




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 property and liability insurance coverages for GRTC

Sole Source Contractor - Wells Fargo Insurance Services USA, Inc.

Greater Roanoke Transit Company, d/b/a Valley Metro (GRTC or Valley Metro) has obtained insurance brokerage services from Wells Fargo Insurance Services USA, Inc. (Wells Fargo or Contractor) (formerly known as Accordia Virginia Insurance Agency, Inc.) for the past several years. Wells Fargo has obtained needed property and liability insurance coverages for GRTC through various insurance companies over the years. Wells Fargo has become familiar with GRTC's operations and insurance requirements and has provided very competitive insurance policies to meet GRTC's insurance needs.

The types of insurance coverages Wells Fargo has obtained and will be obtaining for GRTC include the following areas:

- a. Commercial insurance package to include, but not necessarily limited to, property and liability coverage for GRTC property, including fire, employee theft coverages, garagekeepers liability, and other related coverages.
- b. General commercial liability coverage for bodily injury and property damage, medical payments, and personal and advertising injury arising out of GRTC's operations or premises, and other related coverages.
- c. Pollution liability coverage, to include coverage for the fuel USTs used to fuel GRTC buses, and other related coverages.
- d. Fiduciary liability coverage for GRTC and/or Southwestern Virginia Transit Management Company, Inc. (SVTMC), as a fiduciary for employee benefit plans.
- e. Such other insurance coverages as GRTC may need to protect the property and operations of GRTC.

Greater Roanoke Transit Company

GRTC intends 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 to include, but not limited to, evaluation of GRTC's operations, recommendations to GRTC on the types and amounts of insurance coverages that GRTC should have, and obtaining such insurance coverages as GRTC elects 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 staff determined that in order to continue with needed insurance services and coverages, Wells Fargo was the only insurance brokerage source practicably available that understood GRTC's operations and current needs to provide to GRTC the insurance brokerage services needed to prevent a lapse in insurance coverages. Accordingly, GRTC staff has advised Wells Fargo that GRTC will continue to use Wells Fargo insurance brokerage services for an extended period of time in order to ensure GRTC maintains needed insurance coverages while the RFP process mentioned above is pursued. GRTC staff will work with Wells Fargo to develop a contract mutually acceptable to the parties for the extended provision of insurance brokerage services from Wells Fargo. Wells Fargo 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 \$7,835.00 per year, without the prior written consent of GRTC's General Manager.

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

Recommended Action:

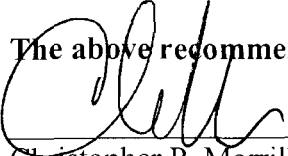
That the GRTC Vice President of Operations approve GRTC's staff recommendations, as set forth above, that Wells Fargo is the only insurance broker practicably available to GRTC to provide the insurance brokerage services mentioned above, that this Sole Source Memo is retroactive to January 1, 2010, and to document the need to use the services of Wells Fargo 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 negotiate a contract with Wells Fargo to provide such insurance brokerage services for a period up to June 30, 2011. The compensation for such brokerage services will not exceed \$7,835.00 per year, without the prior written consent of GRTC's General Manager.

Christopher P. Morrill, GRTC Vice President of Operations
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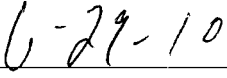
The above facts establish that the vendor is the only source practicably available to provide the services and/or items requested.

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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

- cc: 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
- Sharon T. Lewis, Purchasing Manager, City of Roanoke