



Travis County Commissioners Court Agenda Request

Meeting Date: December 13, 2011

Prepared By/Phone Number: Elizabeth Corey (854-9853); Bonnie Floyd

Elected/Appointed Official/Dept. Head: Cyd Grimes

Commissioners Court Sponsor: Judge Biscoe

Agenda Language:

- A. Approve twelve-month extension (Modification No. 3) to Contract No. 11T00034OJ, Key & Piskuran Insurance Agency, for property and boiler/machinery insurance; and
- B. Reject terrorism coverage under the Terrorism Risk Insurance Act of 2002 (TRIA), and authorize the County Judge to sign the TRIA Policy Disclosure Statement.

Ø **Purchasing Recommendation and Comments:** Purchasing concurs with department and recommends approval of requested action. This procurement action meets the compliance requirements as outlined by the statutes.

Purchasing concurs with HRMD's recommendation to exercise its first option to renew the contract with Key & Piskuran Insurance Agency, and with Affiliated FM as the underwriter. The renewal rate will be a flat rate renewal. Although the rate charged per \$100 of value will remain the same, the actual premium will vary from last year due to an increase in property values and/or from purchased or sold properties. The estimated premium is \$390,686.00, which includes engineering services to be provided by Affiliated FM. The Risk Management Office does not recommend the optional TRIA coverage.

This Modification No. 3 will extend the contract for the property and boiler/machinery insurance with Key & Piskuran Insurance Agency for an additional twelve months, from January 1, 2012 to January 1, 2013.

Modification No. 2 added the SMART facility to the contract, effective August 23, 2011. The contract amount was increased by \$519.00, to

AGENDA REQUEST DEADLINE: All agenda requests and supporting materials must be submitted as a pdf to Cheryl Aker in the County Judge's office, Cheryl.Aker@co.travis.tx.us by Tuesdays at 5:00 p.m. for the next week's meeting.

\$389,870.00. The Purchasing Agent signed the modification on October 7, 2011.

Modification No. 1 deleted a facility (5335 Airport Boulevard), and added a facility (4717 Heflin Lane), to the contract. The premium increased by \$8.00, from \$389,343.00 to \$389,351.00. The Purchasing Agent signed the modification on April 14, 2011.

Ø **Contract Expenditures:** Within the last eleven months, \$389,870.00 has been spent against this contract.

Ø **Contract Modification Information:**

Modification Amount: \$390,686.00

Modification Type: Bilateral

Modification Period: January 1, 2012 – January 1, 2013

Ø **Solicitation-Related Information:** Not applicable

Ø **Special Contract Considerations:** Not applicable

Ø **Funding Information:**

Purchase Requisition in H.T.E.: 545847

Funding Account(s): 525-1140-522-4408

Comments:

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Human Resources Management Department

700 Lavaca St. Suite 420

● P.O. Box 1748

● Austin, Texas 78767

● (512) 854-9165 / FAX(512) 854-3128

Memorandum

November 10, 2011

To: Cyd Grimes, County Purchasing Agent

From: Dan Mansour, Risk & Benefits Manager, HRMD *DM*
William Paterson, Senior Risk/Safety Specialist

Re: Property & Boiler & Machinery Insurance

It is the recommendation of Risk Management that Travis County exercise its option to renew the contract with Key & Piskuran Insurance Agency, Inc. with Affiliated FM as the carrier. The renewal rate will be a flat rate renewal. Although the rate charged per \$100 of value will remain the same the actual premium will vary from last year due to an increase in property values and or from purchased or sold properties. Staff does not recommend accepting the optional (certified or non-certified) Terrorism Coverage. The estimated premium is \$390,686.00, which includes engineering services to be provided by Affiliated FM. The line item from which the premium will be paid from is # 525-1140-522-4408. If you have any questions please call me at 854-9650. Thank you.

CC: Diane Blankenship, Director HRMD
Elizabeth Corey/Purchasing
John Rabb, HRIS Manager

PURCHASE REQUISITION NBR: 0000545847
 STATUS: AUDITOR APPROVAL
 REASON: CONTRACT RENEWAL 11T00034 - OJ
 DATE: 11/10/11
 REQUISITION BY: MARGIE SOLANO 854-9239
 SUGGESTED VENDOR: 52929 KEY AND PISKURAN INSURANCE
 DELIVER BY DATE: 12/31/11
 SHIP TO LOCATION: HUMAN RESOURCES MGT.

LINE NBR	DESCRIPTION	QUANTITY UOM	UNIT COST	EXTEND COST	VENDOR PART NUMBER
1	PROPERTY/BOILER/MACH INS. 1/1/12 THRU 12/31/12 COMMODITY: MISCELLANEOUS SERVICES SUBCOMM: PROPERTY/BROILER MACH INS	390686.00	DOL 1.0000	390686.00	

REQUISITION TOTAL: 390686.00

 A C C O U N T I N F O R M A T I O N

LINE #	ACCOUNT	PROJECT	%	AMOUNT
1	52511405224408 INSURANCE PREMIUMS Property		100.00	390686.00
				390686.00

REQUISITION IS IN THE CURRENT FISCAL YEAR.

**POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM INSURANCE COVERAGE**

Insured Name: Travis County

Date: 11/29/11

Account Number: 1- 51496

Insurer Name: Affiliated FM Insurance Company

The Terrorism Risk Insurance Act of 2002, as amended and extended in 2005 and again in 2007, gives you the right as part of your property renewal policy to elect or reject insurance coverage for locations within the United States or any territory or possession of the United States for losses arising out of acts of terrorism, as defined and certified in accordance with the provisions of the act.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. UNDER THIS FORMULA, THE UNITED STATES GOVERNMENT GENERALLY PAYS 85% OF COVERED TERRORISM LOSSES EXCEEDING A STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURER REFERENCED ABOVE. **ALSO, THERE IS A \$100,000,000,000 CAP ON THE FEDERAL AND INSURER SHARE OF LIABILITY STATING THAT IF THE AGGREGATE INSURED LOSSES EXCEED \$100,000,000,000 DURING ANY PROGRAM YEAR, NEITHER THE UNITED STATES GOVERNMENT NOR ANY INSURER THAT HAS MET ITS INSURER DEDUCTIBLE SHALL MAKE PAYMENT OR BE LIABLE FOR ANY PORTION OF THE AMOUNT OF SUCH LOSSES THAT EXCEED \$100,000,000,000.** THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

ACCEPTANCE OR REJECTION OF TERRORISM INSURANCE COVERAGE: UNDER FEDERAL LAW, YOU HAVE THE RIGHT TO ACCEPT OR REJECT THIS OFFER OF COVERAGE FOR TERRORIST ACTS COVERED BY THE ACT AS PART OF YOUR RENEWAL POLICY. IF WE DO NOT RECEIVE THIS SIGNED DISCLOSURE FORM PRIOR TO THE RENEWAL POLICY EFFECTIVE DATE OF 1/1/12, THEN YOUR RENEWAL POLICY WILL REFLECT YOUR DECISION NOT TO PURCHASE THE TERRORISM COVERAGE PROVIDED BY THE ACT.

I hereby elect to purchase coverage for terrorist acts covered by the act for an annual premium of **\$17,500**. This premium does not include applicable taxes or surcharges.

I hereby decline this offer of coverage for terrorist acts covered by the act.

Policyholder/Applicant Signature
Samuel T. Biscoe, Travis County Judge

Date

MODIFICATION OF CONTRACT: 11T000340J - Property-Boiler/Machinery Insurance Page 1 of 1

ISSUED BY: PURCHASING OFFICE 700 Lavaca, Suite 800 Austin, Texas 78701	PURCHASING AGENT ASST: Elizabeth Corey TEL NO: (512) 854-9853 FAX NO: (512) 854-9185	DATE PREPARED: November 16, 2011
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ISSUED TO: Key & Piskuran Insurance Agency Attn: Mr. Carrol Key 2313 Roosevelt Drive, Suite A Arlington, Texas 76094-0672	MODIFICATION NO.: 3	EXECUTED DATE OF ORIGINAL CONTRACT: December 28, 2010
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ORIGINAL CONTRACT TERM DATES: January 1, 2011 – January 1, 2012 CURRENT CONTRACT TERM DATES: January 1, 2012 – January 1, 2013

FOR TRAVIS COUNTY INTERNAL USE ONLY:
Original Contract Amount: \$ 389,343.00 Current Modified Amount \$ 390,686.00

DESCRIPTION OF CHANGES: Except as provided herein, all terms, conditions, and provisions of the document referenced above as heretofore modified, remain unchanged and in full force and effect.

This modification number four is made by the following parties: Key and Piskuran Insurance Agency (“Contractor”) and Travis County, Texas (“County”).

RECITALS:

County and Contractor entered into a contract for property, boiler and machinery insurance coverage that began January 1, 2011 and ends January 1, 2012. Paragraph 1.2 of the Contract authorizes County to extend the Contract for three additional one year periods. County desires to exercise its first option to extend the Contract. During any exercised option period, all terms and conditions remained unchanged except the term of the contract being extended and the rate changes in compliance with 1.0.

AGREEMENT TO AMEND CONTRACT

Contractor and County agree to amend the Contract as follows:

1.0 EXERCISE OF OPTION

- 1.01 Pursuant to 1.2 of the Contract, Travis County exercises its option to extend this agreement for the first option period from January 1, 2012 and ends January 1, 2013.
- 1.02 The annual premium for property insurance, including boiler and machinery for the first option term shall be calculated at the rate of \$.04391 per hundred dollars of property covered per year.
- 1.03 The Engineering Fee is \$9,700.

Note to Vendor:
 Complete and sign your portion of the signature block section below for all originals and return all signed originals to Travis County.
 DO NOT execute and return to Travis County. Retain for your records.

LEGAL BUSINESS NAME: <u>Key & Piskuran Insurance Agency, a Higginbotham Co.</u>	<input type="checkbox"/> DBA
BY: <u><i>Carrol Key</i></u> SIGNATURE	<input checked="" type="checkbox"/> CORPORATION
BY: <u>Carrol Key</u> PRINT NAME	<input type="checkbox"/> OTHER
TITLE: <u>Managing Director</u> ITS DULY AUTHORIZED AGENT	DATE: 11/28/11

TRAVIS COUNTY, TEXAS	DATE:
BY: _____ CYD V. GRIMES, C.P.M., TRAVIS COUNTY PURCHASING AGENT	

TRAVIS COUNTY, TEXAS	DATE:
BY: _____ SAMUEL T. BISCOE, TRAVIS COUNTY JUDGE	