

AGENDA MEMORANDUM

Future Item for the City Council Meeting of October 20, 2015
Action Item for the City Council Meeting of October 27, 2015

DATE: October 27, 2015

TO: Ronald L. Olson, City Manager

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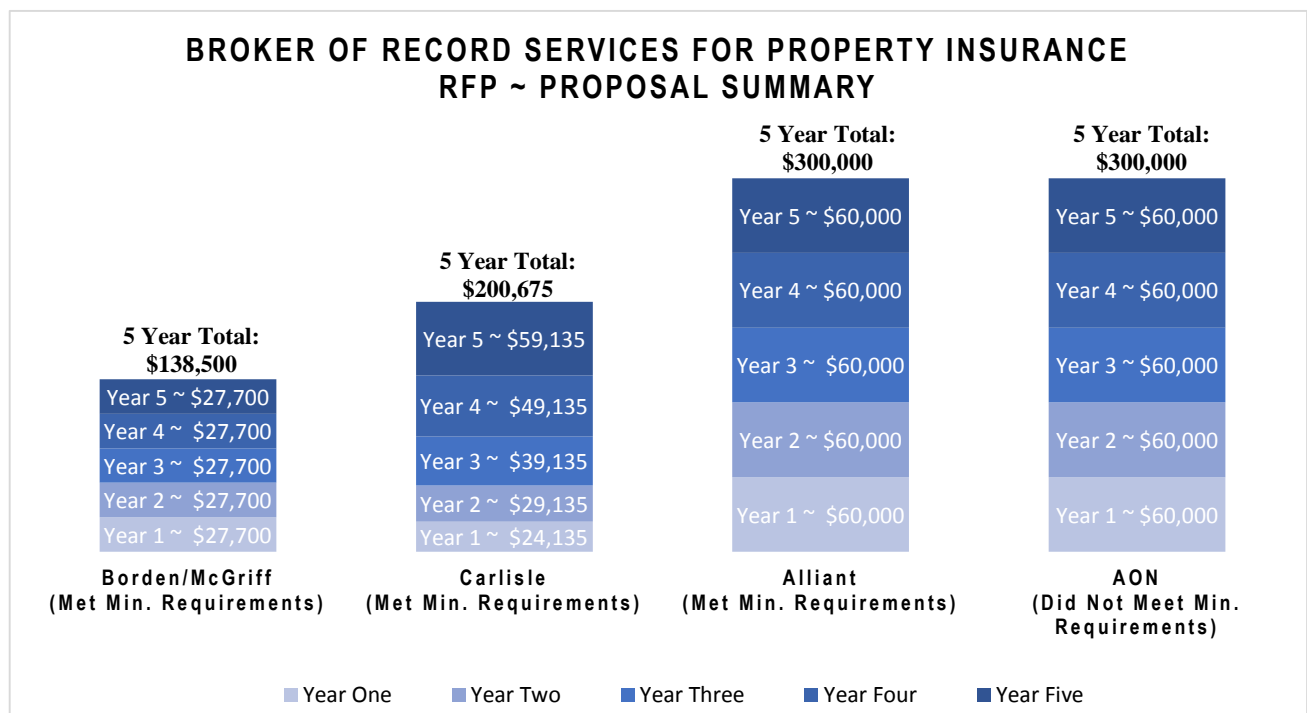
Authorizing Agreement for Proposals for Broker of Record Services for Property Insurance

CAPTION:

Motion approving a joint service agreement with Borden Insurance of Corpus Christi, Texas and McGriff, Seibels & Williams, Inc. of San Antonio, Texas, for Broker of Record Services for Property Insurance, based on lowest best proposal received, in response to Request for Proposal Event Number 71 in the amount of \$27,700. The term of the contract will be for one-year period, with options to extend for up to four (4) additional one-year periods subject to the approval of the Contractor and the City Manager or designee.

PURPOSE:

Obtain broker of record services for property insurance, in response to Request for Proposals. Responses are depicted as follows:



BACKGROUND AND FINDINGS:

In May of 2015, the City's Risk Management Division began the process of creating a single criteria Request for Proposal for a Broker of Record Services for Property Insurance. With the assistance of the City's Insurance Consultant, RWL Group, Inc. and the Senior Buyer of the City's Purchasing Department, the RFP was created, advertised and issued on July 31, 2015. On September 4, 2015, the evaluation team reviewed the 4 proposals received in order to verify compliance with all of the minimum requirements set forth in the RFP. The Borden Insurance and McGriff, Seibels & Williams, Inc., joint proposal was evaluated to be the best lowest proposal received in accordance with the Request for Proposal Event 71 for an estimated one-year expenditure of \$27,700.00 for Broker of Record Services for Property Insurance.

The term of the service agreement will be for one year with an option to extend for up to four additional twelve-month periods, subject to the approval of the service providers and the City Manager or designee. This service will provide the necessary expertise for the placement of the City's All-Risk property insurance program for all applicable City departments. Funds have been budgeted by the Legal Department in FY 2015-2016.

The City's Property Insurance Program currently carries Property Insurance coverage including: All Other Perils, Flood, Earth Movement, Wind, Named Storm and Equipment Breakdown coverages. The City's Property Insurance Program is a layered program with admitted and non-admitted commercial carriers participating. In addition to traditional insured property (buildings and contents), the City's schedule of insured property includes; wharves, docks, piers and fine arts. The City also purchases flood insurance for property located wholly or partially within the Special Flood Hazard Areas (SFHA) as defined by the Federal Emergency Management Agency (FEMA) in Flood Zone A through the National Flood Insurance Program. The Texas State Aquarium is also a named insured on the City's Property Insurance Program. Total Insured Values are currently estimated at \$688,954,976.

ALTERNATIVES:

Not applicable.

OTHER CONSIDERATIONS:

Not applicable.

CONFORMITY TO CITY POLICY:

This purchase conforms to the City's purchasing policies and procedures and State statutes regulating procurement.

EMERGENCY / NON-EMERGENCY:

Non-emergency.

DEPARTMENTAL CLEARANCES:

Legal Department

FINANCIAL IMPACT:

X Operating

☐ Revenue☐ Capital☐ Not applicable

| Fiscal Year: 2015-2016 | Project to Date Expenditures (CIP only) | Current Year | Future Years | TOTALS |
|-----------------------------------|--|---------------------|---------------------|---------------|
| Line Item Budget | | \$27,700.00 | \$0 | \$27,700.00 |
| Encumbered / Expended Amount | | \$0 | \$0 | \$0 |
| This item | | \$27,700.00 | \$0 | \$27,700.00 |
| BALANCE | | \$0 | \$0 | \$0 |

Fund(s): Liab/EB Liab

Comments: The Broker of Record Services for Property Insurance, Proposal Summary shown above represents the annual fee costs for all four proposers for 5 years during the normal budget process.

RECOMMENDATION:

Staff recommends approval of the motion as presented.

LIST OF SUPPORTING DOCUMENTS:

Service Agreement

Broker of Record Services for Property Insurance, Proposal Summary Breakdown