

# Memorandum



CITY OF DALLAS

DATE April 19, 2024

Honorable Members of the Government Performance and Financial Management  
TO Committee: Chad West (Chair), Paula Blackmon (Vice Chair), Cara Mendelsohn,  
Jesse Moreno, and Jaime Resendez

SUBJECT **Owner Controlled Insurance Program (OCIP) Broker Services**

At your upcoming City Council meeting on April 24, 2024, you will consider the authorization of a three-year service contract, with the option of a two-year renewal option or two one-year renewal option, for an Owner Controlled Insurance Program (OCIP) Broker Services for the Office of Risk Management and Marsh USA, Inc., the most advantageous proposer not to exceed \$2,242,000. This service is to build an OCIP program and secure quotes for required insurance but does not include the insurance premiums.

The OCIP Program is sponsored by the City on behalf of the construction contractor and subcontractors. The City purchases insurance on behalf of the contractors and subcontractors and covers them and construction management firm(s) working on the construction site. All insurance costs are included in a single policy premium, instead of embedded in contractor/subcontractor bids. This gives the City direct control over administrative costs by dealing with a single broker and insurer. Bulk purchase of insurance lowers costs. The City's broker may engage more than one insurer in competition for the program.

An overview of owner controlled insurance programs and proposed recommendations were briefed on April 24, 2023, to the Government Performance and Financial Management (GPFM), by Zeronda Smith, Director of the Office of Risk Management (ORM). Upon GPFM feedback, an OCIP broker services procurement was initiated, that included proposals, presentations, and best and final offers from five prospective vendors, completed on April 12, 2024.

The first year of OCIP broker services is project-specific for the Kay Bailey Hutchison Convention Center Dallas (KBHCCD) master plan. The following years of the service contract will provide Rolling Owner Controlled Insurance Program (ROCIP) broker services for new smaller construction projects that come online as a part of the program.

If you have any questions, please contact me, Zeronda Smith, Director of the Office of Risk Management.

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Zeronda D. smith  
Director, Office of Risk Management

c: T.C. Broadnax, City Manager  
Tammy Palomino, City Attorney  
Mark Swann, City Auditor  
Billierae Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Jon Fortune, Deputy City Manager

Majed A. Al-Ghafry, Assistant City Manager  
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager  
Dr. Robert Perez, Assistant City Manager  
Jack Ireland, Chief Financial Officer  
Genesis D. Gavino, Chief of Staff to the City Manager  
Directors and Assistant Directors

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