



**SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT**

**Item No.
10**

Meeting Date: **MARCH 1, 2012**

Subject:

Approve and Authorize the President/CEO to execute a First Amendment to the Agreement with Alliant Insurance Services, Inc.

Recommendation:

Adopt Resolution No. 2012-0030 approving and authorizing the President/CEO to execute a First Amendment to the agreement with Alliant Insurance Services, Inc. increasing the amount payable by one hundred six thousand dollars (\$106,000), for a new maximum amount payable not-to-exceed three hundred six thousand dollars (\$306,000).

Background/Justification:

The Authority and Alliant Insurance Services, Inc., a Delaware Corporation, are parties to a service Agreement dated September 18, 2009. The Agreement began July 1, 2009, and expires December 31, 2012. The agreement is for Alliant to provide benefits broker services to the Authority, including consulting and/or insurance brokerage services in the areas of medical, dental, vision, life & disability insurance, workers compensation, Employee Assistance Program (EAP), retirement plans, and other requested services.

The purpose of this first amendment is to increase the maximum amount payable by one hundred six thousand dollars (\$106,000). Alliant has performed services on the Authority's behalf beyond what was anticipated at the time of the agreement. The need for this amendment is attributed to unanticipated costs related to an actuarial review conducted on the Authority's behalf. If the amendment is approved, the new maximum amount payable will be three hundred six thousand dollars (\$306,000), which will allow the contracted broker services to continue for the balance of the year.

The Authority will be conducting a Request for Proposals (RFP) process for broker services in calendar year 2012 to begin a new contract January 1, 2013. The successor contract will include provisions for contingencies to reduce or eliminate the likelihood of similar amendments to the new contract.

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Fiscal Impact:

The Board is being requested to approve the amendment and additional expenditure as it is greater than 10% of the original contract amount. These actions have a limited fiscal impact as the Human Resources department FY 12 expenditures are currently, and expected to remain, within budget. The necessary funding amount(s) for the remainder of the current contract, as well as for the services of the firm selected during the upcoming RFP process for future consulting/insurance brokerage services beginning January 1, 2013, will be included in the FY 13 budget in the "Services – Other Professional" line item.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy
- Customer Strategy
- Employee Strategy
- Financial Strategy
- Operations Strategy

Environmental Review:

A. This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (CEQA), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA, Pub. Res. Code §21065.

B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Equal Opportunity Program:

Not Applicable.

Prepared by:

JEFFREY A. WOODSON
VICE PRESIDENT, ADMINISTRATION

RESOLUTION NO. 2012-0030

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, APPROVING AND AUTHORIZING THE PRESIDENT/CEO TO EXECUTE A FIRST AMENDMENT TO THE AGREEMENT WITH ALLIANT INSURANCE SERVICES, INC. INCREASING THE AMOUNT PAYABLE BY ONE HUNDRED SIX THOUSAND DOLLARS (\$106,000), FOR A NEW MAXIMUM AMOUNT PAYABLE NOT-TO-EXCEED THREE HUNDRED SIX THOUSAND DOLLARS (\$306,000)

WHEREAS, an agreement with Alliant Insurance Services, Inc. exists, beginning July 1, 2009, and expiring December 31, 2012; and

WHEREAS, the need for funds to cover additional expenses related to an actuarial review, as well as continued payments through the term of the Agreement exist; and

WHEREAS, the original not-to-exceed amount payable is two hundred thousand dollars (\$200,000), and

WHEREAS, the additional expenditure required is greater than 10% of the original contract amount; and

WHEREAS, the funds to cover this additional expenditure have a limited fiscal impact as the Human Resources department FY 12 expenditures are currently, and expected to remain, within budget; and

WHEREAS, this resolution will allow the contracted benefits broker services to continue for the remaining term of the contract through 2012; and

WHEREAS, a competitive RFP process will be conducted to establish a new contract with a benefits broker will be conducted this year.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves and authorizes the President/CEO to execute a First Amendment to the agreement with Alliant Insurance Services, Inc. increasing the amount payable by one hundred six thousand dollars (\$106,000), for a new maximum amount payable not-to-exceed three hundred six thousand dollars (\$306,000); and

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BE IT FURTHER RESOLVED that the Board finds this action is not a "project" as defined by the California Environmental Quality Act (CEQA), Cal. Pub. Res. Code 21065, nor is it a "development" as defined by the California Coastal Act, Cal. Pub. Res. Code 30106.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 1st day of March, 2012, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

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