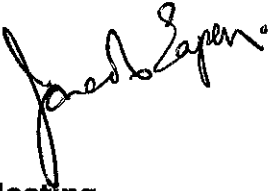


**A COMBINED MEETING OF THE BUSINESS AFFAIRS
AND EXECUTIVE COMMITTEES OF THE BOARD OF TRUSTEES
Community College of Philadelphia
Wednesday, June 17, 2015 – 9:00 A.M.**

TO: Business Affairs and Executive Committees of the Board of Trustees
FROM: Jacob Eapen 
DATE: June 16, 2015
SUBJECT: **Committee Meeting**

A combined meeting of the Business Affairs and Executive Committees of the Board of Trustees will be held on **Wednesday, June 17, 2015 at 9:00 A.M.** in the College's **Isadore A. Shrager Board Room, M2-1**. For those members who are dialing into the meeting, the following is the conference bridge information: **DIAL-IN NUMBER: 1-888-675-6779; PARTICIPANT PASSCODE: 2050590#**

AGENDA – PUBLIC SESSION

(1) 2015-16 Property and Casualty Insurance Renewal Program (Action Item):

Introduction

The College insurance program is reviewed annually prior to the July 1 renewal. During the renewal strategy meeting held on February 13, 2015, it was decided that, Willis (the College's current Broker) would approach the incumbent carriers and a few select insurers with higher education experience with the intent of securing identical (or better) coverages at premiums close to expiring. This strategy was effective as the workers compensation premium will be \$53,926 less than expiring, a 16% decrease and all property and casualty lines combined is increasing by \$6,578, a 1.2% increase. The total insurance premium for FY 2015-16 is \$847,910, and for FY 2014-15 was \$894,878 which is a reduction of \$46,968 or 5.2%.

General Liability

The College's general liability coverage has been with United Educators (UE) for the past fourteen years. Willis has opined that UE has the best General Liability (GL) policy form available in the higher education market offering the most comprehensive coverage. United Educators offered a renewal premium of \$167,838 which is \$6,896 or 4.3% higher than the expiring rate with no change to the deductibles (\$25,000 each occurrence; \$100,000 annual aggregate). The College was again granted a 4% premium rate credit based upon certain risk management initiatives that were undertaken during the year. Furthermore, the

College is entitled to a dividend of \$12,083 from United Educators if at least one coverage line (GL or Umbrella) is renewed. This, in effect, makes the net cost to the College for fiscal year 2015-16 equal to \$155,755. United Educators is organized as a reciprocal risk retention group – owned by its members like CCP; this would be the third consecutive year that the College will have received a dividend. The 5-year aggregate dividend to the College totals \$77,196.

Umbrella

The College's umbrella liability coverage (\$25 million for any one loss) has also been with United Educators for fourteen years. UE's policy form offers the most comprehensive coverage in the higher education market for umbrella/excess coverage according to Willis. United Educators offered a renewal rate of \$87,314 which is \$2,775 or 3.3% higher than the previous year's premium. This policy also sits on top of the \$1 million coverage for student medical malpractice insurance. It also provides excess general liability, automobile liability, employers' liability and foreign liability insurance. As with the general liability policy, the College was granted a 4 percent premium reduction based upon certain risk management initiatives that were undertaken during the year.

Workers' Compensation

The College's workers' compensation coverage has been with Highmark for the past two years. They offered a renewal premium with an increase of 7.7% over the expiring premium. Amerihealth, an Independence Blue Cross subsidiary, offered a rate of \$282,838 which is \$53,926 (16%) lower than the expiring premium. MEMIC, a monolithic insurance carrier based in Main that only writes workers compensation policies, offered a rate of \$283,286. The Human Resources Office and the College's Safety Committee continue to review all work-related claims and offer recommendations and training efforts where needed. The College's Safety Committee again received re-certification from the PA Department of Labor; this automatically makes the College eligible for a 5 percent reduction in premium.

Property

Affiliated FM quoted a rate of \$166,580 or \$4,678 (2.7%) lower than the expiring premium. The College will have a blanket limit of \$356,822,000 with a deductible of \$25,000. This policy also provides \$7 million of business interruption insurance.

Educator Legal Liability

The ELL policy provides management liability protection (\$15 million limit with a \$75,000 retention) for the College's Board of Trustees and the Foundation's Board of Trustees, employment practices liability, employed lawyers liability and professional liability for faculty and staff. AIG, the incumbent carrier, provided a quote of \$85,697 that is the same as the expiring premium.

Automobile

The incumbent carrier, Philadelphia Insurance Co., offered a renewal rate of \$22,074 which is \$779 higher than the prior year. The automobile policy covers employees driving College owned, rented or hired vehicles as well as providing collision and comprehensive coverage for the College's vehicles.

