

M Management Committee

Business Item

Item: 2010-243

Same Week

Meeting date: June 23, 2010

Metropolitan Council: June 23, 2010

ADVISORY INFORMATION

Date:	June 16, 2010
Subject:	Authorization to procure property insurance (builder's risk) for the construction of the Central Corridor LRT.
District(s), Member(s):	All
Policy/Legal Reference:	
Staff Prepared/Presented:	Phil Walljasper (651-602-1787)
Division/Department:	Risk Management

Proposed Action

That the Metropolitan Council authorizes the procurement of insurance providing coverage for property damage that may occur during the construction of Central Corridor LRT.

Background

During the construction of the Central Corridor LRT, there is a need to provide property insurance for the entire project. This insurance, which is called Builder's Risk coverage, provides coverage for damage to property (e.g. materials) during the course of construction. To better coordinate this coverage throughout all phases of the project, the Council will procure the insurance, working closely with Willis, the Council's insurance broker for the CCLRT construction.

Willis has marketed this insurance placement with several different insurance companies. At the time of this mailing, the negotiation with these insurance companies continues, both in terms of the policy's pricing and the coverage it provides. Staff will present a recommended bindable quote, along with an overview of the specific coverages, at the Committee meeting on June 23rd.

Rationale

While the Liability risks of the CCLRT project are insured by the contractors (which includes insuring the Council), it is more advantageous to have the Council procure and maintain the Builder's Risk insurance. This will minimize any disputes surrounding property damage and help avoid project delays related to an unresolved claim.

Funding

The premium is funded through the CCLRT project.

Known Support / Opposition

Not applicable