



## Legislation Text

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**File #:** 0650-2019, **Version:** 1

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**Background:** On December 3, 2018 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 (RFQ011046). 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 by 1:00 p.m. on January 24, 2019, and the City received a total of five (5) responses. Each response was evaluated and scored by the five (5) members of the Proposal Evaluation Committee. Subsequently, the Committee met and discussed the proposals and the scoring, and determined that USI Insurance Services, LLC presented the most responsive proposal, and is the best qualified responder to provide insurance brokerage and risk management services to the City having scored the highest in total points and also achieving the highest score in all five (5) of the evaluation categories.

The City desires to establish a five (5) year contractual relationship with USI Insurance Services, LLC as the City's insurance broker with an initial one-year term and four (4) additional automatic one-year renewals. Each renewal term is subject to the appropriation of funds by City Council and the certification of funds availability by the City Auditor.

Based on the City's existing insurance program, the insurance brokerage and risk engineering service fee for the initial one-year term and for each of the four automatic renewal terms of the Contract will be \$47,000.00 per year. The brokerage fee may be adjusted, as agreed upon by both parties, if the City significantly expands its existing program or adds new types of coverage. 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.

This ordinance authorizes the Director of Finance and Management to execute those documents necessary to enter into a contract with USI Insurance Services, LLC for Insurance Brokerage and Risk Engineering Services for an initial one-year term commencing May 1, 2019 to April 30, 2020 and four automatic one-year renewals each subject to City Council approval of funds and certification of funds availability by the City Auditor; to bind coverage for all City insurance programs for the term August 1, 2019 through July 31, 2020; and to expend up to: \$395,000.00 from the Department of Finance and Management 2019 budget, \$150,000.00 from the Department of Public Safety 2019 budget, and to expend up to \$420,533.00 from the Department of Public Utilities 2019 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 program, such as additions of buildings, aircraft, vehicles, modify coverage limits, and additions to type or lines of coverage during the 2019-2020 policy term.

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

**Fiscal Impact:** The funding for this contract and the cost of all insurance premiums is budgeted and the funds are available within the Department of Finance and Management 2019 General Fund Budget (\$395,000.00); the Department of Public Safety 2019 General Fund Budget (\$70,000.00) and the Law Enforcement Contraband Seizure Fund (\$80,000.00); and the Department of Public Utilities Water Operating Fund (\$171,000.00), Sewer Operating Fund (\$213,533.00), and Power Operating Fund (\$36,000.00). This ordinance authorizes the expenditure of up to \$965,533.00 for premiums and brokerage fees associated with insurance coverage necessary to protect City assets.

**Emergency action** is requested to allow for uninterrupted insurance brokerage services and the binding of property, boiler and machinery, general and excess liability, and aviation insurance coverage for the insurance year 2019-2020 to protect the City's assets.

To authorize the Director of Finance and Management to 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 with four (4) automatic renewal terms each one (1) year in length; to bind the City's insurance for the term commencing August 1, 2019 and terminating July 31, 2020; to authorize the expenditure of up to \$965,533.00; and to declare an emergency. (\$965,533.00)

**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 (RFQ011046); and,

**WHEREAS**, after evaluation of the five (5) 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 total points and the highest score in all five (5) of the evaluation categories; and,

**WHEREAS**, based on the evaluation, 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 term of one (1) year and four (4) automatic renewal terms, each one (1) year in length, each renewal term being subject to the City's approval by the appropriation of necessary funds by Columbus City Council and certification of availability of funds by the City Auditor; and,

**WHEREAS**, it is necessary to authorize the expenditure of funds for an insurance brokerage and risk engineering services contract with USI Insurance Services, LLC and for the cost of the City's selected insurance policies for the insurance year commencing August 1, 2019 and terminating July 31, 2020; and,

**WHEREAS**, it may be necessary for the Director of Finance and Management to make changes in the City's insurance program to modify coverage limits, insure additional buildings, aircraft, and/or vehicles, and add types or lines of coverage that may result in additional premium costs during the 2019-2020 policy term; 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 insurance brokerage and risk engineering services for the City's insurance programs and the actual underwriting cost of the City's selected insurance policies 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 enter into contract with USI Insurance Services, LLC for provision of insurance brokerage and risk engineering services for an initial term of one (1) year and four (4) automatic renewal terms for insurance brokerage and risk engineering services with an initial term of May 1, 2019 through April 30, 2020.

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

shall include the following:

- a) The insurance brokerage and risk engineering service fee for the initial one (1) year term and all four automatic one (1) year renewal terms of the contract shall be \$47,000.00 with each renewal term subject to the City's approval by the appropriation of necessary funds by the City Council and certification of availability of funds by the City Auditor City
- b) The City has the ability to make changes to the existing insurance program including the addition of buildings, aircraft, vehicles, modifying coverage limits, adding types or lines of coverage, and increasing the brokerage fee, as agreed upon by both parties, if the City significantly expands its existing program or adds new types of coverage.
- 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.
- d) Such other terms and conditions as agreed to and approved by the City Attorney.

**SECTION 3.** That the Director of Finance and Management be and is hereby authorized and directed to pay contract costs for the contract with USI Insurance Services, LLC for provision of insurance brokerage and risk engineering services, and for the cost of insurance premiums for property (casualty), boiler and machinery, general liability, excess liability, and aviation insurance policies, and to make any necessary changes in the City's insurance program required during the 2019-2020 term and pay the associated costs of any additional insurance premiums incurred.

**SECTION 4.** That the expenditure of \$395,000.00, or so much thereof that may be necessary in regard to the action authorized in Section 1 and Section 3, 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 5.** That the expenditure of \$70,000.00, or so much thereof that may be necessary in regard to the action authorized in Section 1 and Section 3, 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 6.** That the expenditure of \$80,000.00, or so much thereof that may be necessary in regard to the action authorized in Section 1 and Section 3, be and is hereby authorized and approved in Department of Public Safety Fund 2219 Law Enforcement, Contraband, Seizure Fund in Object Class 3, Contractual Services per the accounting codes in the attachment to this ordinance.

**SECTION 7.** That the expenditure of \$213,533.00, or so much thereof that may be necessary in regard to the action authorized in Section 1 and Section 3, 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 8.** That the expenditure of \$171,000.00, or so much thereof that may be necessary in regard to the action authorized in Section 1 and Section 3, 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 9.** That the expenditure of \$36,000.00, or so much thereof that may be necessary in regard to the action authorized in Section 1 and Section 3, 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 10.** 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 11.** That the expenditures as authorized in Section 3 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 12.** That the City Auditor is authorized to make any accounting changes necessary to ensure that this contract is properly accounted for and recorded accurately on the City's financial record. That the City Auditor is authorized to make any changes to revise the funding source for any contract or contract modification associated with this ordinance.

**SECTION 13.** 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.