Student Medical Malpractice

CNA offered a quote of \$8,545 that is \$689 higher than the expiring premium. The College again received rate reductions for being a long-term client (4+ years) and for having no claims during the most recent four-year period. The number of students participating in clinical settings affects the cost of this insurance. This policy provides \$1 million in coverage to the College and to students and faculty related to their activities in a clinical setting.

Crime

Travelers, the incumbent carrier, offered a renewal rate of \$5,024 that is \$24 above the expiring rate. Travelers offered this rate based upon their opinion that the College had strong existing internal control features to prevent employee theft. This policy provides the College with protection against 1st party (employee) theft and 3rd party theft and fraud for a limit of \$4 million.

International Liability

This policy provides foreign-based general liability, automobile liability, and workers compensation coverage as well as travel, medical and security assistance services for faculty and staff traveling abroad. This policy also includes kidnap and extortion coverage. The annual cost for this three year policy from Navigators is \$3,111.

Security and Privacy (Cyber Insurance)

The College first secured this line of coverage for the 2011-2012 fiscal year. This insurance offers protection to the College if there were data security breaches or compromises of student and/or employee "private" information (as determined by federal and state jurisdiction). The carrier will provide forensic and legal assistance from a panel of experts to help determine the extent of the breach and the steps required to comply with applicable laws, include the following: notification to persons who must be notified under applicable law; offer 12 months of 3-bureau credit monitoring to affected individuals; identify theft-related fraud resolution services for individuals enrolled in credit monitoring who become victims of identity theft; and extend coverage for theft, loss or unauthorized disclosure of information held by business associates as defined by HIPPA. First party benefits include protection for data recovery and business interruption, extortion threats and regulatory defense and penalties. The policy also protects the College against 3rd party legal action for damages arising from the alleged breach (including

defense costs). The renewal quote received from AIG, is \$17,325, the same as the expiring premium. The College received a quote of \$16,735 from ACE. Both company's policies do not contain an exclusion related to portable devices and data that is not encrypted. The method in which coverage is applied varies: AIG will cover up to 250,000 affected persons for credit monitoring and identity restoration services regardless of the cost; ACE will cover an unlimited number of affected persons for credit monitoring and identity restoration services up to \$500,000. AIG has a sublimit of \$250,000 for forensic investigation and other services while ACE has no sublimit. Both policies are for \$1 million.

Broker Fee

The annual fee for 2015-16 is \$50,000, the same as last year, which represents the fourth year amount as outlined in Willis' proposal to the College's RFP issued in 2012.

Recommendation

College staff, after carefully considering the available options internally and with its broker representatives, recommends that the College procure insurance as detailed on the following page.

Committee recommendation to the full Board of the 2015-16 insurance program with a total cost, including broker fee, of \$897,910 is recommended.

<u>Coverage</u>	<u>Carrier</u>	<u>Expiring (2014-15) Premium</u>	<u>Renewal (2015-16) Premium</u>
General Liability (\$1M)	United Educators	\$160,942	\$167,838
Umbrella (\$25M)	United Educators	84,539	87,314
Workers' Compensation	Amerihealth	336,764	282,838
Property	Affiliated FM	171,258	166,580
Educators Legal Liability (\$15M)	AIG	85,698	85,698
Automobile	Phila. Insurance Co.	21,295	22,074
Student Medical Professional Liability (\$1M)	CNA	7,856	8,545
Crime (\$4M)	Travelers	5,000	5,024
International Liability	Navigators	2,851	3,324
Security & Privacy (\$1M)	AIG	17,325	17,325
Travel Accident		1,350	1,350
TOTAL INSURANCE PREMIUMS		\$894,878	\$847,910
Broker Fee	Willis	\$ 50,000	\$ 50,000

(2) Disposal of Fixed Asset Equipment – Total \$591,965 (Action Item):

The following is a list of fixed asset equipment that has been disposed of and fully depreciated. Such equipment has no asset value. The various department heads and the disposal committee have met and approved their disposal. According to College Policy & Procedures Memorandum No. 205 (Disposal of College Property), the College is required to have the President and Board approve the final disposal of items with purchase prices in excess of \$25,000.

