

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.**

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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.

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