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**MINUTES/PROCEEDINGS**

**LOS ANGELES COUNTY**  
**METROPOLITAN TRANSPORTATION AUTHORITY**

**SPECIAL BOARD MEETING**  
**BOARD OF DIRECTORS**

**MTA Headquarters**  
**3rd Floor - Board Room**  
**One Gateway Plaza, Los Angeles**

**March 21, 1996**

**Called to Order at 10:28 a.m.**

**Directors/Alternates Present:**

Larry Zarian  
Richard Riordan (arr. 10:52 a.m.)/Hal Bernson  
Yvonne Brathwaite Burke/Michael Bohlke  
Richard Alatorre  
Michael Antonovich (arr. 11:00 a.m.)/Nick Patsouras (arr. 10:35 a.m.)  
Robert Arthur  
John Fasana  
Vivien Bonzo (arr. 10:30 a.m.)  
Raul Perez/Thomas J. Clark  
Carol Schatz/Richard Alarcon  
Zev Yaroslavsky

Interim Chief Executive Officer - Joseph E. Drew  
Board Secretary - Helen M. Bolen  
Inspector General - Arthur Sinai  
General Counsel - County Counsel

1. Public Comment - NONE

2. CARRIED OVER for Closed Session at the March 27 Board Meeting a recommendation to amend a contract with Sedgwick James covering **Owner Controlled Insurance Program (OCIP)** brokerage and administrative services at a cost of \$1,876,472 for the first year and \$1,573,972 for years two and three.

The following insurance company representatives spoke against award of this contract. C. Southwell, InsureTech Insurance Services; C. Reed, Alexander & Alexander; J. Williams, Amherst Insurance Co.; K. Caldwell, AON/RHH, D. Hanson, Innovative Risk Services, Inc.; W. Curron, Mass Transit Group; and P. French, Marsh & McLennan. They said the MTA could receive better pricing by continuing the current RFP process, that the current RFP is due March 22nd and most had spent a great deal of time and money developing their proposals, and that coverage could continue without a break if a new firm was awarded the contract.

P. Chiodo also spoke against award of the contract.

Appearance of J. Walsh.

Director Alatorre asked when the RFP was sent to brokerage community and was told December, 1995, and that the RFP's were due the end of last week, but that there was an extension to March 22.

Members of the Board expressed concern that an RFP had been issued requesting proposals on how to structure our OCIP Program and Risk Management and at the same time staff was considering amending the current contract. Some concern was expressed that no other company could get a program in place in a timely manner so there would be continuous coverage.

Ronny Goldsmith indicated there is some concern that the program would have large gaps and would hold up construction of the rail projects.

Director Alatorre asked about accepting and evaluating the RFP's to determine if in fact better coverage and pricing was available.

CEO Joe Drew said that a key part of the urgency was tied to litigation concerns. He suggested delaying a decision today and scheduling a Closed Session review at the March 27th Board meeting to discuss the litigation portion. He also indicated that the Legal Committee had been briefed on the issues.

Director Riordan asked about extending the current contract for six months. Joe Drew said that if the Board takes action today, that the RFP would be amended to cover Operations only. He said that the original RFP included construction and operations. There was some discussion by members of the Board to accept RFP's next week then make a decision on whether to evaluate part of the RFP.

County Counsel Dave Kelsey indicated that the RFP's have been extended through March 28.

There was consensus of the Board to carry over this item to March 27 Board Meeting for consideration in Closed Session.

The meeting adjourned at 11:18 a.m.

PREPARED BY: Rhodona Enright, Recording Secretary

  
Janne Nielson  
Assistant MTA Secretary