



# Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street  
Chicago, IL 60611

## Legislation Text

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**File #:** 17-1176, **Version:** 1

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### **TRANSMITTAL LETTER FOR BOARD MEETING OF NOVEMBER 16, 2017**

#### COMMITTEE ON PROCUREMENT

Mr. David St. Pierre, Executive Director

Issue purchase order to Mesirow Insurance Services, Inc., for Furnishing Marine Liability and Hull Insurance for District Marine vessels in an amount not to exceed \$21,968.00, Account 101-25000-612290, Requisition 1477438

Dear Sir:

At the Board Meeting of December 18, 2014, in accordance with Contract 14-RFP-33, the Board of Commissioners awarded a purchase order to Mesirow Insurance Services, Inc. (Mesirow) to serve as the District's broker-of-record for the handling of Marine insurance and related services for a three year period. The current marine insurance policies will expire on December 11, 2017.

On October 31, 2017, the District received certain bid quotations/market responses which Mesirow had solicited pursuant to the Detailed Specifications for Marine Insurance for a one-year period from December 11, 2017 through December 11, 2018 to provide insurance coverage for liability arising out of the District's fourteen marine vessels used for pollution control, monitoring of water quality along Lake Michigan and the District's Waterways, and occasionally for tours. An annual aggregate liability limit of \$10,000,000.00 and hull coverage for physical damage to the vessels on an Agreed Amount basis per original cost subject to a deductible of \$10,000.00 per claim was requested.

For the 2017 placement, nine insurance carriers were approached. One carrier provided a firm quotation at the limits and retention levels requested. Another firm provided a quotation at one-tenth the requested limits. Two carriers provided pricing indications. Five carriers declined to offer a quotation, indicating that the risk is currently outside of their underwriting guidelines.

It was determined that optimal program design, coverage and pricing for Marine Liability and Hull coverage was offered by Continental Insurance Company at the rate of \$21,968.00, which is a 1.2% decrease in premium. The Continental Insurance Company policy provides excellent coverage terms and conditions, including physical damage to the District's 14 vessels up to the values reported for each, which currently totals \$1,167,567.00. It should be noted that changes in the schedule of marine vessels for the District can affect premium, with the requirement to pay at the time of the change.

The quotations/market responses were evaluated by Mesirow, the MWRD Risk Manager, the Director of Human Resources, and a representative from the Procurement and Materials Management Department. It was determined that the District should place this coverage with Continental Insurance Company, at the rate of \$21,968.00. The company is licensed to do business in Illinois, complied with the terms and conditions of the bid specifications, and has an A.M. Best Company rating of A (Excellent), XV (\$2.0 billion or greater), with a financial outlook of Stable.

In view of the foregoing, it is recommended that the Director of Procurement and Materials Management be

authorized to issue a purchase order to Mesirow Insurance Services, Inc. in an amount not to exceed \$21,968.00. Funds are available in Account 101-25000-612290.

Requested, Beverly K. Sanders, Director of Human Resources

Recommended, Darlene A. LoCascio, Director of Procurement and Materials Management

Respectfully Submitted, Barbara J. McGowan, Chairman Committee on Procurement

Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for November 16, 2017