



Date of Memo: September 16, 2024  
Current Meeting: September 18 & 19, 2024  
Board Meeting: September 25, 2024

**BOARD MEMORANDUM**

**TO:** Indianapolis Public Transportation Corporation (IPTC) Board of Directors  
**THROUGH:** President and CEO Jennifer Pyrz  
**FROM:** Director of Risk and Safety Brian Clem (CSO)(TSSP)  
**SUBJECT:** Consideration and approval of Insurance Broker Services (RFP) 24-06-514

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**ACTION ITEM A – 8**

**RECOMMENDATION:**

It is recommended that the Board of Directors authorize the President and Chief Executive Officer to enter into a five-year contract agreement with Arthur J. Gallagher Risk Management Services, LLC (“Gallagher”) for Insurance Broker Services in an amount not to exceed \$250,000.

**BACKGROUND:**

Aon is the current contracted vendor for Insurance Broker Services outlined in RFP#19-08-330 for three years with two optional years. The awarded vendor was approved at the September 2019 IPTC Board of Directors Meeting. Over the last five years, IPTC has expanded by adding four additional properties with the growth of two BRT lines and the addition of the future Blue-line. The insurance market has experienced changes globally that have not been in favor of policyholders. Due to the current contract expiring and the projected delivery schedule, solicitation was necessary.

**DISCUSSION:**

In July 2024, IPTC published an RFP (24-06-514) for an Insurance Broker Services contract. An evaluation committee comprised of IPTC employees reviewed and scored four proposals found by the IPTC procurement team to be responsive and responsible. The evaluation committee met on September 4, 2024, and selected “Gallagher” as the new vendor. Several disciplines were scored including project approach, experience, online platforms, additional value-added services, and pricing. “Gallagher” offers a comprehensive service that meets the scope of work with the best overall price.

**ALTERNATIVES:**

The IPTC Board could choose not to contract Insurance Broker Services with “Gallagher”. However, IPTC would lose the ability to market insurance coverages for 2025. This would result in no insurance coverage for nearly \$250 million of Fair Market Value (FMV) and insurance coverage protections for Public Officials D&O/EPL, Cyber, Crime, Fiduciary, and Excess property-casualty. Any experienced loss would adversely impact IPTC operations and budget. IPTC is required to ensure insurance coverage for Federal Transit Administration (FTA) assets.

**FISCAL IMPACT:**

These services will be funded by the Risk and Safety operating budget. “Gallagher” will be budgeted for \$50,000 annually from FY2025 to FY2029, totaling \$250,000. By comparison, the initial contract with Aon in FY2019 costs nearly \$45,860 annually with a contract cost not to exceed \$229,300. If approved the cost increase would be \$20,700 for the total of all five years or \$4,140 per year.

**DBE/XBE DECLARATION:**

The XBE for this contract was set at 15%. Gallagher is unable to meet the goal, but it was determined that they made a good-faith effort to do so.

**STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

This action will be reviewed by the Finance Committee on September 18, 2024 and Service Committee on September 19, 2024.