



Legislation Text

File #: 2046-2012, **Version:** 1

Background: In April, 2009 the Department of Finance and Management, Real Estate Management Office solicited Request for Proposals (RFP) No. SA003242 to identify qualified insurance brokers, insurance agencies, or insurance agents to provide insurance brokerage and risk engineering services for the City's three (3) insurance programs - property (casualty), boiler and machinery, and aviation. Based upon the evaluation of the bid responses, the City entered into an agreement with Arthur J. Gallagher Risk Management Services, Inc. for insurance brokerage and risk engineering services pursuant to Ordinance No. 0943-2009. The contract contained an initial one-year term and four one-year automatic renewals subject to appropriation of funding by City Council and certification of funds availability by the City Auditor. The contract is currently in its third renewal term as authorized by Ordinance No.1348-2012.

Since 2009, City operations have been expanded to include new services to the public that were not provided when the contract for insurance brokerage and risk engineering services was initiated. In order to best protect the interests of the City and to provide for prudent management of risk, it has been determined that a fourth program of insurance for commercial general liability should be added to the City's insurance coverage. The existing contract with Arthur Gallagher does not include requirements for the provision of this type of coverage. Therefore, in order for the City to obtain brokerage services for commercial general liability coverage, the current contract with Arthur J. Gallagher Risk Management Services, Inc. must be amended to include the City's requirements for the provision of services associated with this fourth program of insurance.

The Contract Compliance Number for Arthur J. Gallagher Risk Management Services, Inc. is 36-2102482 and the expiration date is 01/12/2014.

Fiscal Impact: The final cost of the commercial general liability coverage is not available until the broker completes the solicitation of quotes from various underwriters in the market. The estimated annual cost of this coverage is approximately \$30,000. Funds for the City's 2012-2013 insurance programs were previously appropriated via Ordinance No.1348-2012 and are available on AC 033841 to cover the cost of this new coverage.

To authorize the Director of Finance and Management to execute those documents necessary to amend an insurance brokerage and risk engineering services contract with Arthur J. Gallagher Risk Management Services, Inc. to include the provision of brokerage services for general commercial liability coverage and authorization to bind the general commercial liability coverage selected by the City; and to declare an emergency. (\$0.00)

WHEREAS, it is in the best interest of the City of Columbus for the prudent management of risk to amend its contract for insurance brokerage and risk engineering services to include brokerage services for commercial general liability coverage and the authorization to bind the insurance coverage selected by the City; and

WHEREAS, it is necessary to authorize the Director of Finance and Management to execute an amendment to the insurance brokerage and risk engineering services contract with Arthur J. Gallagher Risk Management Services, Inc. to include the provision of brokerage services for commercial general liability coverage and the authorization to bind this coverage as selected by the City; and

WHEREAS, an emergency exists in the usual daily operations of the Department of Finance and Management in that it

is immediately necessary to amend the contract for insurance brokerage and risk engineering services to include brokerage services for commercial general liability and the authority to bind such coverage 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 execute an amendment to the contract with Arthur J. Gallagher Risk Management Services, Inc. to add the provision of insurance brokerage for commercial general liability coverage and the authority to bind this coverage as selected by the City.

SECTION 2. That the term and conditions of the contract amendment shall be in form approved by the City Attorney's Office and shall include the following:

- a) That the scope of services be amended to reflect that the broker will market and bind the City's general liability insurance program on an annual basis; said policy shall include coverage for bodily injury and personal property damage in the minimum amount of \$2,000,000 per occurrence; that the City may elect to reduce, add, or change policy coverage amounts and/or the selected operations to be insured; and that additions to the policy may occur at any time during the term at an additional premium which shall be determined at the time the additional coverage is requested..
- b) 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.