

(Public Committee on Finance 6/28/2018)

**The Port Authority of New York and New Jersey**  
**Committee on Finance Transcripts**  
**June 28, 2018**

[Board Chair K. O'Toole] We're going to call this meeting to order, we are now completing our public session Committee Meeting starting with the Committee of Finance, which will be Chaired by Commissioner Bagger, a public meeting of the Committee on Capital Planning, Execution and Asset Management, which would be Chaired by Vice Chair Lynford will follow the Committee on Finance. We will conclude the public portion of today's meeting with the public Board Meeting Today's public meetings are also being broadcast live on the Port Authority's website for those interested in viewing today's proceedings via the Internet. Commissioner Bagger.

[Chair R. Bagger] Thank you, Mr. Chairman. Today's meeting of the Committee on Finance is being held in public session in its entirety. At this point, I'd ask our Board Secretary to advise those present on the composition of the Committee and any Commissioner recusals on our agenda item today.

[K. Eastman] Thank you. The Committee is composed of yourself, Commissioner Bagger as Chair, Commissioner Eve as Vice Chair, and Commissioners Horwitz, McCabe, and Pocino. All Committee members are present at today's meeting, and no recusals are required.

[Chair R. Bagger] Great, thank you. Our Committee has one agenda item today and that is to consider a proposal for procurement of expert professional Brokerage Firm Services for our Owner Controlled Contractor Insurance Program, and our Treasurer Cheryl Yetka is going to present this item for our consideration.

[Chair R. Bagger] Cheryl.

[C. Yetka] Good morning. To deliver our \$32 billion, 10-year Capital Plan in a cost-effective manner, the Port Authority sponsors an Owner-controlled Insurance Program or OCIP. An OCIP reduces the cost of insurance because the Port Authority can procure insurance at a lower cost for all of our contractors than each of the individual contractors can procure for themselves.

[Brokerage Services for an Owner Controlled]

[C. Yetka] It also streamlines administration of the insurance

[Insurance Program (OCIP)] for the contractors engaged by the Port Authority,

[Committee on Finance, June 28, 2018] and finally, it allows smaller and minority firms to work on Port Authority construction projects who might not otherwise be able to procure the levels of insurance that the Port Authority would require. This authorization, I'm thinking, is for the brokerage services in connection with the Port Authority OCIP. The brokerage contract includes placement of multiple lines of insurance as well as administrative services. This contract is for a 3-year term effective August 1st of 2018 at an estimated cost of \$3.5 million. And the Port

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Authority will have the option to extend this contract for an additional 3 years based on satisfactory performance by the broker for an estimated fee of \$3.8 million. The Owner Controlled Insurance Program

[Owner Controlled Insurance Program] provides protection for the Port Authority and its related entities against property and casualty losses related to ongoing construction projects undertaken at its facilities. The insurance coverages provided through this program are general liability, worker's compensation, builder's risk, and terrorism. In addition to the placement of these coverages, the broker provides additional services, administrative services that are necessary to run a successful OCIP program which you see listed here.

[Firm Strengths] Following a publicly advertised RFP staff recommends award of this contract to Willis of New York. Willis received the highest technical ranking based on the following. Its demonstrated, well-coordinated, and detailed approach to insurance placement and management and construction projects throughout the New York Metropolitan area with both private corporations and public authorities, its deep technical expertise in a variety of key contractor insurance program areas, and its experience in managing insurance programs for New York city-based construction with an emphasis on New York State labor law. Commissioners, I request authorization to award this contract to Willis of New York

[Agreement Cost] at a cost of \$7.3 million including both the base term and the renewal option.

[Chair R. Bagger] Great. Thank you for that presentation. Any questions or discussion from members of the Committee? If not, may I request a motion on this item?

[Commissioner] So moved.

[Chair R. Bagger] Is there a second?

[Commissioner] Second.

[Chair R. Bagger] Any further discussion? If not, the Corporate Secretary would call the roll of the Committee.

[K. Eastman] Commissioner Bagger.

[Chair R. Bagger] Yes.

[K. Eastman] Commissioner Eve.

[Comm. L. Eve] Yeah.

[K. Eastman] Commissioner Horwitz.

[Comm. D. Horwitz] Yes.

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[K. Eastman] Commissioner McCabe

[Comm. K. McCabe] Yes.

[K. Eastman] Commissioner Pocino.

[Comm. R. Pocino] Yes.

[Chair R. Bagger] Votes are in the order, and that matter is approved, and that concludes the meeting of the Committee on Finance.