



Legislation Text

File #: 1463-2017, **Version:** 1

Background: This ordinance authorizes the Director of Finance and Management to pay the cost of the second renewal term for the insurance brokerage and engineering services contract with Wells Fargo Insurance Services USA, Inc. In addition the ordinance binds coverage for all City 2017-2018 insurance programs and expends up to \$395,000.00 from the Department of Finance and Management, 2017 Budget and up to \$150,000.00 from the Department of Public Safety, 2017 General Fund Budget for payment of brokerage and policy premiums associated with the City's insurance programs. This ordinance also authorizes the Director of Finance and Management to approve any necessary changes in the City's insurance programs, such as additions of buildings, aircraft, vehicles, modify coverage limits, and additions to type or lines of coverage during the 2017-2018 insurance year.

The City entered into a contract with Wells Fargo Insurance Services USA, Inc. pursuant to SA 005700, for a five year period, consisting of an initial one-year term and four automatic consecutive one-year terms with each automatic renewal subject to appropriation of necessary funds as authorized by Ordinance No. 0885-2015, passed on 04/22/2015. The first of four (4) automatic one (1) year renewals was exercised pursuant to Ordinance No. 1539-2016. This ordinance seeks authority to exercise and pay the costs associated with the second of four (4) automatic one (1) year renewals.

The Contract Compliance Number for Wells Fargo Insurance Services USA, Inc. is 56-1882208.

Fiscal Impact: This ordinance authorizes the expenditure of up to \$545,000.00 for policy premiums and brokerage fees associated with Wells Fargo Insurance Services USA, Inc. for insurance coverage necessary to protect the City's assets. This expenditure does not reflect an increase and is slightly lower than the previous insurance year. The Department of Finance and Management budgeted \$395,000.00 and the Department of Public Safety budgeted \$150,000.00 in 2017 for this insurance coverage. In 2016, \$546,700.00 was expended for these insurance services.

Emergency action is requested to allow for uninterrupted insurance brokerage services, the binding of property, boiler and machinery, general and excess liability, and aviation insurance coverage, and the payment of all premiums for the insurance year 2017-2018.

To authorize the Director of Finance and Management to renew the second of four (4) automatic one (1) year contract renewals with Wells Fargo Insurance Services USA, Inc. for the payment of brokerage services and policy premiums for the City's 2017-2018 insurance program; to authorize the expenditure of \$150,000.00 from the General Fund; to authorize the expenditure of \$395,000.00 from the Employee Benefits Fund; and to declare an emergency. (\$545,000.00).

WHEREAS, pursuant to Ordinance No. 0885-2015, the City of Columbus entered into an insurance brokerage and risk engineering services contract with Wells Fargo Insurance Services USA, Inc. for a five year period consisting of an initial one (1) year term and four (4) automatic consecutive one-year renewal terms, and

WHEREAS, it is necessary to authorize the expenditure of funds to pay the cost for the insurance brokerage and risk engineering services contract with Wells Fargo Insurance Services USA, Inc. for the second renewal term and for the cost of all premiums for the City's property (casualty), boiler and machinery, general liability, excess liability, and aviation insurance policies for the insurance year commencing August 1, 2017 and terminating July 31, 2018; and

WHEREAS, it is necessary to authorize the Director of Finance and Management to make any changes required in the City's insurance programs during the 2017-2018 policy term to modify coverage limits, insure additional buildings, aircraft, vehicles, and add types or lines of coverage; and

WHEREAS, an emergency exists in the usual daily operations of the Department of Finance and Management in that it is immediately necessary to authorize the Director to renew the contract with Wells Fargo Insurance Services USA, Inc. and to authorize the expenditure of funds for payment of insurance brokerage and risk engineering services and insurance policy premiums to ensure that insurance coverage continues 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 renew and pay the cost for the renewal of the contract with Wells Fargo Insurance Services USA, Inc. for provision of insurance brokerage and risk engineering services, the cost of all insurance premiums for property (casualty), boiler and machinery, general liability, excess liability, and aviation policies, and to make any necessary changes in the City's insurance program required during the 2017-2018 term and pay the associated costs of any additional insurance premiums incurred.

SECTION 2. That the expenditure of \$545,000.00, or so much thereof that may be necessary in regard to the action authorized in Section 1, be and is hereby authorized and approved in Fund 5502 Employee Benefits Fund in Object Class 3, Contractual Services (\$395,000) and in Fund 1000 General Fund in Object Class 3, Contractual Services (\$150,000.00) per the accounting codes in the attachment to this ordinance.

SECTION 3. That the funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated and the City Auditor shall establish such accounting codes as necessary.

SECTION 4. That the expenditures as authorized in Section 2 shall be paid upon order of the Director of Finance and Management and that no order shall be drawn or money paid except by voucher, the form of which shall be approved by the City Auditor.

SECTION 5. That the City Auditor is authorized to make any accounting changes necessary to ensure that payment or this contract is properly accounted for and recorded accurately on the city's financial record. The City Auditor is authorized to make any changes to revise the funding source for any contract modification associated with this ordinance.

SECTION 6. That for 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.