



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 SEPTEMBER 2, 2021

COMMITTEE ON PROCUREMENT

Mr. Brian A. Perkovich, Executive Director

Issue purchase order to Willis of Illinois, Inc. to Furnish Cyber Insurance Coverage for the District in an amount not to exceed \$100,000.00, Account 101-25000-612290, Requisition 1567392

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 Willis of Illinois, Inc., whose name was changed to Willis Towers Watson Midwest, Inc. (Willis) as of January 1, 2020, to serve as the District's broker-of-record for cyber risk coverage 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, Willis has responsibility for securing quotes from the insurance market for cyber insurance for the District.

On August 9, 2021, the District received certain bid quotation(s) which Willis had solicited pursuant to the detailed specifications and underwriting submission for cyber insurance including aggregate policy limit options of \$3,000,000.00 and \$5,000,000.00 and with a self-insured retention (SIR) of \$50,000.00 for a one-year period to be effective on October 4, 2021 to provide cyber insurance coverage for the District.

Nine insurance companies were approached for quotations. One company provided a quotation and eight companies declined for a variety of reasons including not currently writing new cyber coverage for public entities, size of the organization, and their requirement for a higher retention/attachment point.

It was determined that optimal program design, coverage, and pricing for cyber coverage was offered by the AXIS Insurance Company with an aggregate policy limit of \$5,000,000.00 and a self-insured retention of \$500,000.00 at the rate of \$100,000.00. AXIS offered the only quotation, and the proposed program provides excellent coverage terms and conditions.

The proposal terms and conditions were evaluated by Willis, the Risk Manager, the Director of Human Resources and a representative from the Procurement and Materials Management Department. Based on their collective review, it was determined that the District should purchase cyber insurance coverage from AXIS Insurance Company. The company is licensed to do business in Illinois, is an admitted carrier, and has an A.M. Best Company rating of A (Superior), XV (\$2.0 Billion or greater).

The Diversity Section has reviewed this contract and determined that Willis has met the requirements of Appendix A. The Minority-owned Business Enterprises (MBE), Women-owned Business Enterprises (WBE) and/or Small Business Enterprises (SBE) goals are: 10% MBE, 5% WBE and 10% 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 Willis of Illinois, Inc. in an amount not to exceed \$100,000.00.

Funds are available in Account 101-25000-612290.

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 September 2, 2021

Attachment