

REPORT

DATE ISSUED: June 24, 2009 REPORT NO: HCR09-064

ATTENTION: Chair and Members of the Housing Commission  
For the Agenda of July 10, 2009

SUBJECT: California State Association of Counties (CSAC) Excess Insurance Authority and  
California Public Entity Insurance Authority

REQUESTED ACTION:

Ratification by the Housing Commission Board of a sole source contract with Alliant Insurance Services for property insurance through CSAC, with effective dates of March 31, 2009 to March 31, 2010.

STAFF RECOMMENDATION:

That the Housing Commission ratify a sole source contract in an amount not to exceed ONE HUNDRED FORTY THOUSAND DOLLARS AND NO CENTS (\$140,000) with Alliant Insurance Services for the purpose of procuring through CSAC, All Risk Property Insurance including Flood and Earthquake on Real & Personal Property, Rental Income, Transit, EDP, Media & Extra Expense (Sabotage and Terrorism insurance) on all Housing Commission properties, including Smart Corner (at an additional cost of \$25,000) with effective dates of March 31, 2009 to March 31, 2010.

BACKGROUND:

The California State Association of Counties (CSAC) created a risk retention group to insure California counties against first party losses (property insurance). CSAC subsequently created the California Public Entities Insurance Authority (CPEIA) in order to allow other California public agencies to participate in the risk retention group administered by CSAC.

Risk retention groups can provide more competitive insurance rates because the risk of loss is spread among only the members of the risk retention group. Members of the same risk retention group often share common business characteristics.

The Housing Commission currently participates in the CSAC Excess Insurance Authority Property Insurance Program through CPEIA. Alliant Insurance Services is the exclusive agent for the CSAC Excess Insurance Authority Property Insurance Program, whose membership includes the City of San Diego, the County of San Diego, the San Diego Transit Corporation, and other public agencies.

The annual period extends from March 31, 2009 to March 31, 2010.

The Housing Commission did not publish a request for qualifications in connection with its current participation in the CSAC Excess Insurance Authority Property Insurance Program since Alliant Insurance Services is the exclusive agent for this program. This item is being brought before the Housing Commission at this time because the total cost will exceed the \$100,000 threshold of the Chief Executive Officer's signature authority.

Housing Commission administrative regulation 203.100 authorizes the sole sourcing of contracts in accordance with established criteria. Among the criteria justifying the sole sourcing of a contract is: "the item is available only from a single source, based on a good faith review of available sources."

Alliant Insurance Services is the exclusive agent for the CSAC Excess Insurance Authority Property Insurance Program. This program offers good coverage at competitive rates, and is the insurance program of choice for the City of San Diego, the County of San Diego, the San Diego Transit Corporation, and numerous other public agencies.

FISCAL CONSIDERATIONS:

Approval of this action will result in an expenditure not to exceed ONE HUNDRED FORTY THOUSAND DOLLARS AND NO CENTS (\$140,000). Funding for this contract is contained in the FY09/10 Budget.

ENVIRONMENTAL REVIEW:

This action is categorically exempt from the provisions of CEQA pursuant to State CEQA Article 19 Guidelines Section 15301 (existing facilities). It is also categorically excluded from the provisions of NEPA under the provisions of 24 Code of Federal Regulations 58.35(b).

Respectfully submitted,

  
John Pfeiffer

Vice President and Chief Financial Officer

Approved by,

  
Carrol M. Vaughan

Executive Vice President & Chief Executive Officer

Attachments:

1. Justification for Sole Source Contract

Distribution of these attachments may be limited. Copies available for review during business hours at the Housing Commission offices at 1122 Broadway, Main Lobby.

**JUSTIFICATION FOR SOLE SOURCE CONTRACT WITH ALLIANT  
INSURANCE SERVICES FOR INSURANCE SERVICES RENDERED IN  
CONNECTION WITH THE CSAC EXCESS INSURANCE AUTHORITY  
PROPERTY INSURANCE PROGRAM**

WHEREAS, the San Diego Housing Commission has an immediate need for first party property insurance coverage.

WHEREAS, the California State Association of Counties and the California Public Entities Insurance Authority administer the CSAC Excess Insurance Authority Property Insurance Program, which is only available to California public agencies.

WHEREAS, the San Diego Housing Commission currently participates in the CSAC Excess Insurance Authority Property Insurance Program along with the City of San Diego, County of San Diego, San Diego Transit Corporation, and a multitude of other public agencies.

WHEREAS, Alliant Insurance Services is the exclusive agent for the CSAC Excess Insurance Authority Property Insurance Program.

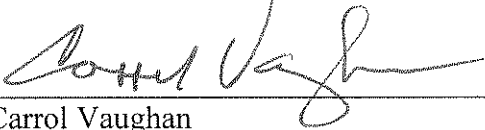
WHEREAS, the San Diego Housing Commission desires to sole source a contract with Alliant Insurance Services for services rendered in connection with the agency's participation in the CSAC Excess Insurance Authority Property Insurance Program for the period March 31, 2009 through March 31, 2010.

WHEREAS, San Diego Housing Commission administrative regulation 203.100 authorizes the sole sourcing of contracts in specified circumstances, and justification exists for the sole sourcing of a contract with Alliant Insurance Services.

WHEREFORE, the San Diego Housing Commission makes the following findings:

- A. Alliant Insurance Services is the exclusive agent for the CSAC Excess Insurance Authority Property Insurance Program, and as such, satisfies AR203.100, 3.5A(a).
- B. Alliant Insurance Services receives its compensation for services rendered directly from the CSAS Excess Insurance Authority.
- C. The reasonableness of the price charged by the CSAS Excess Insurance Authority for participation in the CSAC Excess Insurance Authority Property Insurance Program has been determined in accordance with AR203.100, 3.6B(2).

Dated June 24, 2009



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Carrol Vaughan  
Executive Vice President and Chief Operating Officer