



Travis County Commissioners Court Agenda Request

Meeting Date: Tuesday, September 10, 2013

Prepared By/Phone Number: C.W. Bruner, 854-9760

Elected/Appointed Official/Dept. Head: Cyd Grimes

Commissioners Court Sponsor: Judge Biscoe

Approve twelve-month extension (Modification No. 6) to Contract No. 4400000168 (HTE Contract No. 11T00204OJ), Falcon Insurance Agency, Inc., for Aviation Insurance coverage.

- **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.

This contract provides aviation insurance coverage for the Travis County Emergency Services helicopters.

This Modification No. 6 will extend the contract for an additional twelve (12) months, from October 1, 2013 through September 30, 2014. The total annual policy premium for Fiscal Year 2014 is \$281,973.00, a 4.2% increase which is allowed per Section 2.2 of the Contract.

Modification No. 5 was issued as the expansion of that Collateral Agreement which is collateral to and amends Policy Numbered GM069810909-02 for Aviation Insurance Coverage, which was issued to Travis County, Texas by Falcon Insurance Agency, Inc. under Contract No. 4400000168 (HTE Contract No. 11T00204OJ).

Modification No. 4 extended the contract for an additional twelve (12) months, from October 1, 2012 through September 30, 2013.

Modification No. 3 was previously issued to amend the quarterly reporting of claims for Loss Reports by the carrier to annual reporting and upon request. StarFlight has such an extremely low volume of claims that quarterly reporting by the carrier is unnecessary. Annual reporting is more than sufficient for the volume of claims incurred by StarFlight.

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.

Modification No. 2 was previously issued to make an administrative change to correct the model number of one of the scheduled aircraft. It was approved by the Purchasing Agent on December 7, 2011

Modification No. 1 was previously issued to correct the amount of personal injury liability from Chartis Aerospace Insurance Services, Inc. ("Chartis"). This amount was listed as \$50,000,000 in the original contract. However, due to treaty restrictions, Chartis is not permitted to provide coverage greater than \$25,000,000. This level of coverage is acceptable to the County.

➤ **Contract Modification Information:**

Modification Amount: \$281,973.00

Modification Type: Bilateral

Modification Period: October 1, 2013 – September 30, 2014

➤ **Funding Information:**

Shopping Cart/Funds Reservation in SAP: 300000682

Comments:



Human Resources Management Department

700 Lavaca St. 4th Floor

● P.O. Box 1748

● Austin, Texas 78767

● (512) 854-9165 / FAX(512) 854-4203

Memorandum

September 4, 2013

To: Cyd Grimes, County Purchasing Agent
From: William Paterson, Risk Manager
Re: Aviation Insurance Renewal Review #4400000168

After a review of the renewal proposal from Falcon Insurance Agency, Inc. it is the recommendation of Risk Management that we exercise the renewal option as provided for in the contract. Risk Management does not recommend the purchasing of the Terrorism coverage.

The premium due for the renewal period is \$ 281,973 and will be paid from GL # 515430 Cost Center # 1110048955. SAP Funds Reservation # 300000643.

If you have any questions please call me at 854-9650. Thank you.

CC: Leslie Browder, County Executive Planning and Budget
Debbie Maynor, Director, HRMD
C.W Bruner/Purchasing

Funds Reservation 30000682

General Data			
Document type	FC	Document type	030
Company code	1000	Document date	08/20/2013
FM area	1000	Posting date	08/20/2013
Controlling area	1000	Currency	USD/ 1.00000
Statistics			
Entered by	SOLANOM	Created on	08/20/2013
Last changed by		Last changed	
More Data			
Text Aviation contract # 4400000168 renewal 10-01-2013			
Reference			
Overall Amount	281,973.00 USD		

Document item 001			
Text Property Insurance Premium			
Commitment item	515430	Funds center	1110048955
Fund	8955	G/L account	515430
Cost center	1110048955	Due on	
Vendor	1000001396	Customer	
Amount	281,973.00 USD		

**MODIFICATION OF CONTRACT NUMBER: 11T00204OJ, Aviation Insurance Coverage PAGE 1 OF 3 PAGES
(SAP # 4400000168)**

ISSUED BY: PURCHASING OFFICE 700 LAVACA STREET 8 TH FLOOR AUSTIN, TX 78701	PURCHASING AGENT ASST: CW Bruner TEL. NO: (512) 854-9760 FAX NO: (512) 854-4211	DATE PREPARED: August 29, 2013
---	--	--

ISSUED TO: 1000001396 Falcon Insurance Agency, Inc. Attn.: Donn Gauger Vice President and Account Executive 5316 Highway 290 W., Suite 440 Austin, Texas 78735	MODIFICATION NO.: 6	EXECUTED DATE OF ORIGINAL CONTRACT: September 27, 2011
---	-----------------------------------	--

ORIGINAL CONTRACT TERM DATES: October 1, 2011 – September 30, 2012 CURRENT CONTRACT TERM DATES: October 1, 2013 – September 30, 2014

FOR TRAVIS COUNTY INTERNAL USE ONLY: Original Contract Amount: \$208,116 Current Modified Amount \$281,973.00

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.

