

Memorandum



Date November 21, 2008

To Members of the Finance, Audit & Accountability Committee
Chair Mitchell Rasansky, Vice Chair Jerry R. Allen, Mayor Pro Tem Dr. Elba Garcia,
Vonciel Jones Hill, Angela Hunt, Ron Natinsky and David Neumann

Subject **Risk Management Consultant – AON Contract Award**

The Committee's November 24th agenda includes the Subject briefing. Briefing materials are attached for your information.

Please contact me if you need additional information.



David Cook
Chief Financial Officer

C: Honorable Mayor & Members of the City Council
Mary K Suhm, City Manager
Tom Perkins, Jr., City Attorney
Deborah Watkins, City Secretary
Craig Kinton, City Auditor
Ryan S. Evans, First Assistant City Manager
Forest E. Turner, Interim Assistant City Manager
Ramon Miguez, P.E., Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
A.C. Gonzalez, Assistant City Manager

Risk Management Consultant Contract

**Finance, Audit &
Accountability
Committee**

November 24, 2008

Background

- The City contracted with Aon Risk Services of Texas, Inc. effective January 1, 2005
- 4-year term
- Not to exceed \$400,000

Scope of Services

- Consults and provides technical assistance for all phases of risk management
- Provides actuarial analysis and review
- Provides advice regarding coverage issues and availability of coverage
- Assists in developing insurance specifications

Scope of Services (cont'd)

- Provides market security analysis of insurance carriers
- Provides Auditing Services:
 - Liability/Workers' Compensation Third Party Administrator
 - WC Pharmacy Program
 - Performance Guarantees
- Provides analysis and assistance with City's safety program

Proposal Process

- Advertised in the Dallas Morning News 9/25/08 & 10/2/08
- Notified approximately 63 potential interested M/WBE & non-M/WBE vendors
- Held pre-proposal conference with 2 firms attending
- Received 3 proposals
- Interviewed 3 firms

Proposal Process (cont'd)

Aon Risk Services (Local Office)

- Established 1929
- 150 Staff members
- 5 Public Entity Clients

Valley Risk Consulting, Inc.(McAllen, Texas)

- Established 2004
- 5 staff members
- 2 Public Entity Clients

Proposal Process (cont'd)

Scarborough-Medlin & Associates

- Established 1981
- 40 Staff members
- 18 Public Entity Clients

(Scarborough-Medlin & Associates withdrew their proposal.)

Risk Consultant Scoring - AON

1 = Responsiveness (5), 2 = Cost Consideration (30), 3 = Vendor Qualification (20),

Total

4 = Services Rendered (35), 5= Interview (10)

Aon Risk Services, SW	Responsiveness (5)	Cost Consideration (30)	Vendor Qualifications (20)	Services Rendered (35)	Interview (10)	
Evaluation Section	1	2	3	4	5	
Evaluator 1 - TW	5.00	30.00	15.00	30.00	5.00	85
Evaluator 2 - JS	3.50	30.00	18.00	33.50	8.00	93
Evaluator 3 - DB	5.00	30.00	20.00	35.00	10.00	100
Evaluator 4 - PM	5.00	30.00	20.00	35.00	5.00	95
Evaluator 5 - DJ	4.00	30.00	20.00	35.00	8.00	97
Sub Total	22.50	150.00	93.00	168.50	36.00	
						470

Risk Consultant Scoring – Valley Risk

1 = Responsiveness (5), 2 = Cost Consideration (30), 3 = Vendor Qualification (20),

Total

4 = Services Rendered (35), 5= Interview (10)

Valley Risk Consulting	Responsiveness (5)	Cost Consideration (30)	Vendor Qualifications (20)	Services Rendered (35)	Interview (10)	
Evaluation Section	1	2	3	4	5	
Evaluator 1 - TW	2.00	16.67	10.00	10.00	5.00	44
Evaluator 2 - JS	3.50	16.67	7.00	20.00	5.00	52
Evaluator 3 - DB	3.00	16.67	8.00	15.00	10.00	53
Evaluator 4 - PM	3.00	16.67	15.00	15.00	7.00	57
Evaluator 5 - DJ	4.00	16.67	15.00	20.00	7.00	63
Sub Total	15.50	83.35	55.00	80.00	34.00	
						268

Recommendation

- Aon Risk Services
- Proven ability to provide requested services
 - Extensive knowledge of City needs and issues
 - Broad resources and highly experienced team
- New innovative services
 - Web Based Resource
 - Safety/Loss Control Tracking System
- MWBE Participation
 - AON will continue its MWBE partnership with the Jenkins Agency

Next Step

- November 24, 2008
 - Finance, Audit & Accountability Committee
- December 10, 2008
 - City Council
 - Agenda item to authorize contract
 - Cost - \$625,000 for 5 years
 - Effective January 1, 2009