

BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508
County of Cook and State of Illinois

INSURANCE BROKERAGE SERVICES
DISTRICT WIDE

THE CHANCELLOR

REPORTS that on February 14, 2007, the District issued a Request for Proposals soliciting responses from qualified Insurance Brokerage firms to provide a full range of insurance related services. These services include providing comprehensive coverage at the least possible cost as well as the delivery of risk management administrative service designed to enhance the Office of Risk Management operations. The intent is to enter into a three year agreement with the option to renew said service for two additional one year periods; and

that solicitations were offered via direct mail to a number of qualified Brokers, via the District's Procurement Website and by newspaper advertisement. District Staff conducted a Pre-Proposal Conference on February 21, 2007. On March 9, 2007 the District received six qualifying proposals from the following firms: 1) Aon Risk Services, 2) Arthur J. Gallagher & Co., 3) Kaercher/Campbell & Associates, 4) The Owens Group, 5) USI and 6) Willis Group Limited; and

that the Review Committee evaluated the Proposals from a technical perspective and later applied scoring based upon the financial portions of the submissions. Based upon the scoring, the Review Committee invited Aon Risk Services and Arthur J. Gallagher to make oral presentations. Following the Oral Presentations, clarification was sought as to the Commission Basis versus the Fee Basis method of compensation from each prospective vendor. The Arthur J. Gallagher & Co., submission offered a Year One Commission based quotation of \$125,000 or a Fee based quotation of \$103,780; and

that the Review Committee recommends Arthur J. Gallagher on the basis of a slightly lesser Fee over the three-year period; the expertise of the firm which has provided value added services to the District for a number of years; the stature the firm enjoys within the Higher Education community as evidenced by the number of Higher Education institutions (300) within its national portfolio inclusive of Community Colleges (111); its direct knowledge of the District's needs; past performance and a broader scope of service included within the compensation fee. Further, the Arthur J. Gallagher & Co. submission offers a higher percentage of M/WBE participation; and

that the Office of M/WBE Contract Compliance has reviewed the above referenced insurance brokerage services opportunity and has determined that since Arthur J. Gallagher Risk Management was the successful vendor brought forward from a properly executed request for proposals with Lambent Risk Management Services as the certified MBE with 28% of the project and Risk Management & information Systems as the certified WBE with 7% of the project, therefore, they are in full compliance with the Board approved Participation Plan.

THE CHANCELLOR

RECOMMENDS that the Board of Trustees authorizes the Chairman to execute a contract with Arthur J. Gallagher & Co. for a period of three years with the option to renew for two additional one year periods and the initial rate for Year One shall not exceed \$103,700; for Year Two shall not exceed \$108,900 and for Year Three shall not exceed \$114,400.

FINANCIAL Not to exceed \$327,000 – Liability & Protection Fund
FY08 \$103,700 05001-0022501-00086-01000-0000000-532100
FY09 \$108,900 05001-0022501-00086-01000-0000000-532100
FY10 \$114,400 05001-0022501-00086-01000-0000000-532100

Respectfully submitted:

Wayne D. Watson
Chancellor

June 20, 2007- Risk Management – District Office