

**ITEM 10-E**

**(3 PAGES)**

**POTOMAC AND RAPPAHANNOCK  
TRANSPORTATION COMMISSION**

**RESOLUTION**

**MOTION:** \_\_\_\_\_

**RESOLUTION NO. 08-05-\_\_\_\_**  
**OFFICIAL COMMISSION MEETING**  
**MAY 1, 2008**

**SECOND:** \_\_\_\_\_

**RE: AUTHORIZATION TO AWARD CONTRACT FOR INSURANCE  
BROKERAGE SERVICES**

**WHEREAS**, the state Division of Risk Management (DRM) has been responsible for procuring insurance coverage for the operation of the Virginia Railway Express (VRE), as an adjunct to their duties under the Commuter Rail Operations Liability Insurance Plan; and

**WHEREAS**, VRE and DRM have agreed that this function could be more efficiently handled by VRE; and

**WHEREAS**, in 2003, DRM entered into an agreement with Marsh USA, Inc. for brokerage services for the five year period ending June 30, 2008; and

**WHEREAS**, the VRE Operations Board recommends the following action.

**NOW, THEREFORE, BE IT RESOLVED** that the Potomac and Rappahannock Transportation Commission does hereby authorize the VRE Chief Executive Officer to enter into a three year contract, with two additional one-year options, with Aon Risk Services, or the next responsive and responsible proposer, for the provision of insurance brokerage services. The total contract value will not exceed \$908,600 over the five-year period.



# Virginia Railway Express Operations Board

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## AGENDA ITEM 8-B ACTION ITEM

**TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD**

**FROM: DALE ZEHNER**

**DATE: APRIL 18, 2008**

**RE: AUTHORIZATION TO AWARD CONTRACT FOR INSURANCE  
BROKERAGE SERVICES**

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### RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to enter into a three year contract, with two additional one-year options, with Aon Risk Services, or the next responsive and responsible proposer, for the provision of insurance brokerage services. The total contract value will not exceed \$908,600 over the five-year period. Net fees may be less than this amount as the result of contract negotiations.

### BACKGROUND:

The state Division of Risk Management (DRM) has been responsible for procuring insurance coverage for the operation of the Virginia Railway Express, as an adjunct to their duties under the Commuter Rail Operations Liability Insurance Plan. In 2003, DRM entered into an agreement with Marsh USA, Inc. for brokerage services for a five year period ending June 30, 2008. During recent negotiations on changes and clarifications to the Insurance Plan, VRE and DRM agreed that this function could be more efficiently handled by VRE.

On March 20, 2008, VRE issued a solicitation for insurance brokerage services and proposals were due on April 10, 2008. Four proposals were received and evaluated by a selection committee composed of staff from VRE, DRM and the Prince William County Division of Risk Management.

The contract with **Aon Risk Services** will commence for the year that begins July 1, 2008. **Aon** will arrange for all required property and liability insurance for VRE, make recommendations regarding the use of self-insurance, and serve as liaison between VRE, the state Division of Risk Management (DRM) and the insurers. **Aon is one of the largest transportation insurance brokers in the world and their clients include WMATA, MTA, and CSX Corporation.**

VRE is requesting authorization for the total five-year term of the contract, with the VRE CEO exercising the option years at his discretion.

**FISCAL IMPACT:**

The costs of insurance brokerage services are budgeted in the Insurance Trust Fund.