

IMPACT STATEMENT

Legislation title: *Authorize contract with Marsh USA Inc. for insurance brokerage services for Phase V of the Owner Controlled Insurance Program in the amount of not to exceed \$625,000. (Ordinance)

Contact name: Mike Reiner

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Presenter name: Consent item; Mike Reiner available if necessary

Purpose of proposed legislation and background information:

1) Legislation Title: Marsh Contract OCIP Phase V- Brokerage and Insurance Services.

2) Purpose of the Proposed Legislation: To enter into a contract with Marsh to provide insurance and brokerage related services to OCIP Phase V. Brokerage services included but are not limited to: preparing insurance marketing specifications; procuring insurance; negotiating terms, conditions, coverage's and price; providing administrative services; claims management; safety and loss prevention and risk management information systems. Specific services are outlined in the contract Statement of Work items A-E. OCIP Phase V will include approximately \$400 million in BES's capital improvement program and \$60 million in the Water Bureau's LT2 compliance program and system improvement work at Washington Park.

3) Revenue:

Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If new revenue is generated identify the source. No, however the estimated insurance savings since OCIP program inception 18 years ago is approximately \$20 million or 2% savings of construction value. The OCIP has also received approximately \$2 million in dividends from SAIF due to favorable underwriting results.

4) Expense:

What are the costs to the City as a result of this legislation? 5-Year contract not to exceed \$625,000.

5) Staffing Requirements:

Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? Current staffing levels will remain the same for risk, safety and loss prevention support services. BES will enter into an MOU with PWB to provide risk, safety and loss prevention support services in FY 16-17 with the amount yet to be determined.

Financial and budgetary impacts:

Funds are currently budgeted in the Sewer System Operating Fund, FY 2015-2016-FY 2019-20 BES Five-Year CIP, WBS E10771 and Portland Water Bureau's FY 2015-2016 Operating fund, and will be requested in subsequent fiscal years.

Community impacts and community involvement:

OCIP Phase V will have a positive impact to the contracting community, especially M/W/ESB construction companies in the areas of risk identification and assessment, developing site specific safety and health and insurance education and outreach. Additionally, if our projects cause 3rd party damages the OCIP can be responsive in dealing with potential claims of property owners and the general public.

Budgetary Impact Worksheet

187 2 9 6

Does this action change appropriations?

☐ YES: Please complete the information below.

☒ NO: Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount