

# 33005

ADOPTED – BOARD OF TRUSTEES  
COMMUNITY COLLEGE DISTRICT NO. 508  
JULY 7, 2016

## BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508 COUNTY OF COOK AND STATE OF ILLINOIS

### BUILDERS RISK COMMERCIAL INSURANCE POLICY XL GROUP OLIVE-HARVEY COLLEGE – TDL BUILDING OFFICE OF RISK MANAGEMENT DISTRICT WIDE (RATIFICATION)

#### THE CHANCELLOR RECOMMENDS:

that the Board of Trustees authorizes the Chair to procure a Builders Risk Commercial Insurance Policy underwritten by XL Group brokered through Marsh USA, Inc. for the period from June 1, 2016 through December 31, 2017, at a total cost not to exceed \$43,485.

**VENDORS:** Marsh, USA, Inc. (Broker)  
540 West Madison Street  
Suite 1200  
Chicago, Illinois 60661

**USER:** District Wide

#### ORIGINAL/RENEWAL TERMS (MARSH, USA):

The original term of the underlying Agreement with Marsh USA, Inc. commenced on July 1, 2012 and expired June 30, 2015. Subsequently, the underlying Agreement was extended for the period from July 1, 2015 through June 30, 2016 under Board Report #32727 adopted by the Board of Trustees on July 9, 2015.

#### SCOPE OF SERVICES:

Marsh USA, Inc. facilitated the solicitation of competitive insurance premium quotations and the placement of various commercial insurance policies to insure against certain risks facing the District in its operations and the delivery of risk management administrative services designed to enhance the Office of Risk Management operations.

#### VENDOR SELECTION CRITERIA:

Marsh USA, Inc. was selected under a Request for Proposal (RFP) #SH1202 issued February 10, 2012. Eighteen (18) companies were contacted. Six (6) firms responded to the RFP on March 7, 2012. All qualifications were reviewed, evaluated and ranked by staff which included the Offices of Finance, Business Enterprise, Institutional Advancement, Risk Management, Administrative and Procurement

Services and MBE/WBE Contract Compliance. Based on the evaluation scoring, staff recommended the acceptance of the Marsh USA, Inc. proposal under Board Report #31474, adopted on June 7, 2012.

The Office of Risk Management, together with Marsh USA, Inc. and the MBE/WBE partners, engaged in a plan to aggressively market the District’s Insurance Portfolio and solicit competitive quotations from various insurance carriers known to meet the District’s criteria with respect to financial stability and service resulting in the following premium quotations for the period from November 15, 2015 through November 15, 2016. In each instance, the recommended Insurance Carrier submitted the lowest and most competitive renewal premium quotation.

**BENEFIT TO CITY COLLEGES OF CHICAGO:**

The District requires commercial insurance coverage to protect the District against losses that could have a significant impact on District operations and its financial condition. The Builders Risk Policy placement is required to insure a structure located at Olive-Harvey College. The District expects to engage several firms to complete the state of the art building and operate the Transportation, Distribution and Logistics Program from the new location. Upon completion of the project, the structure and contents shall be endorsed to the District’s Master Property Policy. Marsh USA, Inc. solicited proposals on behalf of the District from several Carriers known to meet the District’s criteria as it pertains to financial strength, AM Best Rating and Claims services. XL Group, (\$43,485), the District’s current Master Property Policy underwriter and CNA (\$46,023) each submitted a Proposal. The XL Group Proposal is recommended in that the premium is less and other features of the Policy favor the District’s interests.

The coverage limits referenced above are at levels consistent with Illinois statutory requirements and are within reasonable levels to insure the District’s requirements, interests and operations. The proposed Insurance Carriers reflect an AM Best Rating Guide of “A-”, VIII or better.

**MBE/WBE COMPLIANCE:**

The Office of MBE/WBE Contract Compliance has reviewed the proposed renewal agreement and Marsh USA, Inc. subcontracting remains in compliance with the Board Approved Participation Plan.

Vendor	MBE or WBE	%	Participation	Certifying Agency
Paradigm Risk Management 205 W. Randolph, Ste. 1200 Chicago, IL 60606	MBE	25	Direct	City of Chicago
Carrington Risk Consultants, LLC 123 Washington St. Ste. 326 Oswego, IL 60543	WBE	7	Direct	City of Chicago

**GENERAL CONDITIONS:**

Inspector General – It shall be the duty of each party to the agreement to cooperate with the Inspector General for City Colleges of Chicago in any investigation conducted pursuant to the Inspector General’s authority under Article 2, Section 2.7.4(b) of the Board Bylaws.

Ethics – It shall be the duty of each party to the agreement to comply with the applicable provisions

of the Board's Ethics Policy adopted January 7, 1993, and as amended by the Board.

Contingent Liability – Pursuant to Section 7- 14 of the Illinois Public Community Act all agreements authorized herein shall contain a clause that any expenditure beyond the current the current fiscal year is subject to appropriation in the subsequent fiscal year.

**FINANCIAL:**

**Total:** \$43,485

**Charge To:** Office of Administrative Services

**Source of Funds:** Capital

**FY17:** 560000-05001-0022502-80000

**Respectfully submitted,**

**Cheryl L. Hyman  
Chancellor**

**July 7, 2016 - Office of Risk Management**