

ORDINANCE/RESOLUTION REQUEST

**All fields must be completed.*
Incomplete request forms will be returned to sender which may cause a delay in processing.*

Date of Request: 1/12/2016

Please mark one: Bill Request or Resolution Request

1. Has your agency submitted this request in the last 12 months?

Yes No

If yes, please explain:

2. Title: ROCIP II (2016-2018) The Travelers Indemnity Company, #201626091

Contract Execution: This is an agreement between the City and Travelers Insurance Company, creating a loss payment fund and providing collateral for the Rolling Owner Controlled Insurance Program (ROCIP) for selected Capital Improvement Program (CIP) Projects.

3. Requesting Agency: Department of Aviation

4. Contact Person: (With actual knowledge of proposed ordinance/resolution.)

- **Name:** Aaron Barraza
- **Phone:** (303) 342-2261
- **Email:** Aaron.Barraza@flydenver.com

5. Contact Person: (With actual knowledge of proposed ordinance/resolution who will present the item at Mayor Council and who will be available for first and second reading, if necessary.)

- **Name:** Aaron Barraza
- **Phone:** (303) 342-2261
- **Email:** Aaron.Barraza@flydenver.com

6. General description of proposed ordinance including contract scope of work if applicable:

This Resolution authorizes the agreement between the City and Travelers Insurance Company, creating a loss payment fund and providing collateral for the Rolling Owner Controlled Insurance Program (ROCIP) for selected CIP Projects, 2016-2018.

A ROCIP is a technique for consolidating the insurance coverage for participants in a large construction project. DIA purchases the insurance coverage and then recovers from the contractors the amount each would have spent on insurance absent the ROCIP. There is one insurer and one insurance broker instead of a patchwork program of coverage, indemnities, policies, brokers and insurers. A ROCIP incorporates several individual projects under one insurance program for all participants.

Timeline

- December, 2015 Competitive process used to select insurance carrier.
- January, 2016, Coverage bound for all projects
- February, 2016, Begin projects enrollment enrolled and work begins

Contract Summary

- Maximum Contract Value: \$3,326,304
- Maximum Loss Fund: \$2,626,304
- Collateral: \$700,000
- Contract Period: February 2016 – December 2018

Arthur J Gallagher

- Local Denver office administration and oversight
- San Francisco office marketing and executive oversight
- Market leverage with carriers who specialize in OCIPs for public risks
- Knowledge of, and experience in, designing, marketing and administering OCIP's

To be completed by Mayor's Legislative Team:

SIRE Tracking Number: _____

Date: _____

- Gallagher’s proposed OCIP Team is in the process of completing the OCIP for the DEN Westin Hotel, and the current ROCIP.

****Please complete the following fields:** (Incomplete fields may result in a delay in processing. If a field is not applicable, please enter N/A for that field.)

- a. **Contract Control Number:** 201626091
- b. **Duration:** 2/1/16 through 12/31/18
- c. **Location:** DIA
- d. **Affected Council District:** 11
- e. **Benefits:**
 - Facilitates the use of disadvantaged businesses by removing insurance barriers for small and emerging contractors (SBE, MBE/WBE, DBE).
 - Certainty of better insurance coverage along with higher liability limits providing appropriate protection to all parties.
 - Consolidation of coverage will generate premium savings upfront through economy of scale.
 - A single program reduces cross suits and litigation expense because there is only one Insurer and one Broker. All parties’ interests are aligned financially and legally.
 - Owner control of the entire process through a proactive safety and claims management effort can accrue further savings.

f. Costs:

<i>Current Contract Amount</i> <i>(A)</i>	<i>Additional Funds</i> <i>(B)</i>	<i>Total Contract Amount</i> <i>(A+B)</i>
\$3,326,304	0	\$3,326,304

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
2/1/16	0	12/31/18

- g. **Date Goals Assigned:** N/A
- h. **Goals:** N/A

7. Is there any controversy surrounding this ordinance? (Groups or individuals who may have concerns about it?) Please explain.

None that we are aware of at this time.

To be completed by Mayor’s Legislative Team:

SIRE Tracking Number: _____

Date: _____

Key Contract Terms

Vendor/Contractor Name: The Travelers Indemnity Company

Contract control number: 201626091

City's contract manager: Kate Tremblay

Was this contractor selected by competitive process? Was it the low bid?

- Yes, the contractor was selected by competitive process.

Term/Duration of contract/project: 2/1/2016 – 12/31/2018

Purpose: The contract will establish a loss fund to pay claims and provide for payment of collateral necessary to implement ROCIP program at DIA.

Scope of services to be provided with performance bench marks: N/A

Cost/value: \$3,326,304

Source of funds: 2016-2018 CIP Project Funds

Benefit:

- Facilitates the use of disadvantaged businesses by removing insurance barriers for small and emerging contractors (SBE, MBE/WBE, DBE).
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- Consolidation of coverage will generate premium savings upfront through economy of scale.
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Termination provision for City and for contractor:

WBE/MBE/DBE commitments (construction, design, Airport concession contracts): The Contract's Scope of Services does not fall under the Definition of Department of Small Business Opportunity's CEI (Construction Empowerment Initiative) Ordinance. Professional Services for design, construction or reconstruction are subject to the goals ordinance. Anything outside of these services, including professional services not related to construction are reviewed on a case-by-case basis. Professional Services not related to construction usually do not have assigned goals.

Who are the subcontractors to this contract? N/A

Location: Department of Aviation

Affected Council District: 11

To be completed by Mayor's Legislative Team:

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