

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF APPROVING)
CONTRACT DOCUMENTS FOR INSURANCE)
BROKER OF RECORD)

RESOLUTION NO. 90-1174

)
) Introduced by Rena Cusma,
) Executive Officer


WHEREAS, Section 2.04.053 of the Metro Code requires the Council must approve contract documents for certain contracts; and

WHEREAS, The contract for Insurance Broker of Record requires Council approval, and the proposal document has been approved by the Council of the Metropolitan Service District; now, therefore,

BE IT RESOLVED,

That the Council of the Metropolitan Service District approves the contract documents for Insurance Broker of Record attached as Exhibit A hereto and authorizes that the Executive Officer enter into a contract with Corroon & Black of Oregon.

ADOPTED by the Council of the Metropolitan Service District this
11th day of January, 1990.


Tanya Collier, Presiding Officer

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11/28/89

Contract No. 901121

PERSONAL SERVICES AGREEMENT

THIS AGREEMENT dated this 21st day of December 1989, is between the METROPOLITAN SERVICE DISTRICT, a municipal corporation, hereinafter referred to as "METRO," whose address is 2000 S.W. First Avenue, Portland, OR 97201-5398, and Corroon & Black of Oregon, hereinafter referred to as "CONTRACTOR," whose address is 1600 S.W. 4th Avenue, P.O. Box 8699, Portland, Oregon 972017, for the period of January 11, 1990, through December 31, 1992, and for any extensions thereafter pursuant to written agreement of both parties.

W I T N E S S E T H :

WHEREAS, This Agreement is exclusively for Personal Services;

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

CONTRACTOR AGREES:

1. To perform the services and deliver to METRO the materials described in the Scope of Work attached hereto;
2. To provide all services and materials in a competent and professional manner in accordance with the Scope of Work;
3. All applicable provisions of ORS chapters 187 and 279, and all other terms and conditions necessary to be inserted into public contracts in the State of Oregon, are hereby incorporated as if such provision were a part of this Agreement, including but not limited to ORS 279.310 to 279.320.

Specifically, it is a condition of this contract that Contractor and all employers working under this Agreement are subject employers that will comply with ORS 656.017 as required by 1989 Oregon Laws Chapter 684.

4. To maintain records relating to the Scope of work on a generally recognized accounting basis and to make said records available to METRO at mutually convenient times;

5. To indemnify and hold METRO, its agents and employees harmless from any and all claims, demands, damages, actions, losses and expenses, including attorney's fees, arising out of or in any way connected with its performance of this Agreement, with any patent infringement arising out of the use of CONTRACTOR'S designs or other materials by METRO and for any claims or disputes involving subcontractors;

6. To comply with any other "Contract Provisions" attached hereto as so labeled; and

7. CONTRACTOR shall be an independent contractor for all purposes, shall be entitled to no compensation other than the compensation provided for in the Agreement. CONTRACTOR hereby certifies that it is the direct responsibility employer as provided in ORS 656.407 or a contributing employer as provided in ORS 656.411.

In the event CONTRACTOR is to perform the services described in this Agreement without the assistance of others, CONTRACTOR hereby agrees to file a joint declaration with METRO to the effect that CONTRACTOR services are those of an independent contractor as provided under Chapter 864 Oregon Laws, 1979.

METRO AGREES:

1. To pay CONTRACTOR for services performed and materials delivered in the maximum sum of ONE HUNDRED FIFTY THOUSAND AND NO/100THS (\$150,000) DOLLARS and in the manner and at the time designated in the Scope of Work; and

2. To provide full information regarding its requirements for the Scope of Work.

BOTH PARTIES AGREE:

1. That METRO may terminate this Agreement upon giving CONTRACTOR five (5) days written notice without waiving any claims or remedies it may have against CONTRACTOR;

2. That, in the event of termination, METRO shall pay CONTRACTOR for services performed and materials delivered prior to the date of termination; but shall not be liable for indirect or consequential damages;

3. That, in the event of any litigation concerning this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and court costs, including fees and costs on appeal to an appellate court;

4. That this Agreement is binding on each party, its successors, assigns, and legal representatives and may not, under any condition, be assigned or transferred by either party; and

5. That this Agreement may be amended only by the written agreement of both parties.

CORROON & BLACK OF OREGON

METROPOLITAN SERVICE DISTRICT

By: _____ By: _____

Date: _____ Date: _____

APPROVED AS TO FORM:

By: _____

Date: _____

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SCOPE OF WORK

All work of the Insurance Broker of Record will be coordinated through the Manager of Financial Services, Metro's Risk Manager. Other principal contact will be the Associate Management Analyst for Budget and Risk Management.

The Broker of Record will be required to perform the duties and responsibilities as follows:

- A. Formulate and maintain an adequate insurance program for Metro, recommend insurance coverages and assist the administration in the preparation of specifications for those insurance coverages.
- B. Write and service all policies for liability, property, casualty, statutory bonds and such other policies of insurance as broker may be authorized to write as requested by Metro
- C. Coordinate with the administration in the examination of policies to determine that such policies meet the requirements of the specifications.
- D. Coordinate with the administration in examination of audits on those policies subject to audit.
- E. Be available to the Metro Risk Manager, or other staff as directed, for insurance counseling.
- F. Assist the administration in preparing guiding principles for the Management of Metro's insurance program, including claims processing.
- G. Shall notify Metro of all expirations of coverage at least sixty (60) days prior to the expiration date.
- H. Shall annually review Metro's insurance program and prepare and present a report to Metro's Council.
- I. Shall review, prepare and submit a quarterly report of claims activity for use by Risk Management staff.
- J. All insurance contracts shall be awarded in compliance with Oregon Revised Statutes chapters 731-752.