RECITALS

On September 27, 2011 as a result of RFP # R110204-OJ, Commissioners Court of County entered into a contract with Contractor for aviation insurance for the two 2005 EuroCopter EC-145, 6 seats and one 2009 Eurocopter EC-145, 6 seats. Section 1.0 of this contract authorizes County to extend the contract for three additional one year periods. County exercised its option to extend this Contract for the first option period from October 1, 2012 until September 30, 2013. Subsequently as a result of RFP # 1304-004-CW and for ease of administration, County modified this Contract effective April 23, 2013, to extend coverage to an additional helicopter, namely one 1967 Bell UH1H, 9 seats for the remainder of this Contract. Now County is exercising its second option. During all exercised option period, all terms and conditions of the contract remain unchanged except the term of the contract being extended that the rates changed in compliance with section 2.2

The contract provides for redetermination of premium payable for an option period in 2.2. In compliance with this section, the Contractor provided notice of the change at least 120 days before the contract ends on September 30, 2011; the increase requested is 4.2% which does not exceed 25% of the premium for the current contract term and that is determined by Chartist's cost of reinsurance; the insurance market conditions; the loss ratio of Travis County EMS; and Chartist's Underwriting loss ratio for this class of business.

AGREEMENT

The parties agree to change the terms and conditions stated in this contract as follows:

- 1.0 EXERCISE OF OPTION
 - 1.01 County exercises its second option under the contract between Travis County and Falcon Insurance Agency, Inc. for Aviation Insurance Coverage commencing October 1, 2013, with the redetermination of premium shown in 2.0 of this amendment.
- 2.0 TOTAL PREMIUMS PAYABLE
 - 2.1 Paragraph 2.1 is deleted and the following 2.1 is added in its place:

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

LEGAL BUSINESS NAME: _____	<input type="checkbox"/> DBA <input type="checkbox"/> CORPORATION <input type="checkbox"/> OTHER
BY: _____ SIGNATURE	
BY: _____ PRINT NAME	DATE: _____
TITLE: _____ ITS DULY AUTHORIZED AGENT	

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

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

2.1 The annual premium for each of the aircraft as follows:

2.1.1 For the initial contract term from October 1, 2011 to September 30, 2012:

Two 2005 EuroCopter EC-145, 6 seats and one 2009 Eurocopter EC-145. 6 seats:

\$ 7,300,000 Insured Hull Value	\$62,050. each
\$50,000,000 CSL Liability	4,238. each
Hull War Risk	2,613. each
War Risk Liability	471. each

\$25,000 each person and each occurrence Medical Payments, including crew
 Miscellaneous Expansion Coverages –as listed in Attachment A
 including Bambi Bucket use and rescue hoist

2.1.2 For the first option period term from October 1, 2012 to September 30, 2013 term for each of the Eurocopter aircraft:

Two 2005 EuroCopter EC-145, 6 seats and one 2009 Eurocopter EC-145, 6 seats:

\$ 7,300,000 Insured Hull Value	\$66,347. each
\$50,000,000 CSL Liability	\$ 6,493. each

Included in these coverages are:

Hull War Risk
 War Risk Liability
 \$25,000 each person and each occurrence Medical Payments, including crew
 Miscellaneous Expansion Coverages –as listed in Attachment A
 including Bambi Bucket use and rescue hoist

2.1.3 For the portion of the first option period term from April 23, 2013 to September 30, 2013 and all subsequent option terms for the Bell aircraft unless redetermined in compliance with 2.2 for the subsequent option terms:

One 1967 Bell UH1H, 9 seats:

\$ 2,175,000 Insured Hull Value	Annual premium of \$43,384 pro rated for initial shortened term \$19,132
\$50,000,000 CSL Liability	Annual premium of \$ 8,750 pro rated for initial shortened term \$ 3,859

Included in these coverages are:

Hull War Risk
 War Risk Liability
 \$25,000 each person and each occurrence Medical Payments, including crew
 Miscellaneous Expansion Coverages –as listed in Attachment A
 including Bambi Bucket use and rescue hoist

2.1.4 For the second option period term from October 1, 2013 to September 30, 2014 term and all subsequent option terms for each of the Eurocopter aircraft unless redetermined in compliance with 2.2 for the subsequent option terms:

Two 2005 EuroCopter EC-145, 6 seats and one 2009 Eurocopter EC-145, 6 seats:

\$ 7,300,000 Insured Hull Value	\$69,480. each
\$50,000,000 CSL Liability	\$ 6,738. each

Included in these coverages are:

Hull War Risk
 War Risk Liability
 \$25,000 each person and each occurrence Medical Payments, including crew
 Miscellaneous Expansion Coverages –as listed in Attachment A
 including Bambi Bucket use and rescue hoist

2.1.5 For the second period term from October 1, 2013 to September 30, 2014 and all subsequent option terms for the Bell aircraft unless redetermined in compliance with 2.2 for the subsequent option terms:

One 1967 Bell UH1H, 9 seats:

\$ 2,175,000 Insured Hull Value	Annual premium of \$44,370
\$50,000,000 CSL Liability	Annual premium of \$ 8,949

Included in these coverages are:

Hull War Risk
 War Risk Liability
 \$25,000 each person and each occurrence Medical Payments, including crew

Miscellaneous Expansion Coverages –as listed in Attachment A
including Bambi Bucket use and rescue hoist

3.0 INCORPORATION OF CONTRACT

County and Contractor hereby incorporate the Contract into this amendment except for changes made in Modifications 1, 2, 3, 4, and 5. County and Contractor hereby ratify all of the terms and conditions of the Contract.

4.0 EFFECTIVE DATE

This amendment is effective on the date on which it is approved by the Travis County Commissioners Court.