

Surety Support Program

City of Dallas
Economic Development
and Housing Committee
February 6, 2006

Purpose

- Respond to questions from Economic Development and Housing Committee
January 17, 2006 meeting

What is the Performance of the Current Contract in the Past Year?

- Program Goals
 - Goals are for a one-year period
 - Requested 12-month performance from current contractor, SSP Consulting, LC; however, received 24-month period numbers
 - Contractor met two of the seven goals set by contract

Contract Past Performance (Cont'd)

CRITERIA	2-Year Goal	SSP Consulting 2-Year Performance
Clients Interviewed	120	73
Awarded Projects	20	12
Bond Applications initiated	60	58
Applications Completed	50	42
Bond Applications approved	30	30
Bond applications denied	20	13
Bond capacity increased	16	30

Contract Structure

- **New contract will have a performance based payment schedule**
 - **Based on securing bonding and insurance**
 - **Fee set for vendors securing bonding**
 - **Fee set for vendors denied bonding**
 - **Hourly rate for vendors requiring technical assistance**

Who was the low bidder?

- City negotiated with both firms
 - Final not to exceed amounts for each firm:

	<u>NICI</u>	<u>SSP</u>
Final Pricing	\$141,460	\$149,813

What is the fee structure?

- Fee structure comparison between SSP Consulting, LC and NICI of Texas, LP

	Cost per successful bond issuance	Cost per denied bonding assistance	Hourly rate for technical assistance
SSP Consulting, LC	\$1,500	\$1,500	\$75.00
NICI of Texas, LP	\$1,400	\$1,230	\$125.00

Will National Insurance Consultants Incorporated (NICI) of Texas, LP write bonds?

- **No, NICI of Texas, LP will not write bonds**
 - NICI of Texas, LP is not affiliated with any other company in the surety brokerage or insurance underwriting industry

Do we give preference to Dallas companies?

- No, State Law does not allow
- Both NICI of Texas, LP and SSP Consulting, LC are located in Dallas

What is the minority participation?

- NICI of Texas, LP is pending local minority certification
 - K Strategies Group LLC, sub consultant for NICI, of Texas LP is a local certified minority company
- SSP Consulting LC is a local certified minority company

Please clarify NICI corporate structure

- There was a typo in the briefing for the company name
 - Correct name is National Insurance Consultant Incorporated (NICI) of Texas, LP
- It is a limited partnership between:
 - Herman Ross, who founded **National Insurance Consultants Incorporated** in 1994 and
 - Mireya Gonzales, who has over 13 years experience
 - Together they bring combined strength of two industry leaders with over 40 years of experience in bonding and insurance in the public and private sectors
 - K Strategies Group LLC is a subcontractor on contract

Surety Bonding/ Evaluation

The following scores are from evaluation criteria used by the evaluation committee:

	<u>Max. Points</u>	<u>NICI</u>	<u>SSP</u>
Experience	35	30	35
Added Value	10	10	7
Work Plan	30	28	22
Cost	25	25	24
Total Points	100	93	88

Contract Extension

- The current Surety Support contract has been extended through February 28, 2006.

Next Steps

- Staff recommends award to NICI of Texas, LP based on committee recommendation
- Seek decision from Economic Development and Housing Committee to place item on February 22, 2006 Council Agenda for surety support services
- Execute contract
- Program implementation