

Division of Cleveland Public Power

Request for Legislation

To authorize the Director of Public Utilities to enter into a Professional Service Contract to provide Insurance Brokerage Services for the procurement of comprehensive property insurance for Cleveland Public Power for a period of two (2) years, with two (2) one-year options to renew.

Background/Purpose:

CPP maintains extended coverage property insurance on its buildings, their contents, vehicles and major equipment including 1300 Lakeside, three service enters, service vehicles, emergency backup gas turbine generators and electrical substation transformers. The current policy covers a total of \$ \$281,509,993 in property value. The insurance procurement includes certain risk management services required by the insurer such as regular transformer oil testing, thermographic analysis of major electrical equipment and inspection services. The premium for the current optional one-year term was \$688,511.00. The coverage for the new term will run for two years with two one-year options to renew.

Scope of Work:

The Scope of work for the brokerage contract will include the following services:

- Review of CPP's current operations and insurable assets to develop recommendations for coverage types, limits and deductibles.
- Revise CPP's current insurance specifications as needed to implement the recommendations.
- Market CPP's insurance program with prospective carriers and review the analyze responses.
- Review proposed policy terms for conformance with specifications.
- Make recommendations to the City regarding selection of insurance carriers.
- Coordinate the insurer's provision of loss control services such as transformer oil testing, thermographic studies, etc.
- Provide claims assistance during the contract term.
- Upon request, work with CPP to develop a comprehensive risk management program.

Justification/Urgency:

The current contract will expire May 31, 2019.

Anticipated Costs and funding source:

The estimated cost for the two year contract is \$1,550,000.00. General Operating fund.

Schedule or Term of Contract:

Legislation is to lead to a professional service contract for a period of two (2) years with two one-year options to renew

Current Contract:

Vendor Information	Vendor Address	Vendor Contact	Contract Info
Hylant Group	6000 Freedom Square Dr. Suite 400, Independence, Ohio 44131	Todd Bennice	Contract # PS2015-133 Award Amt: \$585,000.00 Contract Exp. Date: 5-31-19

CSB Participation on the Current Contract:

Goals: 10% ; Actual CSB Participation: 10% of total contract price. Office of Equal Opportunity reports that Hylant Group demonstrated a good faith effort to meet the goal established for this project.