



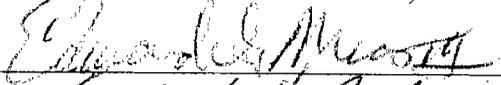
MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

9-9

February 18, 1997

To: Board of Directors (Legal and Claims Committee--Information)
(Budget and Finance Committee---Information)

From: General Manager 

Submitted by: Lambertus H. Becker
Chief Financial Officer 

Subject: Response to Request for Qualifications (RFQ) for Insurance Brokerage and Risk Management Services

RECOMMENDATION

For information only.

EXECUTIVE SUMMARY

A total of six proposals were received in response to Request for Qualifications (RFQ) 240 for insurance brokerage and risk management services. All six respondents were interviewed and two were selected to receive Request for Proposal (RFP) 254. The RFP includes the competitive marketing of Metropolitan's excess liability insurance program. The final recommendation for placement of the excess liability insurance program and selection of an insurance broker will be brought to the Board for action in May 1997.

DETAILED REPORT

As part of the fiscal year 1996-97 workplan for the Office of the Chief Financial Officer, a Request for Qualifications to select an insurance broker and obtain risk management consulting services was developed with the assistance of an independent risk management consultant. A total of 18 firms received the RFQ and six responded. The evaluation committee consisted of the risk manager for the City of Los Angeles and staff from the General Counsel's Department, the Office of Diversity, Environmental Compliance, Contract Engineering, and Finance and Business Services. Metropolitan's risk manager and the independent risk management consultant were non-voting members of the evaluation committee.

Two firms (Marsh & McLennan, Incorporated, and Sedgwick James of California, Inc.) were selected to respond to RFP 254. The RFP requires each respondent to use different insurance markets to market all lines of coverage (e.g., excess general liability, aircraft, crime) expiring June 30, 1997, and to provide risk management consulting services to assist in the

identification of exposures to loss, quantify potential new areas of exposure and assess Metropolitan's property exposures.

When the Board selects the excess liability insurance program (insurance premium quotation and risk management services) at the May 1997 Board meeting, the insurance broker whose proposal is selected will be issued a contract to serve as Metropolitan's insurance broker for a three-year period.

There is a preproposal conference and briefing scheduled on March 3, 1997; and a tour of Metropolitan facilities on March 4, 1997; to assist the brokers in their response efforts. Responses to the RFP are due on April 7, 1997. The evaluation committee will participate in the preproposal conference and tour, review the final responses to RFP 254 and recommend Board action.