

**LOS ANGELES COMMUNITY COLLEGE DISTRICT
BOARD OF TRUSTEES
BUDGET AND FINANCE COMMITTEE
Los Angeles Harbor College
1111 Figueroa Place
Wilmington, California 90744
Wednesday, March 9, 2011
10:00 a.m. – 11:00 a.m.**

Committee: Kelly Candaele, Chair; Tina Park; Sylvia Scott-Hayes

Trustee Candaele called the meeting to order at 10:01 a.m.

REPORTS/RECOMMENDATIONS

Presentations: Appeal of Protest of Broker Award for Contract for Owner Controlled Insurance Program (RFP Number DW002)

A packet of background materials regarding the presentations and copies of letters addressed to the three Proposers, March 2, 2011, Subject: Budget and Finance Committee hearing regarding denial of appeal in protest of award on OCIP insurance broker and administrative services LACCD RFP No. DW-002 were distributed.

Ms. Camille Goulet indicated that in October 2009 there was a Request for a Proposal (RFP) for a Broker for the Owner-Controlled Insurance Program (OCIP). There was a recommendation awarded to one firm and a protest to that firm was submitted by another firm. She indicated that through a succession of appeals, the Board decided to grant the appeal and hearing protest and ultimately awarded the proposal to Aon Risk Insurance Services West, Incorporated (Aon) but limited the contract to one year instead of the anticipated five years. As a result of the Board members' concerns, the Board adopted specific criteria for a new broker procurement process.

Ms. Goulet indicated that since the agreement was for one year, a new RFP was issued. Staff recommended Alliant Commercial Group (Alliant). Aon has appealed that recommendation through administrative processes, which were denied and it is now seeking an appeal to the Board.

Ms. Goulet outlined the process for the presentations, testimony, and exhibits and indicated that Mr. Roger Heyman is serving as counsel to the Budget and Finance Committee. She deferred to the first presentation: Aon, the Protestors.

First Presentation: Aon

A document entitled "Los Angeles Community College District, Budget and Finance Committee of the Board of Trustees, Protest of OCIP Broker Award" was distributed.

Mr. Dennis Naish, Representing Aon, discussed the basis of Aon's protest with regards to the scoring of the Los Angeles Community College District (LACCD) Business Outreach component in the RFP. He deferred to Mr. Ken Caldwell, Executive Vice President, Aon, who discussed the document with respect to diversity at Aon. Mr. Caldwell deferred to Mr. Mike Holzman, Vice President, Cumbre Insurance Services (Cumbre), who discussed Aon/Cumbre Insurance Services with respect to the opportunities they have had to compete for large projects. This would not have been possible if policies for participation by small, diverse firms like Aon had not been in place. Mr. Holzman indicated that Aon/Cumbre met the 28 percent participation goal for OCIP administration.

Mr. Caldwell expressed his concern with respect to the scoring process for the Business Outreach component. He made the point that Alliant should have had a score of zero (0), thereby resulting in an award to Aon.

Ms. Goulet stated for the record that Aon submitted a handout entitled "LACCD, Budget and Finance Committee of the Board of Trustees, Protest of OCIP Broker Award," which will be incorporated as part of the record.

Second Presentation: Alliant

Mr. James D. Castle, Managing Director, Alliant Commercial Group, discussed the following documents with respect to Exhibit 1: a letter addressed to Mr. Castle awarding the contract to Alliant from Build—LACCD; Exhibit 2: notice of protest letter to intent to award OCIP insurance broker services and administrator services RFP number DW-002; Exhibit 3: response to protest letter to intent to award OCIP insurance broker services and administrator services RFP number DW-002; Exhibit 4: page 16 of 32 RFP OCIP; Exhibit 5: questions relating to Build—LACCD RFP number DW-002: Owner Controlled Insurance Program Insurance Broker Services and Administrator Services; Exhibit 6: a copy of Addendum Number 05; and Exhibit 7: a copy of a document entitled “Outreach Certification To Be Executed By Proposer, Notarized and Submitted With Its Proposal.”

Mr. Castle indicated that Alliant met the Business Outreach goal; therefore, there was no error in the scoring of this component. He indicated that the key difference in the scoring was the cost; Alliant has the lowest cost and received 40 points which won them the contract.

There was discussion regarding the purpose of certifying ninety-five percent (95%) of the work being performed by the Proposer’s own employees that is stipulated in the RFP Business Outreach section.

Closing arguments were heard from Mr. Caldwell, Aon and Mr. Castle, Alliant.

Public Speakers

None.

Board Deliberation

Trustee Candaele indicated that since the Committee members received the handouts at the Committee meeting this morning, the Board will review the material with due diligence and will schedule a Committee Meeting. At that time, the Committee will present a recommendation to the full Board, who will make the final decision to be posted on the Board agenda with a blank line until the decision is reported at the Board Meeting of March 23, 2011.

Trustee Candaele requested that during this process, the respective parties involved should not contact him directly and, if contacts are necessary, that District staff should be contacted directly.

Motion by Trustee Scott-Hayes, seconded by Trustee Park, that during this process the respective parties involved not contact Trustee Candaele, but should contact District staff directly.

APPROVED: 3 Ayes

ADJOURNMENT

Motion by Trustee Scott-Hayes, seconded by Trustee Park, to adjourn.

Without objection, so ordered.

The meeting adjourned at 10:49 a.m.