



Legislation Text

File #: 0864-2024, **Version:** 1

Background: On December 22, 2023, the Department of Finance and Management, Real Estate Management Office, solicited a Request for Proposals (RFP) for Insurance Brokerage and Risk Engineering Services for Property Casualty, Boiler & Machinery, Aviation, General Liability, and Excess Liability Insurance (RFQ026631). The Real Estate Management Office (REMO) sought to identify qualified insurance brokers, insurance agencies, or insurance agents to provide insurance brokerage services for the City's property casualty, boiler & machinery, aviation, general liability, and excess liability insurance programs.

Responses to the RFP solicitation were due January 25, 2024. The City received two (2) proposals. A committee of three (3) members evaluated and scored the proposals. The proposal submitted by USI Insurance Services, LLC received the highest total point score and scored significantly higher in both the ability and pricing categories. The committee recommended USI Insurance Services, LLC as the responder best qualified to provide insurance brokerage and risk management services to the City.

The City's current insurance brokerage and risk engineering services contract expires on April 30, 2024. The City desires to establish a five (5) year contractual relationship with USI Insurance Services, LLC as the City's insurance broker by a contract with an initial one-year term commencing May 1, 2024 and four (4) additional consecutive automatic one-year renewals. Each renewal term being subject to the appropriation of funds by City Council and the certification of funds availability by the City Auditor. The insurance brokerage and risk engineering service fee for the initial one-year term and first renewal term will be \$52,000.00. Funds for the initial term are budgeted and available within the Finance and Management 2024 General Revenue Budget.

This ordinance authorizes the Director of Finance and Management to award and enter into a contract with USI Insurance Services, LLC for an initial one-year term commencing May 1, 2024 and terminating April 30, 2025 with four (4) additional consecutive automatic one-year renewals, each renewal term being subject to the appropriation of funds by City Council and the certification of funds availability by the City Auditor. The contract will contain a provision stipulating that the brokerage and risk engineering fee is not earned until the City's annually selected insurance coverage is underwritten and in effect. Therefore, no funds for the contract are due until the City selects its annual insurance coverage, the broker places the policies, and those policies are in effect. In June, a separate ordinance will be submitted requesting funds for payment of both the brokerage and risk engineering fee and the cost of annual premiums for the City's 2024-2025 insurance term.

The Contract Compliance Number for USI Insurance Services, LLC is 13-3771734.

Fiscal Impact: The funding for this contract is budgeted and the funds are available within the Department of Finance and Management 2024 General Fund Budget. The expenditure of funds for payment of the brokerage and risk services fee will be requested in a separate ordinance along with the funds for payment of the premiums associated with the insurance coverage acquired to protect City assets for the August 1, 2024 through July 31, 2025 insurance year.

Emergency action is requested to allow for the immediate award of RFQ026631 and a contract to USI Insurance Services, LLC so that insurance brokerage services may continue uninterrupted to meet timelines necessary to ensure the underwriting of policies to protect the City's assets for the 2024-2025 insurance year.

To authorize the Director of Finance and Management to award a contract and execute those documents necessary to

enter into an insurance brokerage and risk engineering services contract with USI Insurance Services, LLC for an initial term of one (1) year and four (4) consecutive one (1) year automatic renewal terms, with the initial contract term commencing May 1, 2024 and terminating April 30, 2025, and to declare an emergency. (\$0.00)

WHEREAS, the Department of Finance and Management, Real Estate Management Office, solicited a Request for Proposals for Insurance Brokerage and Risk Engineering Services for Property Casualty, Boiler & Machinery, Aviation, General Liability, and Excess Liability Insurance (RFQ026631); and,

WHEREAS, after evaluation of the two (2) responses to the RFP received by the City, it was determined that USI Insurance Services, LLC is the best qualified responder to provide insurance brokerage and risk management services to the City having scored the highest in ability, price and total points; and,

WHEREAS, the Department of Finance and Management has deemed it in the best interest of the City of Columbus to enter into a contract for insurance brokerage and risk engineering services with USI Insurance Services, LLC; and,

WHEREAS, it is necessary to authorize the Director of Finance and Management to execute a contract with USI Insurance Services, LLC for insurance brokerage and risk engineering services for an initial one (1) year term and four (4) consecutive automatic one (1) year renewal terms, each renewal term being subject to the appropriation of necessary funds by Columbus City Council and certification of availability of funds by the City Auditor; and,

WHEREAS, an emergency exists in the usual daily operations of the Department of Finance and Management in that it is immediately necessary to award a contract and execute those documents necessary to enter into an insurance brokerage and risk engineering services contract to ensure that brokerage and risk engineering services provided to the City for its insurance program continue without interruption, thereby preserving the public health, peace, property, safety, and welfare; **now, therefore:**

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That the Director of Finance and Management be and is hereby authorized and directed to enter into contract with USI Insurance Services, LLC for the provision of insurance brokerage and risk engineering services for an initial one (1) year term and four (4) consecutive automatic one (1) year renewal terms commencing on May 1, 2024.

SECTION 2. That the terms and conditions of the contract shall be as prepared and approved by the Department of Law and shall include the following:

- a) The insurance brokerage and risk engineering service fee for the initial one (1) year term shall be \$52,000.00 with each subsequent renewal term at the fee set forth in the contract schedule, subject to the appropriation of necessary funds by the City Council and certification of availability of funds by the City Auditor City.
- b) The City shall have the ability to make changes to its insurance program including the addition of buildings, aircrafts, vehicles, modifying coverage limits, adding types or lines of coverage, and if the City significantly expands its existing program or adds new types of coverage, increasing the brokerage fee, as agreed upon by the City.
- c) The total annual cost of the contract for each term shall include the brokerage fee plus the actual underwriting cost to bind the policies of insurance coverage selected by the City with the brokerage and risk engineering fee not being payable until the City's annually selected insurance coverage is underwritten and in effect.
- d) Such other terms and conditions as agreed to and approved by the City Attorney.

SECTION 3. That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is

declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.