



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

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TRANSMITTAL LETTER FOR BOARD MEETING OF FEBRUARY 18, 2021

COMMITTEE ON PROCUREMENT

Mr. Brian A. Perkovich, Executive Director

Issue purchase order to Mesirow Insurance Services, Inc. for Furnishing Government Crime Insurance Coverage for the District in an amount not to exceed \$39,608.00, Account 101-25000-612290, Requisition 1557383

Dear Sir:

At the Board Meeting of December 21, 2017, in accordance with Contract 17-RFP-32, the Board of Commissioners awarded a purchase order to Mesirow Insurance Services, Inc. (Mesirow) to serve as the District's broker-of-record for casualty lines of insurance and related services for a three-year period. As allowed by Contract, the District elected to extend the term for an additional two years to expire on December 31, 2022. In this capacity, Mesirow has responsibility for securing quotes from the insurance market for specified insurance policies including the current Government Crime insurance policy which will expire on April 1, 2021.

On February 3, 2021, the District received certain bid quotations for this coverage which Mesirow had solicited pursuant to the detailed specifications and the application for insurance for a three-year period to be effective April 1, 2021. Quotes for Government Crime insurance coverage were requested to provide a minimum of expiring terms and conditions.

For the 2021 Government Crime coverage, twelve insurance companies were approached for quotations. Four insurance companies provided quotations, with a variety of options.

It was determined that optimal program design, coverage and pricing for Government Crime coverage was offered by Fidelity and Deposit Company of Maryland (Part of the Zurich Insurance Group Ltd) with a limit of \$6,000,000.00 each for Employee Theft and for Computer and Funds Transfer Fraud each subject to a deductible of \$100,000.00; a limit of \$750,000.00 each for Forgery or Alteration, Inside the Premises - Theft of Money and Securities, Inside the Premises - Robbery or Safe Burglary of Other Property, Outside the Premises, Money Orders and Counterfeit Paper Currency each subject to a deductible of \$50,000.00; and a limit of \$100,000.00 for Claim Expense coverage subject to a deductible of \$500.00 at a cost of \$39,608.00 for a three-year policy period. The quotations provided by the other three insurance companies were less competitively priced and also did not include the expiring full scope of coverage required.

Seven insurance companies declined to offer a quotation for a variety of reasons including the inability to offer competitive pricing or the inability to provide coverage with expiring terms or limits. A number also declined due to lack of interest in the general class of business (public entities). One insurance company did not respond to the request for a quote.

For the 2021 Government Crime placement, we recommend placement with the Fidelity and Deposit Company of Maryland (Part of the Zurich Insurance Group Ltd.) for a three-year policy period at a cost of

\$39,608.00 which is a \$2,576.00 (6.96%) increase over the expiring 2018 three-year policy premium.

The insurance carrier being recommended for this placement is licensed/allowed to do business in Illinois and meets the District's A.M. Best Company insurance ratings requirements of A- VII or better.

The Affirmative Action goals for Contract 17-RFP-32 are 10% Minority Business Enterprises (MBE), 5% Women Business Enterprises (WBE) and 10% Small Business Enterprises (SBE).

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 \$39,608.00. The quotations were evaluated by Mesirow and the District's Risk Manager, the Director of Human Resources, and a representative of the Procurement and Materials Management Department.

Funds for the 2021 expenditure in the amount of \$13,204.00 are available in Account 101-25000-612290. The estimated expenditures for 2022 and 2023 for Mesirow Insurance Services, Inc. are \$13,202.00, and \$13,202.00 respectively. Funds for the 2022 and 2023 expenditures are contingent on the Board of Commissioners' approval of the District's budget for those years.

Requested, Beverly K. Sanders, Director of Human Resources, BKS:RAJ

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 February 18, 2021

Attachment