



Travis County Commissioners Court Agenda Request

Meeting Date: Tuesday, October 28, 2014

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. 440000027 (HTE Contract No. 08T00263OJ), Frost Insurance Agency, for Excess Workers Compensation Insurance.

- **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 Excess Workers Compensation Insurance coverage for Travis County.

This Modification No. 6 extends the contract for an additional twelve (12) months, from November 1, 2014 through October 31, 2015.

The premium rate offered by Frost Insurance Agency with Midwest Employers Casualty Company as the carrier is \$0.0832 per \$100 of actual payroll based on an annual audit. The premium rate per \$100 of actual payroll increased 5% over the previous rate in FY14. The deposit premium will be \$240,062.00 with an additional flat charge of \$15,807.00 per helicopter due with the deposit premium. The final premium will be based on the actual payroll developed over the period and determined by audit.

- **Contract Modification Information:**

Modification Amount: \$303,290.00 (Estimated amount)

Modification Type: Bilateral / Requirements

Modification Period: November 1, 2014 to October 31, 2015

- **Funding Information:**

SAP Shopping Cart # / Funds Reservation #: 300001459

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 19, 2014

To: Cyd Grimes, County Purchasing Agent

From: William Paterson, Risk Manager, HRMD

Re: Excess Workers Compensation Renewal Review

WFP

After reviewing the options from Frost Insurance Agency, Inc.:

It is the recommendation of Risk Management that Travis County exercise its option to renew the contract with Frost Insurance Agency, Inc. with Midwest Employers Casualty Company as the carrier. The recommendation is based on Renewal Option # 1 due to statutory limits and the catastrophic occurrence protection. The renewal rate as quoted under option #1 is \$.0832 per \$100, the deposit premium is \$303,290.00 based on an estimated payroll of \$288,536,524.00, and with a minimum premium of \$231,863.00. The line item from which the premium will be paid from is GL 515310 and cost center # 1110048955. If you have any questions please call me at 854-9650. Thank you.

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

Funds Reservation 30001459

General Data			
Document type	FC	Document type	030
Company code	1000	Document date	10/01/2014
FM area	1000	Posting date	10/01/2014
Controlling area	1000	Currency	USD/ 1.00000
Statistics			
Entered by	SOLANOM	Created on	10/01/2014
Last changed by		Last changed	
More Data			
Text	Excess Workers Compensation contract renew 103114		
Reference			
Overall Amount	303,290.00 USD		

Document item 001			
Text			
Commitment item	515310	Funds center	1110048955
Fund	8955	G/L account	515310
Cost center	1110048955	Due on	
Vendor	1000004612	Customer	
Amount	<i>FROST INSURANCE</i> 303,290.00 USD		

**MODIFICATION OF CONTRACT NUMBER: 08T00263OJ, Excess Workers Compensation PAGE 1 OF 2 PAGES
(SAP # 4400000027)**

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: October 7, 2014
ISSUED TO: 1000004612 Frost Insurance Agency Attn: Cyndi White 3611 Paesanos Parkway, Suite 100 San Antonio, TX 78231	MODIFICATION NO.: 6	EXECUTED DATE OF ORIGINAL CONTRACT: October 28, 2008
ORIGINAL CONTRACT TERM DATES: November 1, 2008 – October 31, 2010 CURRENT CONTRACT TERM DATES: November 1, 2014 – October 31, 2015		

FOR TRAVIS COUNTY INTERNAL USE ONLY: Original Contract Amount: \$197,819.00 Current Modified Amount: \$278,187.00

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 six to Policy Number EWC007085 Issued to Travis County, Texas by Midwest Employers Casualty is made by the following parties: Frost Insurance Agency (“Contractor”) and Travis County, Texas (“County”).

RECITALS:

In 2008, County and Contractor entered into a contract for Excess Workers Compensation Insurance Coverage to be provided by Midwest Employers Casualty that began November 1, 2008 and ended October 31, 2010. Paragraph 7.0 of the Contract authorized County to extend the Contract for one additional two year period. County exercised its option for the period from November 1, 2010 to October 31, 2012.

In 2012, County issued RFP P120213-CW. Contractor submitted the best negotiated response. Modification 4 created the first novation this contract and the extension of Policy Number EWC007085 by Midwest Employers Casualty. Modification 5 exercised the first option period of the first novation this contract and the extension of Policy Number EWC007085 by Midwest Employers Casualty. This modification 6 exercise the second option period of the first novation this contract and the extension of Policy Number EWC007085 by Midwest Employers Casualty. During this additional term and the options, all other terms and conditions remain unchanged.

AMENDMENT

Contractor and County agree to amend the Contract as follows:

1.0 EXERCISE OF OPTION: Pursuant to 7.1 of the Contract as amended in Modification 4, Travis County exercises its option to extend this agreement for the second option to extend the Novation from November 1, 2014 through October 31, 2015.

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

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	

2.0 RETENTION LEVEL FOR NOVATION: Pursuant to 7.1 of the Contract as amended in Modification 4, Contractor has advised that the self retained retention level be retained at the amount set for the first novation option, thus section 3.3 of the Contract as amended in Modifications 5 is deleted and the following is inserted in its place:

3.3 Self-Retained Retention First and Subsequent Novation Options During the first and subsequent options to extend the Novation commencing November 1, 2013, the workers' compensation retention is \$700,000 per occurrence for all classification codes.

3.0 PREMIUM PAYABLE FOR NOVATION: Pursuant to 7.1 of the Contract as amended in Modification 4, section 8.1 of the Contract as amended in Modification 4 is deleted and the following is inserted in its place:

8.1 Premium During Initial Term of Novation: During the initial one year term of the Novation:

8.1.1 The annual premium rate shall be \$0.0733 per \$100 of actual payroll based on an annual audit.

8.1.2 The minimum premium shall be \$161,342.00

8.1.3 The amount of the Deposit Premium is \$179,269.00 based on an estimated payroll of \$244,568,541.

8.1.4 An additional flat charge of \$24,758 per Aircraft and totaling \$74,274 for three aircraft is payable in addition to and at the same time as the Deposit.

8.2 Premium During First Option to Extend Novation: During the First Option to Extend Novation:

8.2.1 The annual premium rate shall be \$0.0792 per \$100 of actual payroll based on an annual audit which is within ten percent (10%) of the rate stated for the Initial Term of the Novation.

8.2.2 The minimum premium shall be \$207,978.75.

8.2.3 The amount of the Deposit Premium is \$212,972.00 based on an estimated payroll of \$268,904,371.

8.2.4 An additional flat charge of \$16,303.75 per Aircraft and totaling \$65,215 for four aircraft is payable in addition to and at the same time as the Deposit.

8.3 Premium During Second Option to Extend Novation: During the Second Option to Extend Novation:

8.3.1 The annual premium rate shall be \$0.0832 per \$100 of actual payroll based on an annual audit which is within ten percent (10%) of the rate stated for the First Option of the Novation.

8.3.2 The minimum premium shall be \$231,863.00.

8.3.3 The amount of the Deposit Premium is \$240,062.00 based on an estimated payroll of \$288,536,524.00.

8.3.4 An additional flat charge of \$15,807.00 per Aircraft and totaling \$63,228 for four aircraft is payable in addition to and at the same time as the Deposit.