[Contract Amendment - Aon Insurance Services West, Inc. - Central Subway Project - Not to Exceed $8,280,000]

Resolution approving Amendment No. 2 to Contract Number CS-163-1, Insurance Brokerage Services for an Owner Controlled Insurance Program to provide Excess Liability Insurance for the Central Subway Project with Aon Risk Insurance Services West, Inc., to obtain and bind a second tier of liability insurance for the amount not to exceed $8,280,000.

WHEREAS, The Final Environmental Impact Statement/Environment Impact Report (Final EIS/EIR) for the two-phase Third Street Light Rail Project (Project) was completed in November 1998; and,

WHEREAS, The former Public Transportation Commission approved Resolution No. 99-009 on January 19, 1999, which adopted the environmental findings pursuant to the California Environmental Quality Act (CEQA) for the Project, including mitigation measures as set forth in the Project's Final Environmental Impact Report and Mitigation Monitoring Report; and,

WHEREAS, Design and construction of the 1.7-mile Central Subway is Phase 2 of the Third Street Light Rail Transit Project; and,

WHEREAS, The SFMTA Board of Directors adopted Resolution No. 12-017 on February 7, 2012 authorizing the Director of Transportation or his designee to execute Contract No. CS-163-1, Insurance Brokerage Services for an Owner Controlled Insurance Program to provide Excess Liability Insurance for the Central Subway Project with Aon Risk Insurance Services West, Inc. (Broker) and to bind each layer of excess insurance coverage for the Central Subway Project for a total amount not to exceed $9,808,750 and for a term of eight years; and,
WHEREAS, The SFMTA obtained $150 million liability coverage in excess of $200 million insurance coverage provided by the contractors for the tunnel and stations contracts; and,

WHEREAS, The SFMTA has consolidated the construction of the three stations, surface work, track and systems for the Central Subway into a single construction contract, SFMTA Contract No. 1300; and,

WHEREAS, The SFMTA desires to restructure the insurance program for the Contract 1300 to reduce the required contractor primary liability coverage limits to $50,000,000 and supplement the existing $150,000,000 excess liability insurance coverage limits with an additional $150,000,000 excess liability coverage; and,

WHEREAS, The SFMTA desires to authorize Aon Risk Insurance Service West, Inc., to obtain the additional excess liability insurance; and,

WHEREAS, The funding for services under this Contract is from federal, state and local sources; and,

WHEREAS, Civil Service Commission approval for contracts resulting from Request of Proposal Contract No. CS-163-1 was obtained by the SFMTA on June 20, 2010 under Civil Service Approval No. 4117-10/11; and,

WHEREAS, Contract No. CS-163-1 will assist SFMTA in meeting the Strategic Plan Objective No. 3.3 Allocate capital resources effectively; and,

WHEREAS, The San Francisco Municipal Transportation Agency Board of Directors adopted Resolution 12-135 on November 6, 2012 authorizing the Director of Transportation or his designee to execute Amendment No. 2 to Contract No. CS-163-1, Insurance Brokerage Services for an Owner Controlled Insurance Program (OCIP) to provide Excess Liability Insurance for the Central Subway Project with Aon Risk Insurance Services West, Inc. and to bind each layer of additional excess insurance coverage for the Central Subway Project for a
total amount not to exceed $8,280,000 for the additional insurance; for a total contract amount
not to exceed $18,088,750, contingent upon approval of the Board of Supervisors; now,
therefore, be it

RESOLVED, That the Board of Supervisors approves Amendment No. 2 to Contract
No. CS-163-1, Insurance Brokerage Services for an Owner Controlled Insurance Program
(OCIP) to provide Excess Liability Insurance for the Central Subway Project with Aon Risk
Insurance Services West, Inc. and binding of each layer of additional excess insurance
coverage for the Central Subway Project for a total amount not to exceed $8,280,000 for the
additional insurance; for a total contract amount not to exceed $18,088,750, inclusive of all
premiums, broker's fees, brokers' commissions, Surplus Lines Taxes and fees, and
government fees; and, be it

FURTHER RESOLVED, The San Francisco Municipal Transportation Agency
acknowledges that the needed expenditures under the Aon contract are $17,551,240, which is
$537,510 less than the requested contract not-to-exceed amount of $18,088,750 under the
proposed Second Amendment.
Resolution approving Amendment No. 2 to Contract No. CS-163-1, Insurance Brokerage Services for an Owner Controlled Insurance Program, to provide Excess Liability Insurance for the Central Subway Project with Aon Risk Insurance Services West, Inc., to obtain and bind a second tier of liability insurance for the amount not to exceed $8,280,000.

January 09, 2013 Budget and Finance Committee - AMENDED

January 09, 2013 Budget and Finance Committee - RECOMMENDED AS AMENDED

January 15, 2013 Board of Supervisors - ADOPTED
   Ayes: 11 - Avalos, Breed, Campos, Chiu, Chu, Cohen, Farrell, Kim, Mar, Wiener and Yee

I hereby certify that the foregoing Resolution was ADOPTED on 1/15/2013 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Date Approved

[Signature]