demonstrate sufficient experience in handling Florida-based risks. The committee then voted to have oral presentations from the remaining proposers, Arthur J. Gallagher and Brown & Brown/PRIA.

A subsequent meeting of the Superintendent's Ad-Hoc Committee was held on November 22, 2010. At that meeting both companies were allowed to make introductory remarks, at which time the committee members asked questions. The committee members then discussed the qualifications of each proposer and voted unanimously to recommend Arthur J. Gallagher Risk Management Services, Inc. as the District's Property and Casualty Insurance Broker based upon their expertise in placing insurance coverage and providing risk management services to large Florida public entities. The recommendation was made pursuant to the provisions of RFQ #004-LL10, to become effective January 1, 2011, for a five-year period, subject to cancellation provisions whereby the agreement may be canceled at any time at the request of M-DCPS by written notice.

RECOMMENDED: That The School Board of Miami-Dade County, Florida award its Property and Casualty Insurance Broker Services contract to Arthur J. Gallagher Risk Management Services, Inc., and execute an agreement pursuant to Request For Qualifications (RFQ) #004-LL10, Request For Qualifications for Property and Casualty Insurance Broker Services, effective January 1, 2011, for a five-year period, subject to cancellation provisions whereby the agreement may be canceled at any time at the request of M-DCPS by written notice.

RHH:sbc