



Property and Liability Insurance

Procurement Process

Finance, Administration and Operations Committee

April 15, 2015

Three Procurement Processes

- Request for Proposal (RFP) for insurance coverage
- RFP for insurance broker services
- CMS master contract for broker services



RFP Process For Insurance Coverage

- Risk Management develops general specifications for needed insurance
- Risk Management and Procurement develop RFP
- RFP is published via the Illinois Procurement Bulletin
- Insurance broker seeks quotes from insurance carriers
- Insurance brokers submit proposals on or prior to due date
- Tollway selection committee evaluates proposals



RFP For Insurance Coverage

Pros

- Allows for wide distribution of specifications
- Suggest that many insurance carriers will provide quotes

Cons

- RFP based on specialized needs of Tollway
- Coverage specifications are limited to knowledge of Tollway
- Limits interaction of the Tollway with potential insurance carriers
- May be difficult for new/different brokers to participate



RFP For Broker Services

- Use the RFP process to obtain professional services for insurance brokerage
- Broker works with Tollway to obtain competitive quotes
- Quotes are provided to the Tollway for final selection



RFP For Broker Services

Pros

- Quotes are based on combined broker and Tollway specs
- Provides for two-part procurement process

Cons

- Not all insurance carriers provide best quotes for all brokers
- Require selection of broker with knowledge of toll road/public entity operations



CMS Master Contract - Insurance Broker Services

- **CMS entered into a master contract for insurance broker services**
- **Consolidates the various insurance needs of the state agencies**
- **Policies have been special event policies, weather insurance, vehicle physical damage insurance, etc.**
- **Current services are for the term of 2014-2017**
- **Tollway could use this broker to obtain the insurance**



CMS Master Contract – Insurance Broker Services

Pros

- Tollway can use the broker when needed during contract
- May be able to obtain quotes for special needs quicker

Cons

- Contract is for only the 2016-2017 policy year need of the Tollway
- Broker may have limited access for carriers needed for Tollway special needs





THANK YOU