

23022

Date: November 16, 2011

To: The Honorable Board of Acquisition and Contract

From: Robert F. Meehan
County Attorney

Re: **Authority to renew an agreement for an 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, 2012 through January 1, 2013 in the total aggregate amount of \$1,151,422**

By resolution approved on December 16, 2010 (the “December 16th Resolution”), your Honorable Board authorized the County to enter into an agreement (the “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 from January 1, 2011 through January 1, 2012 in the amount of \$1,125,450. It should be noted that the December 16th Resolution included a clause that authorized the County to add (or delete) property as necessary, and to debit (or credit) the policy premium at the pro-rated policy rate. During the course of the year, it became necessary to add additional property to the policy in May and September, which resulted in a \$20,689 increase in the pro rata premium, from \$1,125,450 to \$1,146,139.

The County now seeks authority from your Honorable Board to renew the Agreement with the NYMIR and CNA through the Spain Agency for “All Risk” Property/Boiler and Machinery Insurance for the period January 1, 2012 through January 1, 2013 in the amount of \$1,151,422 to provide coverage for \$2.765 billion in property limits. Although the renewal premium increased by \$5,283.00, it actually represents a 1.6% decrease in the rate per \$100 of property value (from a rate of \$.042307/\$100 value to \$.041629/\$100 of property value).

Accordingly, authority is now requested to renew the Agreement with NYMIR and CNA for “All Risk” Property/Boiler and Machinery Insurance for a term commencing on January 1, 2012 and continuing through January 1, 2013 for a total amount not-to-exceed \$1,151,422. This premium 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 Agreement is exempt from the Westchester County Procurement Policy pursuant to section 3(a) v thereof which exempts “procurements of insurance or surety bonds.”

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.

The Office of 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 - 12/23/2011 - JOMARY MORA, 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, 2012 and expire on January 1, 2013; and be it further

RESOLVED, that the premium cost of this insurance package shall be \$1,151,422, 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.

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		\$474,766.00
	221	60	0110	4280		\$397,167.00
	251	60	7100	4280		\$29,476.00
	165	42	5520	4280		\$52,852.00
	278	42	5511	4380		\$6,448.00
	161	44	4110	4280		\$26,713.00
	101	44	2100	4280		\$26,598.00
	101	26	2000	4280		\$690.00
	101	52	2004	4280		\$136,712.00
					TOTAL	\$1,151,422.00

Budget Funding Year(s) 2012
(must match resolution)

Start Date 1/1/2012

End Date 1/1/2013

Funding Source

Tax Dollars	100%
State Aid	
Federal Aid	
Other	

\$1,151,422.00