



## Interoffice Memorandum

December 12, 2023

To: Mayor Jerry L. Demings  
-AND-  
County Commissioners

From:  Carrie Mathes, CFCM, NIGP-CPP, CPPO, C.P.M, Manager II, Procurement Division

Contact: John Petrelli, Director, Risk Management and Professional Standards  
407-836-9640

Subject: Approval of Purchase Order M113359, Professional Services for Owner Controlled Insurance Program (OCIP)

### ACTION REQUESTED:

Approval of Purchase Order M113359, Professional Services for Owner Controlled Insurance Program (OCIP), with Authur J. Gallagher Risk Management Services, LLC., in the amount of \$1,200,000.

### PROCUREMENT:

This purchase order will secure a consultant to implement and manage an OCIP for the Orange County Convention Center (OCCC) Phase 5A expansion project.

### FUNDING:

Funding is available in account number 4430-035-0968-00-6210.

### APPROVALS:

The Risk Management Division concur with this recommendation.

### REMARKS:

On May 7, 2019, the Board authorized award of Request for Proposals Y19-192-TJ, to Arthur J. Gallagher Risk Management Services, Inc. (AJG) to provide Professional Services for Owner Controlled Insurance Program (OCIP). An OCIP is an insurance policy held by a property owner during the construction or renovation of a property, which is typically designed to cover most liability and loss arising from the construction project. Two tasks were developed for this project. Task one consisted of the development of the OCIP manual. Task one deliverables began in June 2019 and were completed in August 2020. Task one was completed and AJG was paid \$50,000 for this deliverable.

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Task two was unable to be completed due to the suspension of the OCCC expansion project, as a result of the pandemic. The deliverables that AJG completed in task one can be used for the Phase 5A project.

Task two consists of program administration services that will include the technical expertise and infrastructure necessary to provide and administer a variety of risk management-related services to support the OCIP program for the OCCC expansion project. AJG will provide risk management-related services including but not limited to risk analysis, underwriting, marketing/solicitation, consultation, and policy maintenance services for the duration of the contract. They will also provide recommended legal agreements/contracts including insurer, services providers, waivers of subrogation, joint defence agreements, etc.

The objectives of the OCIP are to:

- Reduce overall project insurance cost and expenses
- Broaden available coverage terms and expand limits
- Gain increased oversight over insurance safety, communication, and community relations; and
- Maintain a healthy safe environment for employees of the County, the contractor and all sub-contractors and consultants and subconsultants, and provide a safe environment for the Convention Center's guests.

Now that the OCCC expansion project has been reinitiated, Risk Management entered into negotiations on October 25, 2023 with AJG, previously known as Arthur J. Gallagher Risk Management Services, Inc. to discuss the revised project.

AJG is willing to continue to work on the task two, program administration services without an adjustment to their initial bid of \$1,200,000. If this program were put out to bid in the current marketplace, it would duplicate efforts and additional costs for task one, which has already been completed by AJG.

Risk Management projects that bids would be 10-12.5% higher based on current market conditions, equating to approximately a \$156,250 additional cost to the County, which is not advantageous to the County.