



## EXECUTIVE SUMMARY

**DATE ISSUED:** July 19, 2010

**REPORT NO:** HCR 10-103

**ATTENTION:** Chair and Members of the Housing Commission  
For the Agenda of August 20, 2010

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

**SUMMARY:**

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.

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.

**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 and personal property, rental income, transit, EDP, media and extra expense (sabotage and terrorism insurance) on all Housing Commission properties, including Smart Corner (at an additional cost of \$33,450) with effective dates of March 31, 2010 to March 31, 2011.

**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 FY10/11 Budget.

**REPORT CONTACT:** John Pfeiffer

619-578-7711



SAN DIEGO  
HOUSING  
COMMISSION

## REPORT

**DATE ISSUED:** July 19, 2010

**REPORT NO:** HCR 10-103

**ATTENTION:** Chair and Members of the Housing Commission  
For the Agenda of August 20, 2010

**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, 2010 to March 31, 2011.

**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 and personal property, rental income, transit, EDP, media and extra expense (sabotage and terrorism insurance) on all Housing Commission properties, including Smart Corner (at an additional cost of \$33,450) with effective dates of March 31, 2010 to March 31, 2011.

**SUMMARY:**

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.

Although the policy period runs from March 31, 2010 to March 31, 2011, invoices are not issued until July, prohibiting a board report from being issued until the year's premium is known.

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

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

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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 FY10/11 Budget.

**PREVIOUS COUNCIL and/or COMMITTEE ACTION:**

Committee members have approved this expenditure "on consent" for approximately the last 10 years.

**ENVIRONMENTAL REVIEW:**

The purchase of property insurance is not a project as defined by Article 20, Section 15378 of the California Environmental Quality Act guidelines. Processing under the National Environmental Policy Act is not required as no federal funds are implicated in this action.

Respectfully submitted,



John Pfeiffer  
Vice President of Finance &  
Chief Financial Officer

Approved by,



Carrol M. Vaughan  
Executive Vice President &  
Chief Operating Officer

Attachments: Justification of Sole Source Contract

Hard copies are available for review during business hours in the main lobby of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101 and at the Office of the San Diego City Clerk, 202 C Street, San Diego, CA 92101. You may also review complete docket materials on the San Diego Housing Commission website at [www.sdhc.org](http://www.sdhc.org).

**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, 2010 through March 31, 2011.

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 July 19, 2010

  
Carrol Vaughan

Executive Vice President and Chief Operating Officer