

AGENDA ITEM 8-B
ACTION ITEM

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: FEBRUARY 15, 2008

RE: AUTHORIZATION TO ISSUE REQUEST FOR PROPOSALS FOR INSURANCE BROKERAGE SERVICES

RECOMMENDATION:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to issue a Request for Proposals (RFP) for insurance brokerage services. The contract term will be for three years with two, one-year options.

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. 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.

In 2003, DRM entered into an agreement with Marsh USA, Inc. for brokerage services for the five year period ending June 30, 2008. A new contract must be in place for the year that begins July 1, 2008. This procurement will accomplish that. The selected proposer will arrange for all required property and liability insurance for the Virginia Railway Express, make recommendations regarding the use of self-insurance, and serve as liaison between VRE, the state Division of Risk Management (DRM) and the insurers.

VRE staff will return to the Operations Board in the spring with a recommendation for award. The contract term will be for three years with two, one-year options.

FISCAL IMPACT:

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

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**RESOLUTION
8B-02-2008
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD**

WHEREAS, 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; 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,

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board authorizes the Chief Executive Officer to issue a Request for Proposals (RFP) for insurance brokerage services. The contract term will be for three years with two, one-year options.