

15644

Date: November 30, 2010

To: The Honorable Board of Acquisition and Contract

From: Robert F. Meehan
County Attorney

Re: **Resolution authorizing an agreement for All Risk Property/Boiler and Machinery Insurance Policy with the New York Municipal Insurance Reciprocal (“NYMIR”) and the CNA Insurance Co. through the brokerage firm The Spain Agency for the period January 1, 2011 through January 1, 2012 in the total aggregate amount of \$1,125,450**

Although procurements for insurance are exempt from the County’s Procurement Policy pursuant to Section 3(a) v therein, the Department of Law, Office of Risk Management, periodically issues a Request for Proposals (“RFP”) for insurance coverage. The RFP for this insurance coverage was last issued in 2004 and sent to six (6) insurance companies. Pursuant to that RFP, the County entered into an agreement for “All Risk” Property/Boiler and Machinery Insurance from the New York Municipal Insurance Reciprocal (“NYMIR”) and CNA Insurance Co. (“CNA”) through the brokerage firm The Spain Agency for the period January 1, 2005 through January 1, 2006 in the amount of \$1,102,078.00; for the period January 1, 2006 through January 1, 2007 in the amount of \$1,146,614.00; for the period January 1, 2007 through January 1, 2008 in the amount of \$1,233,053; for the period January 1, 2008 through January 1, 2009 in the amount of \$1,171,195; and for the period January 1, 2009 through January 1, 2011 in the amount of \$1,234,322 per year.

The Spain Agency has offered the County a special premium rate for the period January 1, 2011 through January 1, 2012 of \$1,125,450.00. This represents a 7-8% rate decrease from the expiring premium rate of \$1,234,322.00. Accordingly, authority is now requested to enter into an agreement with NYMIR and CNA for “All Risk” Property/Boiler and Machinery Insurance for a term commencing on January 1, 2011 and continuing through January 1, 2012 for a total amount not-to-exceed \$1,125,450.00 (the “Agreement”). This rate will remain the same and would only be adjusted if property is added (or deleted), in which case the policy will be debited (or credited) at the pro-rated policy rate.

The proposed Agreement will serve a public purpose by insuring the County against any losses that may occur as a result of the use of boilers and machinery located on County property, thereby protecting the public purse.

The goals and objectives of the Agreement are to provide a cost-effective Risk Management program to insure County property. The goals and objectives are in the best interest of the County in terms of fiscal responsibility by being able to manage the risks inherent in County ownership of property. Risk Management will track any report of incident and/or accident occurring at the insured premises 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.

Accordingly, approval of the attached Resolution is most respectfully requested.

RFM/TD/jpg

APPROVED BOARD OF ACQUISITION & CONTRACT - 12-16-2010 - JOMARY VIEIRA, SECRETARY

RESOLUTION

Upon a communication from the County Attorney, be it hereby

RESOLVED, that the County of Westchester is authorized to contract for “All Risk” Property/Boiler and Machinery Insurance from the New York Municipal Insurance Reciprocal (“NYMIR”) and CNA Insurance Co. through the brokerage firm The Spain Agency (hereinafter the “Agreement”); and be it further

RESOLVED, that the Agreement shall commence on January 1, 2011 and expire on January 1, 2012; and be it further

RESOLVED, that the premium cost of this insurance package shall be \$1,125,450, and that property may be added (or deleted) during the period as necessary. The policy shall be debited (or credited) at the pro-rated policy rate; and be it further

RESOLVED, that NYMIR will provide the following services free of charge: annual fire and safety inspections, special inspections, certificate of insurance/contract/bid specification review, attendance at safety committees, risk management consulting services for property conservation, and NYMIR land use program; and be it further

RESOLVED, that this Agreement shall be subject to County appropriations; and be it further

RESOLVED, that this Agreement is also 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 to the Consultant, then the Consultant 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.

RESOLUTION

Account to be Charged/ credited	Fund	Dept	Major Program, Program & Phase Or Unit	Object/ Sub Object	Trust Account	Dollars
			Unit/subunit	Object/sub		
	101	52	2004	4280		\$467,429.00
	221	60	0110	4280		\$376,202.00
	251	60	7100	4280		\$31,091.00
	165	42	5520	4280		\$55,627.00
	278	42	5511	4380		\$6,759.00
	161	44	4110	4280		\$24,443.00
	101	44	2100	4280		\$28,049.00
	101	26	2000	4280		\$672.00
	101	52	2004	4280		\$135,178.00
					TOTAL	\$1,125,450.00

Budget Funding Year(s) 2011 Start Date 1/1/2011 End Date 1/1/2012
 (must match resolution)

Funding Source

Tax Dollars	100%
State Aid	
Federal Aid	
Other	

\$1,125,450.00

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