



Legislation Text

File #: 1712-2018, **Version:** 1

Background: This ordinance authorizes the Director of Finance and Management to amend the existing Contract for Insurance Brokerage And Risk Engineering Services ("Contract") to reflect USI Insurance Services National Inc. as successor in interest to Wells Fargo Insurance Services USA, Inc., to amend the brokerage fee for the third and fourth renewal terms of the Contract, and to pay all costs associated with insurance premiums and brokerage services for the third renewal term. In addition, this ordinance authorizes the Director of Finance and Management to bind coverage for all City 2018-2019 insurance programs and expend up to \$395,000.00 from the Department of Finance and Management 2018 Budget, up to \$150,000.00 from the Department of Public Safety 2018 General Fund Budget, and to expend \$349,695.51 from the Department of Utilities 2018 Budget for payment of brokerage and policy premiums associated with the City's insurance programs. Finally, it 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, modification of coverage limits, and additions to type or lines of coverage during the 2018-2019 insurance year.

In 2015, the City entered into the Contract For Insurance Brokerage And Risk Engineering Services 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. Wells Fargo Insurance Services USA, Inc. has been purchased by USI Insurance Services National Inc. ("USI") and USI is the successor in interest to the City's existing Contract For Insurance Brokerage And Risk Engineering. An amendment to the Contract is necessary to memorialize this change and to adjust the brokerage fee for the third and fourth renewal terms. The Contract provides for an adjustment in the brokerage service fee upon the City making a significant change to its insurance program or significantly expanding its existing insurance program during the term of the Contract. The City is expanding its 2018-2019 insurance program to include selected Department of Public Utilities sites and a brokerage service fee has been negotiated to reflect this expansion.

The Contract Compliance Number for USI Insurance Services National, Inc. is 56-1882208.

Fiscal Impact: This ordinance authorizes the expenditure of up to \$894,695.51 for policy premiums and brokerage fees associated with insurance coverage necessary to protect key City assets. The funding for this contract renewal and all insurance policy premiums is budgeted in the Department of Finance and Management 2018 Budget (\$395,000.00), the Department of Public Safety 2018 General Fund Budget (\$150,000.00) and the Department of Public Utilities Water Operating Fund (\$170,932.87), Sewer Operating Fund (\$175,032.52), and Power Operating Fund (\$3,730.12).

Emergency action is requested to allow for uninterrupted insurance coverage of key City assets and provide for 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 2018-2019.

To authorize the Director of Finance and Management to amend the existing Contract for Insurance Brokerage And Risk Engineering Services and to expend funds for payment of a contract renewal with USI Insurance Services National, Inc. for insurance brokerage services; to bind the City's insurance policies for the term commencing August 1, 2018 and terminating July 31, 2019; to authorize the expenditure of up to \$395,000.00 from the Employee Benefit Fund, \$150,000.00 from the 2018 General Fund, \$175,032.52 from the Sewer Operating Fund, \$170,932.87 from the Water Operating Fund and \$3,730.12 from the Power Operating Fund for payment of brokerage services and policy premiums for the City's 2018-2019 insurance program, and to declare an emergency. (\$894,695.51).

WHEREAS, pursuant to Ordinance No. 0885-2015, the City of Columbus entered into a Contract For Insurance Brokerage And Risk Engineering (“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, Wells Fargo Insurance Services USA, Inc. was purchased by USI Insurance Services National Inc. thereby making it necessary to amend the Contract to memorialize and recognize this change in the Broker’s name and to amend the brokerage service fee; and

WHEREAS, the City is expanding its property insurance program which necessitates that the brokerage service fee be amended for the third and fourth renewal term as provided for in the Contract to fairly compensate the Broker for its work in soliciting multiple underwriting quotes and binding coverage for the City’s expanded program.

WHEREAS, it is necessary to authorize the expenditure of funds to pay for the cost of the insurance brokerage and risk engineering services contract with USI Insurance Services National Inc.. for the third renewal term and 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, 2018 and terminating July 31, 2019; 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 2018-2019 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 expenditure of funds for payment of an insurance brokerage and risk engineering services contract 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 to execute a First Amendment To Contract For Insurance Brokerage And Risk Engineering as prepared and approved by the City Attorney’s Office.

SECTION 2. That the Director of Finance and Management be and is hereby authorized and directed to pay the cost for the third renewal of the contract with USI Insurance Services National Inc., successor in interest to 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, to make any necessary changes in the City’s insurance program required during the 2018-2019 term, and to pay the associated costs of any additional insurance premiums incurred.

SECTION 3. That the expenditure of \$395,000.00, 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 per the accounting codes in the attachment to this ordinance.

SECTION 4. That the expenditure of \$150,000.00, 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 Department of Public Safety Fund 1000 General Fund in Object Class 3, Contractual Services per the accounting codes in the attachment to this ordinance.

SECTION 5. That the expenditure of \$175,032.52, 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 Department of Public Utilities Sewer Operating Fund 6100 in Object Class 3, per the accounting codes in the attachment to this ordinance.

SECTION 6. That the expenditure of \$170,932.87, 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 Department of Public Utilities Water Operating

Fund 6000 in Object Class 3, per the accounting codes in the attachment to this ordinance.

SECTION 7. That the expenditure of \$3,730.12, 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 Department of Public Utilities Power Operating Fund 6300 in Object Class 3, per the accounting codes in the attachment to this ordinance.

SECTION 8. 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 9. 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 10. That the City Auditor is authorized to make any accounting changes necessary to ensure that the costs associated with this ordinance are 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 11. 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.