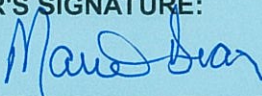


TO: Mayor via City Secretary

REQUEST FOR COUNCIL ACTION

SUBJECT: Professional Services Contract with Marsh USA, Inc. for the Owner Controlled Insurance Program (OCIP) for the IAH Terminal Redevelopment Program (ITRP); Project No. 810 (WBS: A-000800-0009-3-01-01)		Category #	Page 1 of 2	Agenda Item #
FROM (Department or other point of origin): Houston Airport System		Origination Date November 22, 2015	Agenda Date	
DIRECTOR'S SIGNATURE: 		Council District affected: B		
For additional information contact: Kathy Elek Phone: 281/233-1826 Robert Barker 281/233-1953		Date and identification of prior authorizing Council action: N/A		
AMOUNT & SOURCE OF FUNDING: CIP No. A-0800 \$ 5,500,000 HAS-Consolidated ITRP AMT Construction Fund (8207) \$ 5,500,000 Total		Prior appropriations: N/A		
RECOMMENDATION: (Summary) Enact an ordinance to approve a professional services contract with Marsh USA, Inc. for the Owner Controlled Insurance Program (OCIP) in support of the IAH Terminal Redevelopment Program (ITRP) and appropriate the necessary funds to finance the cost of these services.				
PROJECT LOCATION: George Bush Intercontinental Airport/Houston (IAH)				
SPECIFIC EXPLANATION: The Houston Airport System (HAS) has identified a significant need for the development of additional facilities at IAH to handle aircraft, passengers, and cargo departing to, and arriving from, domestic and international destinations on scheduled and chartered flights. To support the airlines' growth plans in Houston, the HAS and airlines will complete a major capital improvement program, known as the IAH Terminal Redevelopment Program (ITRP), that will include constructing a new 11-gate concourse on the north side of Terminal B, becoming the "New Terminal C North" and reconstructing and integrating the existing Terminal C North and Terminal D into a new single common-use international facility (the Mickey Leland International Terminal (MLIT)). The expansion of the terminal facilities will also necessitate an enlargement of certain components of the existing Federal Inspection Services (FIS) facility. The improvement plan will also include several enabling projects to serve the newly constructed facilities as well as a new roadway system, airfield improvements, and parking structure for increased parking capacity. Given the substantial amount of anticipated construction volume, there is an economic advantage to implementing an Owner Controlled Insurance Program (OCIP) for HAS. The OCIP will apply to all HAS ITRP project elements, but does not apply to the New Terminal C North facility being constructed by United Airlines. The OCIP will include Worker's Compensation, General and Excess Liability, and Builder's Risk insurance coverages.				
REQUIRED AUTHORIZATION				
Finance Department:		Other Authorization:		Other Authorization:

Date November 22, 2015	Subject: Professional Services Contract with Marsh USA, Inc. for the Owner Controlled Insurance Program (OCIP) for the IAH Terminal Redevelopment Program (ITRP); Project No. 810 (WBS: A-000800-0009-3-01-01)	Originator's Initials RB	Page 2 of 2
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A Request for Proposals (RFP) for OCIP Brokerage/Administrator Services was advertised in accordance with City policy, and proposals were received from six (6) firms. The Evaluation Committee, comprised of HAS functional managers, evaluated and ranked the proposals based on criteria contained in the RFP. Three (3) firms were short-listed and interviewed by the Evaluation Committee, and Marsh USA, Inc. was recommended for contract award. The selection process was observed by the City's Administration and Regulatory Affairs Department Assistant Director for Risk Management. The in-person team interviews were observed by HAS senior management.

The OCIP Brokerage/Administrator scope of services includes providing risk management-related services such as risk analysis, underwriting, marketing/solicitation, consultation and policy maintenance services for the duration of this contract. The OCIP Brokerage/Administrator Services firm will provide services as defined in the scope of services to include proactive marketing and underwriting function, ongoing review and analyses, and identification of viable insurance markets for the OCIP. As OCIP Administrator, the firm will administer the OCIP with professional services to include policy, underwriting and insurance placements, administrative services, pre-bid activity, payroll data gathering, entering functions, and construction volume services/changes. In addition, as OCIP Administrator, the firm will provide claims administration and reporting services, safety and loss prevention services, risk assessment and benchmarking, as well as special programs contained in the contract's scope of services, to include implementing and managing a surety assistance and outreach program that will effectively address the needs of M/WBE and small, disadvantaged businesses and that will support community business needs and growth for new and emerging business owners.

A portion of the spending under this Contract may be eligible for reimbursement under either the FAA AIP or PFC programs.

Pay or Play: The proposed contract requires compliance with the City's "Pay or Play" ordinance regarding health benefits for employees of City contractors. In this case, the contractor provides benefits for some employees but will pay into the Contractor Responsibility Fund for others, in compliance with City policy.

M/WBE Participation: The Minority/Women Business Enterprise (M/WBE) participation goal for this contract is 24%. Marsh USA, Inc. proposes to exceed the goal through the services performed by the following firm:

Certified Firm	Type of Work	%
Borris Miles Insurance Agency	OCIP Administration	31.23%

The City Council Budget and Fiscal Affairs Committee was briefed on this contract on November 19, 2015.