



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

Item No.
17

Meeting Date: DECEMBER 2, 2010

Subject:

Approve and Authorize the President/CEO to Execute an Agreement with Merriwether & Williams Insurance Services to Provide Consulting Services for the Bond and Contract Financing Services Program

Recommendation:

Adopt Resolution No. 2010-0139, approving and authorizing the President/CEO to execute an agreement with Merriwether & Williams Insurance Services to Provide Bond and Contract Finance Consulting services for a three (3) year term with two (2), one-year extension options for a maximum amount payable of \$1,868,970.

Background/Justification:

An agreement for a three year term was executed on December 10, 2007 with Merriwether and Williams, expiring December 10, 2010, to establish and administer a program to assist small businesses in meeting bond and contract finance requirements.

To date, the Bond and Contract Financing Assistance Program has;

- Interviewed 158 businesses,
- Enrolled 87 participating businesses,
- Facilitated the issuance of \$16.6 million in bid bonds permitting 12 additional bids to be submitted that would otherwise not have qualified to bid on construction opportunities at the Airport,
- Resulted in three (3) of those 12 additional bidders being the successful bidder, representing a combined total of \$3.4 million in bonding,
- Produced cost savings from the program on those three successful bids of \$105,542, and
- Conducted 33 workshops with over 650 attendees.

The term of the existing agreement expires December 10, 2010. The Airport Authority released an RFP for consulting services to continue operation of the existing Bond and Contract Financing Assistance Program.

The two respondents to the RFP were:

1. Merriwether and Williams Insurance Services, and
2. McKinnon Enterprises

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Both respondents were interviewed and evaluated according to the criteria shown in the scoring matrix below:

Scoring Matrix

Criteria▶ Firms▼	Org. Exp & Skill 30 pts	Primary Staff 25 pts	Work Plan/ Transition 15 pts	Compensation/ Fees 15 pts	Interview/ Presentation 10 pts	S.B. Pref. 5 pts	Total Points
McKinnon Enterprises	19 pts	20 pts	14 pts	12 pts	9 pts	5 pts	79 pts
Merriwether & Williams	29 pts	21 pts	12 pts	15 pts	9 pts	5 pts	91 pts

As a result of the evaluation process, the Airport Authority selected Merriwether & Williams Insurance Services because the firm presented the most comprehensive program, successful track record and experience in providing for the operation and administration of a bond and contract financing assistance program.

The proposed agreement will have a three (3) year term with two (2) one-year options to renew, executable at the President/CEO's discretion. The maximum amount payable for the initial term shall not exceed \$1,102,950. Should the first one-year option to renew be exercised, the not-to-exceed amount increases by \$383,010. Should the second one-year option be exercised, the not-to-exceed amount increases by \$383,010. The total potential not-to-exceed contract amount is \$1,868,970 if both options are exercised.

Fiscal Impact:

All costs associated with the Bond and Contract Finance Assistance Program services agreement have been included in the approved budget for Risk Management.

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 Pub. Res. Code Section 30106.

Equal Opportunity Program:

The Authority's small business program promotes the utilization of small, local, disadvantaged, and other business enterprises, on all contracts, to provide equal opportunity for qualified firms. By providing education programs, making resources available, and communicating through effective outreach, the Authority strives for diversity in all contracting opportunities.

The Authority has a Disadvantaged Business Enterprise ("DBE") Plan as required by the Department of Transportation, 49 CFR Part 26. The DBE Plan calls for the Authority to submit an annual overall goal for DBE participation on all federally funded projects.

This project does not utilize federal funds; therefore, it will not be applied toward the Authority's over-all DBE goal.

Prepared by:

ERROL FITZPATRICK
MANAGER, OFFICE OF RISK MANAGMENT

RESOLUTION NO. 2010-0139

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY APPROVING AND AUTHORIZING THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT WITH MERRIWETHER & WILLIAMS INSURANCE SERVICES TO PROVIDE CONSULTING SERVICES FOR THE BOND AND CONTRACT FINANCING SERVICES PROGRAM FOR A THREE (3) YEAR TERM WITH TWO (2) , ONE YEAR EXTENSION OPTIONS FOR A MAXIMUM AMOUNT PAYABLE OF \$1,868,970.

WHEREAS, the Authority requires professional bond and contract financing assistance consulting services necessary to facilitate the continuation of the Bond and Contract Financing Services Program ("Program"); and

WHEREAS, the Airport Authority issued a Request for Proposals ("RFP") for Bond and Contract Financing Assistance Program consulting services; and

WHEREAS, the following two (2) consulting firms submitted proposals in response to the RFP; (1) Merriwether & Williams Insurance Services, and (2). McKinnon Enterprises; and

WHEREAS, each respondent was interviewed; and

WHEREAS, Merriwether & Williams Insurance Services received the highest interview scores by demonstrating the requisite experience in all areas to provide program services and advice to the Airport Authority and program participants; and

WHEREAS, the Board finds it in the best interest of the Authority to authorize the President/CEO to execute an agreement with Merriwether & Williams Insurance Services to Provide Bond and Contract Finance Consulting services for a term of three (3) years commencing December 10, 2010 and expiring December 10, 2013 with two (2) one-year options to renew executable at the discretion of the President/CEO. The maximum amount payable for the initial term shall not exceed \$1,102,950. Should the first one-year option to renew be exercised, the new maximum amount payable increases by \$383,010 for a total not -to-exceed amount payable of \$1,485,960. Should the second one-year option to renew be exercised, the new maximum amount payable increases by \$383,010 for a total not-to-exceed amount payable of \$1,868,970 over the five year term.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves and authorizes the President/CEO to execute an agreement with Merriwether & Williams Insurance Services to provide bond and contract finance consulting services for a term of three (3) years with two (2), one-year extension options, executable at the discretion of the President/CEO, for a total not –to-exceed amount payable of \$1,868,970 with such minor changes or modifications as the Authority’s President/CEO (or designee) may deem to be in the best interest of the Authority and the public that it serves.

BE IT FURTHER RESOLVED, that the Authority’s President and Chief Executive Officer (or designee) hereby is authorized to prepare, execute and deliver the agreement for Bond and Contract Financing Assistance consulting services.

BE IT FURTHER RESOLVED that the Authority and its officers, employees and agents hereby are authorized, empowered and directed to do and perform all such acts as may be necessary or appropriate in order to effectuate fully the foregoing resolution.

BE IT FUTHER RESOLVED, that this Board action is not a “project” as defined by the California Environmental Quality Act (CEQA) Pub. Res. Code Section 21065; and is not a “development” as defined by the California Coastal Act Pub. Res. Code Section 30106.

PASSED, ADOPTED AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 2nd day of December, 2010, 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 LOBNER
GENERAL COUNSEL**

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