Broker of Record shall be compensated on a commission basis. Every invoice submitted by Broker to Metro for payment shall specifically itemize the amount of commission paid.

REVISED 12/21/89

STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 90-1174 FOR THE PURPOSE
OF APPROVING CONTRACT DOCUMENTS FOR INSURANCE BROKER OF
RECORD

Date: December 21, 1989 Presented by: Ray Phelps

FACTUAL BACKGROUND

Oregon State Law permits local governments to appoint a single agent of record to act as broker for all casualty and liability coverage. Metro's current broker of record contract with Jewett Barton Leavy & Kern, Inc. will expire on January 1, 1990.

The agency's broker of record will be required to formulate and maintain an adequate insurance program for Metro, recommend insurance coverages and assist the administration in the preparation of specifications for insurance coverages. They shall annually review Metro's insurance program and prepare and present a report to Metro's Council. In addition, they shall be available to Metro's Risk Manager, or other staff as directed, for insurance counseling on such items as RFP/B requirements review, contract compliance and loss prevention.

A detailed list of the Scope of Work is provided with the Contract (see Exhibit A). The contract will be for a period of three years beginning January 11, 1990.

THE PROCESS

In accordance with Section 2.04.033(b) of the Metro Code, a Request for Proposals for insurance broker of record services was prepared and filed with the Council Clerk on September 26, 1989. On October 5, 1989, the Council Finance Committee reviewed the RFP and recommended approval to the Council. The Council approved the RFP on October 26, 1989 (Res. No. 89-1159).

Metro requested proposals from six firms. In addition, a public notice for these services was published twice in the Daily Journal of Commerce and once in the Skanner and the Portland Observer. Four firms responded to the RFP:

Fred S. James & Company of Oregon
Jewett Barton Leavy & Kern, Inc.
Corroon & Black of Oregon
Johnson & Higgins

The proposals were evaluated by Jennifer Sims, Manager of Financial Services, Kathy Rutkowski, Budget and Risk Management Analyst, McKay Rich, Assistant Zoo Director, Neil McFarlane, Convention

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Center Project Manager, and Ray Phelps, Director of Finance and Administration. They were evaluated on the basis of general organization and responsiveness to the proposal, experience and qualifications of personnel, organization and experience of firm, services provided and cost of services. The total average scores ranged from 78.6 points to 87.8 points, with only 2.1 points separating three of the four firms.

All four firms were interviewed. The committee consisted of Ray Phelps, Jennifer Sims, McKay Rich, Dan Cooper, General Counsel, and Dominic Buffetta of the City of Portland E-R Commission. The interview and presentations focused on the structure and types of services provided, the appropriateness to Metro's needs, the nature of the working relationship with Metro and a detailed discussion of fee and commission structure.

The selection committee recommends the appointment of Corroon & Black as Metro's Insurance Broker of Record for the period January 11, 1990 through December 31, 1992.

Corroon & Black would bring to Metro extensive experience in public sector insurance requirements. A partial list of their current Oregon public sector clients includes Washington, Lane and Klamath Counties, various cities and utility boards, and many school or special districts. They have a strong understanding of the special insurance needs for public entities.

In addition, Corroon & Black is a leading broker of environmental related insurance packages throughout the United States. As we have expanded the solid waste system and have taken a more active role in the area of hazardous waste, this area has become of extreme importance. Their expertise in this area could prove invaluable to the proper transfer of risk or placement of coverage for current and future facilities.

Finally, Corroon & Black's risk management philosophy nearly matches that of Metro's. As Metro's Agent of Record, they will maintain an active role in overseeing the management of all Metro claims. They take a very professional and aggressive role in the pursuit of fair and prompt claims settlements. They propose to serve as part of Metro's Risk Management Committee and to meet regularly with staff to review programs and procedures.

The RFP requested cost of services information on both a fee schedule and commission basis. However, if a fee schedule is used, state law requires that fees charged must at least equal the standard commission schedule. Cost of services based on a commission schedule would include not only the placement of coverages, but also all standard services requested under the Scope of Work.

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EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends approval of the contract with Corroon & Black of Oregon for Insurance Broker of Record Services for the period January 11, 1990 through December 31, 1992.

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12/20/89

FINANCE COMMITTEE REPORT

RESOLUTION NO. 90-1174, APPROVING CONTRACT DOCUMENTS FOR
INSURANCE BROKER OF RECORD

Date: January 4, 1990

Presented by: Councilor Gardner

COMMITTEE RECOMMENDATION: At its December 21, 1989 meeting, the Committee voted unanimously to recommend adoption of Resolution No. 90-1174. Voting yes were Councilors Collier, Devlin, Gardner, Wyers and Van Bergen.

COMMITTEE DISCUSSION/ISSUES: Ray Phelps, Director of Finance and Administration, and Jennifer Sims, Manager of Financial Services, presented the staff report on the resolution. Mr. Phelps summarized the process used in the selection of the insurance broker, saying Metro had requested proposals from six firms. Four firms responded to the RFP. They were: Fred S. James and Company of Oregon; Jewett Barton Leavy and Kern, Inc.; Corroon and Black of Oregon; and Johnson and Higgins. The proposals were evaluated on the basis of general organization, responsiveness, experience, qualifications of personnel and experience of the firm, as well as services provided and the cost of service. All four firms were interviewed and staff recommended the appointment of Corroon and Black of Oregon. In response to questions from Don Carlson, Council Administrator, Ms. Sims said the only change in the Scope of Work approved by the Council on October 26, 1989 was the addition of MERC insurance needs.

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