

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

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

8  
9 WHEREAS, The Final Environmental Impact Statement/Environment Impact Report  
10 (Final EIS/EIR) for the two-phase Third Street Light Rail Project (Project) was completed in  
11 November 1998; and,

12 WHEREAS, The former Public Transportation Commission approved Resolution No.  
13 99-009 on January 19, 1999, which adopted the environmental findings pursuant to the  
14 California Environmental Quality Act (CEQA) for the Project, including mitigation measures as  
15 set forth in the Project's Final Environmental Impact Report and Mitigation Monitoring Report;  
16 and,

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

19 WHEREAS, The SFMTA Board of Directors adopted Resolution No. 12-017 on  
20 February 7, 2012 authorizing the Director of Transportation or his designee to execute  
21 Contract No. CS-163-1, Insurance Brokerage Services for an Owner Controlled Insurance  
22 Program to provide Excess Liability Insurance for the Central Subway Project with Aon Risk  
23 Insurance Services West, Inc. (Broker) and to bind each layer of excess insurance coverage  
24 for the Central Subway Project for a total amount not to exceed \$9,808,750 and for a term of  
25 eight years; and,

1           WHEREAS, The SFMTA obtained \$150 million liability coverage in excess of \$200  
2 million insurance coverage provided by the contractors for the tunnel and stations contracts;  
3 and,

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

7           WHEREAS, The SFMTA desires to restructure the insurance program for the Contract  
8 1300 to reduce the required contractor primary liability coverage limits to \$50,000,000 and  
9 supplement the existing \$150,000,000 excess liability insurance coverage limits with an  
10 additional \$150,000,000 excess liability coverage; and,

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

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

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

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

20           WHEREAS, The San Francisco Municipal Transportation Agency Board of Directors  
21 adopted Resolution 12-135 on November 6, 2012 authorizing the Director of Transportation or  
22 his designee to execute Amendment No. 2 to Contract No. CS-163-1, Insurance Brokerage  
23 Services for an Owner Controlled Insurance Program (OCIP) to provide Excess Liability  
24 Insurance for the Central Subway Project with Aon Risk Insurance Services West, Inc. and to  
25 bind each layer of additional excess insurance coverage for the Central Subway Project for a

1 total amount not to exceed \$8,280,000 for the additional insurance; for a total contract amount  
2 not to exceed \$18,088,750, contingent upon approval of the Board of Supervisors; now,  
3 therefore, be it

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

12 FURTHER RESOLVED, The San Francisco Municipal Transportation Agency  
13 acknowledges that the needed expenditures under the Aon contract are \$17,551,240, which is  
14 \$537,510 less than the requested contract not-to-exceed amount of \$18,088,750 under the  
15 proposed Second Amendment.