

12325

DATE: June 17, 2010

TO: Board of Acquisition and Contract

FROM: Robert F. Meehan
County Attorney

SUBJECT: Resolution authorizing the purchase of a Business Auto Insurance Policy for the "Small Bus," ParaTransit and Senior Programs & Services Fleets in the amount of \$425,000.00. This insurance is placed with the Selective Insurance Company of New York through the Spain Agency, 625 Rt. 6, Mahopac, New York for the period August 22, 2010 through August 22, 2011. Authority is also requested to pay premiums up to an additional \$36,000.00 which represents the funds that would be necessary to insure approximately 9 "add on" vehicles at an average per unit cost of approx. \$4,000.00, bringing the total amount not to exceed to \$461,000.00 for the policy covering the combined fleets.

Authority is hereby requested for the County of Westchester to purchase a Business Auto Insurance Policy for the "Small Bus," ParaTransit and Senior Programs & Services Fleets through the Spain Agency, 625 Rt. 6, Mahopac, NY for the policy period August 22, 2010 through August 22, 2011.

The purchase of insurance is exempt from the County procurement policy under Section 3(a)(v) of said policy. Notwithstanding this, on May 3, 2010, the Department of Law, Office of Risk Management, issued a Request for Proposals ("RFP") for Business Auto Insurance Coverage. The RFP required that proposers provide an insurance package as follows:

PRIMARY	COVERAGE DESCRIPTION
\$ 1,000,000	Liability – Each Accident
Statutory	Personal Injury Protection
\$1,000,000	Uninsured Motorist Liability
\$1,000,000	Underinsured Motorist Liability
	PHYSICAL DAMAGE – ACV LESS
\$2000	Comprehensive Deductible (each accident)
\$2000	Collision Deductible (each accident)
EXCESS	
\$ 10,000,000	Follow Form of Underlying
	Excess over Primary Liability \$1,000,000– Each Accident (CSL) Limit

Four (4) brokerage firms were approached and asked to obtain quotations from a total of 17 individual insurance companies. The insurance market remains skeptical of municipal business, resulting in a limited number of markets willing to quote this insurance package. The County received responses from two (2) brokers, who submitted proposals from six (6) insurance companies, 3 of which were deemed responsive to the RFP. Quotations ranged from Selective's low of \$425,000.00 to a high of over \$490,000.00.

After a thorough review of all responses, it was determined that the proposal submitted by the Spain Agency for the Selective Insurance Company of New York best served the County's interests, with regard to pricing and service and coverage.

The Spain Agency proposal provides all of the coverage as requested in the RFP. The policy shall commence on August 22, 2010 and expire on August 22, 2011. The premium cost of the insurance package shall be \$425,000.00. The County may pay additional premiums under this insurance policy up to \$36,000.00, at a per unit cost of approximately \$4,000.00, to cover the costs of insuring additional vehicles as needed, up to a total amount not to exceed \$461,000.00 for the policy covering the combined fleets. The coverage provided by the Selective Insurance Co. of New York represents a 15% decrease in premium dollars from the previous policy year (premium at policy inception in 2009 was \$498,464.00). The remaining insurance proposals submitted represent significant increases to that of Selective and did not provide all coverage as required by the RFP.

The goals and objectives of this agreement are to provide insurance coverage for the Fleet. The goals and objectives are in the best interest of the County in terms of fiscal responsibility because the insurance coverage will protect County assets in the event of an accident, thus insuring public service continuity and reducing risk for all parties. Risk Management will track and monitor any reports of incidents and/or accidents occurring over the policy period and prepare a summary report at the end of the policy period identifying number of occurrences and corrective actions taken (as necessary) to prevent recurrence.

All other terms and conditions of the Business Auto Insurance policy shall remain the same as the expiring program.

Accordingly, your favorable action on the annexed Resolution is recommended.

RESOLUTION

Upon a communication from the County Attorney, be it hereby

RESOLVED, that the County of Westchester is hereby authorized to secure Business Auto Insurance from the Selective Insurance Company of New York through the Spain Agency, 625 Rt. 6, Mahopac, New York for the "Small Bus", ParaTransit and Senior Programs & Services Fleets; and be it further

RESOLVED, that under the terms of the insurance package, the Selective Insurance Company of New York shall provide \$11,000,000.00 "First Dollar" Liability Coverage and Physical Damage Coverage subject to a \$2,000.00 deductible, for the current fleet of 106 vehicles as follows: "Small" Bus fleet-11 vehicles; ParaTransit fleet-94 vehicles; Senior Programs & Services fleet-1 vehicle; and be it further

RESOLVED, that the premium cost of this insurance package is \$425,000.00 for the Policy Period August 22, 2010 through August 22, 2011; and be it further

RESOLVED, that the County may pay additional premiums under this insurance policy up to \$36,000.00, at a per unit cost of approximately \$4,000.00, to cover the costs of insuring additional vehicles as needed, for a total amount not to exceed \$461,000.00 for the policy covering the combined fleets; and be it further

RESOLVED, that all other terms and conditions of the above-mentioned Insurance Package shall remain the same; and be it further

RESOLVED, that this contract shall be subject to County appropriation; and be it further

RESOLVED, that this Agreement is subject to further financial analysis of the impact of any New York State Budget (the "State Budget") proposed and adopted during the term of this Agreement. The County shall retain the right, upon the occurrence of any release by the Governor of a proposed State Budget and/or the adoption of a State Budget or any amendments thereto, and for a reasonable period of time after such release(s) or adoption(s), to conduct an analysis of the impacts of any such State Budget on County finances. After such analysis, the County shall retain the right to either terminate this Agreement or to renegotiate the amounts and rates approved herein. If the County subsequently offers to pay a reduced amount, then the Insurance companies shall have the right to terminate this Agreement upon reasonable prior written notice; and be it further

RESOLVED, that the County Executive or his authorized designee is hereby authorized to execute all instruments and take all actions reasonably necessary to implement this Resolution.

Account to be Charged/credited	Fund	Agency	Capital Project or Org	Activity Code	Object/ Sub Object	Trust Account	Dollars
Small Bus	101	44	2100		4280/99		\$ 82,770.00
Para Transit	101	11	0600		4280		\$374,895.00
Sr. Programs & Services	263	85	686K		4280	T686	\$ 3,335.00

Budget Funding Year(s) 2010 Start Date 8/22/10 End Date 8/22/11

Funding Source

Tax Dollars	95% County
State Aid	
Federal Aid	5%
Other	

\$461,000.00

(must match resolution)

APPROVED BOARD OF ACQUISITION & CONTRACT - 7-8-2010 - JOMARY VEIRA, SECRETARY