PROPOSAL: That the Board authorizes staff to exercise the right to extend the initial term of the Aon Brokerage and Consulting Services Agreement for the Traditional Property & Casualty Program, including Pollution Legal Liability, for one (1) additional year.

The initial term of the existing agreement with Aon is from August 16, 2012 to August 16, 2014, for the fixed service fee of $129,000, payable in quarterly installments of $32,500. The Agreement states that the Authority shall have the right to extend the initial term for one (1) additional year.

If approved, the Agreement term would be extended from August 16, 2014 to August 16, 2015. The terms and the conditions of the extension Agreement would remain the same. The fixed annual service fee shall continue to be $129,000, payable in quarterly installments of $32,500.

PURPOSE: To exercise the right to extend the initial term of the Aon Brokerage and Consulting Services Agreement for the Authority’s Traditional Property & Casualty Program, including Pollution Legal Liability, for one (1) additional year, from August 16, 2014 to August 16, 2015.

BACKGROUND: In August 2012, pursuant DRPA-12-066, the Board appointed Aon as the Broker/Consultant to administer the Authority’s Traditional Property & Casualty Program, including Pollution Legal Liability. Under that authorization, Aon provides contractual review, program design, insurance marketing, and claims management, among other tasks.

The Office of the Inspector General confirmed on April 23, 2014, that Aon submitted the required Political Contribution Disclosure & Certification Forms. At the time the Agreement was initially executed, the Authority’s Inspector General confirmed that Aon Risk Solutions
agreed to comply with the Authority’s prohibition against fee-sharing, fee-splitting or receipts of any funds or consideration not earned by any broker or agent on behalf of the DRPA. To ensure transparency of costs, the Authority will continue to require the disclosure of all payments made by or to any brokers as compensation for services provided under the terms of the Broker/Consultant contract. The Office of Inspector General will continue to have the right to request, review and audit all records and documentation of the broker for compliance.

Staff recommends that the existing Aon Brokerage and Consulting Services Agreement for the Traditional Property & Casualty, including Pollution Legal Liability be extended from August 16, 2014 to August 16, 2015, for the fixed service fee of $129,000, payable in quarterly installments of $32,500.

SUMMARY:

Amount: Not to exceed $129,000 payable in four quarterly installments of $32,500.
Source of Funds: Revenue Fund and General Fund (PATCO portion)
Capital Project #: N/A
Operating Budget: DRPA Risk Mgt. C/E #8 PATCO Admin. C/E Insurance & Claims
Master Plan Status: N/A
Other Fund Sources: N/A
Duration of Contract: 1 year: 8/16/2014-8/16/2015
Other Parties Involved: Aon Risk Solutions
RESOLUTION

RESOLVED: That the Board authorizes staff to exercise the right to extend the existing Aon Brokerage and Consulting Services Agreement for the Traditional Property & Casualty Program, including Pollution Legal Liability, for one (1) additional year, from August 16, 2014 to August 16, 2015, for a fixed service fee not-to-exceed $129,000, payable in four quarterly installments of $32,500; and be it further

RESOLVED: That the Board authorizes staff to exercise the right to extend the initial term of the Aon Brokerage and Consulting Services Agreement, to be validated upon the following: (1) the expiration of the NJ Governor’s Veto Period; and (2) a fully-executed Addendum between the Delaware River Port Authority and Aon Risk Solutions; and be it further

RESOLVED: The Chair, Vice Chair and the Chief Executive Officer must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of the DRPA. If such agreements, contracts, or other documents have been approved by the Chair, Vice Chair and Chief Executive Officer and if thereafter either the Chair or Vice Chair is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of DRPA along with the Chief Executive Officer. If both the Chair and Vice Chair are absent or unavailable and if it is necessary to execute the said document(s) while they are absent or unavailable, then the Chief Executive Officer shall execute such documents on behalf of DRPA.

SUMMARY: Amount: Total: Not to exceed $129,000 payable in four quarterly installments of $32,500
Source of Funds: Revenue Fund and General Fund (PATCO portion)
Capital Project #: N/A
Operating Budget: DRPA Risk Mgt. C/E #8
                          PATCO Admin. C/E Insurance & Claims
Master Plan Status: N/A
Other Fund Sources: N/A
Duration of Contract: 1 year: 8/16/2014-8/16/2015
Other Parties Involved: Aon Risk Solutions