




SOLE SOURCE PROCUREMENT AWARD MEMO

DATE: June 29, 2010

TO: Christopher P. Morrill, GRTC Vice President of Operations

FROM: Carl L. Palmer, GRTC General Manager 

SUBJECT: Sole Source Procurement of insurance brokerage services for obtaining health, dental, short term disability, and life insurance coverages for GRTC and SVTMC

Sole Source Contractor – Business Solutions, Inc.

Greater Roanoke Transit Company, d/b/a Valley Metro (GRTC or Valley Metro) and Southwestern Virginia Transit Management Company, Inc. (SVTMC) have obtained insurance brokerage services from Business Solutions, Inc. (Business Solutions or Contractor) for the past several years. SVTMC employs the personnel who operate the bus system under a management contract among GRTC, First Transit, Inc. (parent company of SVTMC), and SVTMC. Business Solutions has obtained, while working with GRTC and SVTMC staff, needed health, dental, short term disability, and life insurance coverages for SVTMC employees through various insurance companies over the years. Business Solutions has become familiar with GRTC's and SVTMC's operations and insurance requirements and has provided very competitive insurance policies to meet such insurance needs.

The types of insurance coverages Business Solutions has obtained and will be obtaining for GRTC and/or SVTMC include the following areas:

- a. Health insurance coverages for the employees of SVTMC.
- b. Dental insurance coverages for the administrative employees of SVTMC, and dental insurance coverages for the Union employees of SVTMC.
- c. Short term disability insurance coverages for the Union employees of SVTMC.
- d. Life insurance coverages for the employees of SVTMC and qualified retirees of SVTMC.
- e. Such other insurance coverages as GRTC and/or SVTMC may need to protect the operations of GRTC and/or SVTMC.

Greater Roanoke Transit Company

GRTC and SVTMC intend to issue a Request for Proposal (RFP) in the near future to request proposals from interested insurance brokers to provide comprehensive insurance brokerage services to GRTC and SVTMC to include, but not limited to, evaluation of GRTC's and SVTMC's operations, recommendations to GRTC and SVTMC on the types and amounts of insurance coverages that GRTC and/or SVTMC should have, and obtaining such insurance coverages as GRTC and SVTMC elect to purchase.

In view of the time and complexity that will be involved in issuing an RFP for such insurance brokerage services, the RFP selection process, the award process, and any subsequent negotiations and contract execution, GRTC and SVTMC staff determined that in order to continue with needed insurance services and coverages, Business Solutions was the only insurance brokerage source practicably available that understood GRTC's and SVTMC's operations and current needs to provide to GRTC and/or SVTMC the insurance brokerage services needed to prevent a lapse in insurance coverages. Accordingly, GRTC and SVTMC staff has advised Business Solutions that GRTC and SVTMC will continue to use Business Solutions insurance brokerage services for an extended period of time in order to ensure GRTC and SVTMC maintain needed insurance coverages while the RFP process mentioned above is pursued. GRTC and SVTMC staff will work with Business Solutions to develop a contract mutually acceptable to the parties for the extended provision of insurance brokerage services from Business Solutions. Business Solutions will also provide, in writing, to GRTC's and SVTMC's General Manager supporting documentation of competitive pricing, to include pricing research, pricing and quotes, and types of coverages available, from various providers. The compensation for such brokerage services will not exceed \$4,000.00 per year, without the prior written consent of GRTC's and SVTMC's General Manager.

GRTC and SVTMC staff have continued to work with Business Solutions since last year to ensure GRTC and SVTMC continue to have the needed insurance coverages. However, no Award Memo or written Contract was issued at that time. Accordingly, GRTC and SVTMC staff recommend that this Award Memo be deemed retroactive to January 1, 2010, to also confirm that Business Solutions has provided insurance services to GRTC and SVTMC based on requests from GRTC and SVTMC staff.

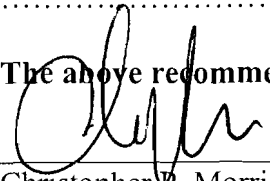
Recommended Action:

That the GRTC Vice President of Operations approve GRTC's and SVTMC's staff recommendations, as set forth above, that Business Solutions is the only insurance broker practicably available to GRTC and SVTMC to provide the insurance brokerage services mentioned above, that this Sole Source Memo is retroactive to January 1, 2010, and to document the need to use the services of Business Solutions until a future RFP is issued, an award made thereunder, and the Contractor takes over the provisions of such insurance brokerage services. This Sole Source Memo further authorizes GRTC staff to work with SVTMC staff to negotiate a contract with Business Solutions to provide such insurance brokerage services for a period up to June 30, 2011. Business Solutions will also provide, in writing, to GRTC's General Manager supporting documentation of competitive pricing, to include pricing research, pricing and quotes,

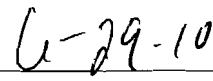
and types of coverages available, from various providers. The compensation for such brokerage services will not exceed \$4,000.00 per year, without the prior written consent of GRTC's and SVTMC's General Manager.

The above facts establish that the vendor is the only source practicably available to provide the services and/or items requested.

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The above recommendations are approved by the GRTC Vice President of Operations.



Christopher P. Morrill,
GRTC Vice President of Operations



Date

- ec: James M. Grigsby, GRTC, Assistant Vice President of Operations
William M. Hackworth, GRTC General Counsel
Ann H. Shawver, GRTC Treasurer
John Bingham, Assistant Finance Director, City of Roanoke
Leon I. Alder, Assistant General Manager, GRTC
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