



## Travis County Commissioners Court Agenda Request

**Meeting Date:** Tuesday, December 30, 2013

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

**Elected/Appointed Official/Dept. Head:** Cyd Grimes

**Commissioners Court Sponsor:** Judge Biscoe

### Consider and take appropriate action on the following for Property and Boiler/Machinery Insurance:

- A. Approve twelve-month extension (Modification No. 7) to Contract No. 4400001263 (HTE Contract No. 11T00034OJ), Higginbotham Insurance Agency, Inc. 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.

➤ **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 insurance coverage for Travis County property and boiler/machinery equipment insurance countywide.

Purchasing concurs with HRMD's recommendation to exercise its third option to renew the contract with Higginbotham Insurance Agency, Inc. with Affiliated FM as the underwriter. The renewal rate will be \$0.045 per \$100.00 of value. The estimated premium is \$427,621.00, which includes engineering services to be provided by Affiliated FM. The Risk Management Office does not recommend the optional TRIA coverage.

This Modification No. 7 will extend the contract for the property and boiler/machinery insurance with Higginbotham Insurance Agency, Inc. for an additional twelve months, from January 1, 2014 to December 31, 2014

Modification No. 6 extended the contract for the property and boiler/machinery insurance with Higginbotham Insurance Agency, Inc for an additional twelve months, from January 1, 2013 to January 1, 2014

Modification No. 5 approved assignment of contract to Higginbotham Insurance Agency, Inc from Key & Piskuran Insurance Agency.

Modification No. 4 added a HHS facility to the contract, effective July 27, 2012. The contract amount was increased by \$446.00, to \$389,797.00. The Purchasing Agent signed the modification on September 9, 2011.

Modification No. 3 extended 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 \$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.

➤ **Contract Modification Information:**

Modification Amount: \$427,621.00

Modification Type: Bilateral

Modification Period: January 1, 2014 to December 31, 2014

➤ **Funding Information:**

SAP Shopping Cart # / Funds Reservation #: 300000927

Funding Account(s):

Comments:



## Human Resources Management Department

700 Lavaca St. Suite 420

● P.O. Box 1748

● Austin, Texas 78767

● (512) 854-9165 / FAX(512) 854-3128

# Memorandum

December 17, 2013

To: Cyd Grimes, County Purchasing Agent  
From: William Paterson, Risk Manager, HRMD  
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 a Higginbotham Company with Affiliated FM as the carrier. The renewal rate will be .045 per \$100 of value. Staff does not recommend accepting the optional (certified or non-certified) Terrorism Coverage. The estimated premium is \$427,621.00, which includes engineering services to be provided by Affiliated FM. The Cost Center from which the premium will be paid from is # 1110048955, GL Code 515430 Property Insurance Premium under contract # 4400000146. If you have any questions please call me at 854-9650. Thank you.

CC: Debbie Maynor, Director HRMD  
C.W. Bruner/Purchasing

**POLICYHOLDER DISCLOSURE  
NOTICE OF TERRORISM INSURANCE COVERAGE**

**Insured Name:** Travis County

**Date:** 11/20/13

**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 insurance program 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. YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS THE U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE PROGRAM YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.**

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 PROPERTY INSURANCE PROGRAM. IF WE DO NOT RECEIVE THIS SIGNED DISCLOSURE FORM PRIOR TO THE POLICY EFFECTIVE DATE OF 1/1/14, THEN YOUR 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 a premium of \$17,951, pro rated from policy inception through December 31, 2014 (annual premium of \$18,000). 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

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name



**HIGGINBOTHAM**  
 & ASSOCIATES  
 YOUR SINGLE SOURCE FOR A SECURE FUTURE

P.O. Box 908  
 500 West 13th Street  
 Fort Worth, TX 76102  
 Tel: (817) 336-2377  
 Fax: (817) 347-6981  
 www.higginbotham.net

----- INVOICE -----

Travis County  
 Risk Management  
 700 Lavaca Street, Suite 420  
 Austin, TX 78701

Invoice Date 12/02/13  
 Invoice No. 484122  
 Bill-To Code TRAVI20  
 Client Code TRAVI20  
 Inv Order No. 2\*361522

Named Insured: Travis County

Amount Remitted: \$

Please return this portion with your payment.

Make checks payable to: Higginbotham Insurance Agency

Effective Date	Policy Period	Coverage Description	Transaction Amount
01/01/14	01/01/14 to 01/01/15	AFFILIATED FM INSURANCE CO. Policy No. GN007 *Renewal - Commercial Property *Renewal - Loss Control Fee	416,121.00  11,500.00
		Invoice Number: 484122      Amount Due:	427,621.00

\*Premiums Due and Payable on Effective Date

**(SAP # 44000001263)**

ISSUED BY:  PURCHASING OFFICE 700 LAVACA STREET, 8 <sup>TH</sup> FLOOR AUSTIN, TX 78701	PURCHASING AGENT ASST:  CW Bruner TEL. NO: (512) 854-9760 FAX NO: (512) 854-4211	DATE PREPARED:  <b>December 17, 2013</b>
ISSUED TO: 1000010965 Higginbotham Insurance Agency, Inc. Attn: Mr.Carrol Key 2313 Roosevelt Drive, Suite A Arlington, Texas 76094-0672	MODIFICATION NO.:  <p style="text-align: center;"><b>7</b></p>	EXECUTED DATE OF ORIGINAL CONTRACT:  <b>December 28, 2010</b>

ORIGINAL CONTRACT TERM DATES: **January 1, 2011 - December 31, 2011**      CURRENT CONTRACT TERM DATES: **January 1, 2014 – December 31, 2014**

**FOR TRAVIS COUNTY INTERNAL USE ONLY:** Original Contract Amount: \$389,343.00      Current Modified Amount: \$427,621.00

**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 seven (7) is made by the following parties: Higginbotham Insurance Agency, Inc., formerly known as 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. Paragraph 1.2 of the Contract authorizes County to extend the Contract for three additional one year periods. County exercised its first and seconds options to extend the contract from January 1, 2012 to December 31, 2013. County desires to exercise its third 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 third option period from January 1, 2014 and ends December 31, 2014.

1.02 The annual premium for property insurance, including boiler and machinery for the third option term shall be calculated at the rate of \$0.045 per hundred dollars of property covered per year.

1.03 The engineering fee for the third option term is \$11,500.00.

**2.0 RATIFICATION OF TERMS** Contractor and ratify all terms and conditions of the contract as amended in this modification.

**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: _____  BY: _____ SIGNATURE  BY: _____ PRINT NAME  TITLE: _____ ITS DULY AUTHORIZED AGENT	<input type="checkbox"/> DBA <input type="checkbox"/> CORPORATION <input type="checkbox"/> OTHER  DATE: _____
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TRAVIS COUNTY, TEXAS  BY: _____ CYD V. GRIMES, C.P.M., TRAVIS COUNTY PURCHASING AGENT	DATE: _____
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TRAVIS COUNTY, TEXAS  BY: _____ SAMUEL T. BISCOE, TRAVIS COUNTY JUDGE	DATE: _____
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# Funds Reservation 300000972

General Data			
Document type	FC	Document type	030
Company code	1000	Document date	11/26/2013
FM area	1000	Posting date	11/26/2013
Controlling area	1000	Currency	USD/ 1.00000
Statistics			
Entered by	SOLANOM	Created on	11/26/2013
Last changed by	ROMEROJ1	Last changed	12/04/2013
More Data			
Text	Property & Boiler Machinery contract renewal 44000		
Reference			
Overall Amount	427,621.00 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	1000010965	Customer	
Amount	427,621.00 USD		