Org Name	Purchase Price	Item Description	Purchase Date
Transportation Technologies Mgmt.	25,352.00	DIAGNOSTIC ANALYZER W/FRONT END 14 WHEEL ALIGNMENT	10/1/1993
Cardio-Respiratory	50,373.00	4400 HORIZON CPFT NICO STRESS METABOLUS 763290 BOARD PWB	6/1/1987
Multimedia Services	43,078.00	VIDEO DATA SYSTEM PLAY-BACK SUB SYSTEM THAT INCLUDES 12	7/1/1995
Multimedia Services	53,626.00	COLOR MONITOR (EDITING- SYSTEM) PAID BY SPSBA	5/1/1990
Multimedia Services	53,626.00	COLOR MONITOR (EDITING - SYSTEM) PAID BY SPSBA	5/1/1990
Multimedia Services	53,627.00	VIDEO-RECORDER (EDITING SYSTEM) PAID BY SPSBA	5/1/1990
Student Academic Computing Center	31,845.00	COMWEB TECHNOLOGY VIDEO DIST. SYSTEM	10/6/1996
Office of Information Tech Services	29,044.00	TRAIN PRINTER & CONTR OL 42F	10/1/1985
Office of Information Tech Services	45,140.00	VOICE/RESPONSE SYS CPU-16 LINES	8/1/1989
Telecommunications	32,450.00	EQUIPMENT FOR 1600 CALLOWHILL:1 SINGLE CABNET OPTION 11	7/1/1997
Telecommunications	43,898.00	IPE W/BASE CAP POWER CONDITIONER 1EA DTR CARD 1UNIVE	11/17/1998
Cardio-Respiratory	37,936.00	MEBABOLOC MEAS.CART PAID BY SPSBA	1/1/1992
Chemistry	26,051.00	SPECTROMETER NUCLEAR MAGNETIC RESONANCE	6/1/1984
Chemistry	65,919.00	SPECTROPHOTMETER SYSTEM	7/1/1993
	591,965.00		

Staff request that the Committee recommend to the full Board the disposal of fixed asset items totaling \$591,965.

(3) General Contractor Construction Biology Prep Room – Northeast Regional Center (Action Item):

The College is in process of renovating the Biology facilities at the Main Campus, Northeast and West Regional Centers. The renovation efforts at the Main Campus and West Regional Center involve laboratory, prep and classroom spaces and are to be bid together. The original intent for the Northeast Regional Center was limited to renovating the shared (Biology and Chemistry) prep room. However, through collaboration with the Biology Department, faculty, staff and Regional Center Director, it was determined that the existing shared prep room was inadequate to meet the growing needs of the program. A scope of work was defined wherein space issues and planned growth could be addressed. As a result, the prep room became a project suitable to be addressed independent of the other larger efforts. This resulting scope became largely focused on efforts of general trades contracting with very little required support (insufficient efforts for individual bidding) from mechanical, electrical and plumbing trades.

The College posted and requested bid responses from a number of General Contractors through the Pennsylvania Electronic Document & Bid Management Program (PennBid) identified as CCP RFP#9893. In addition to the contractors already registered within the PennBid system, the College contacted several contractors and minority contractors to participate. Despite these efforts, only two bidders (both previous contractors for the College) attended the mandatory pre-bid meeting and both submitted responses.

The original defined renovation construction budget for the Northeast Regional Center was **\$350,550**.

The bids received for the redefined scope are as follows:

Bid Respondent	Trade / Note	Amount
Bittenbender Construction, LP	General Construction / WBE	\$245,295.00
TE Construction Services, LLC	General Construction	\$247,000.00

The staff recommends awarding:

Staff recommend that the Committee approve awarding of this contract to the low bidder, Bittenbender Construction, LP in the amount of \$245,295.

(4) Development Advisory Services Relating for Public Private Partnerships (P3) (Action Item):

The President and the Vice President for Business and Finance is recommending to the Committee the approval of the Development Advisory Services contract for Public Private Partnership (P3) projects with JTC Cube Concepts, LLC; whose Principal is James R. Tucker. The extensive experience of James R. Tucker with P3 projects in the higher education space and in the Philadelphia market makes him uniquely qualified to provide the Development Advisory Services to the College. The Development Advisory Services contract shall include the assessment of location and demand; target developers and prepare RFP; response review, presentations, and developer recommendations; and selection and negotiations. The contract shall be task-oriented and payment should be completed based on the conclusion of each task. The total fees shall not exceed \$45,000 and a 0.5% of the project fee paid by the developer for ground lease. If the consulting services are not task-oriented, then the hourly fee shall be \$300. Attached is an article on Public Private Partnerships by Jim Tucker in the Philadelphia market.

(5) Next Meeting Date:

The next regularly scheduled meeting of the Committee is scheduled for Wednesday, September 23, 2015 at 9:00 A.M. in the Isadore A. Shrager Boardroom, M2-1.

JE/lm

Attachments

c: Mr. Matthew Bergheiser
Dr. Donald Generals
Mr. Todd E. Murphy
Mr. Anthony Simonetta
Mr. James P. Spiewak

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