

**CITY COUNCIL
COMMUNICATION:**

03-606

AGENDA:

DECEMBER 22, 2003

SUBJECT:

INSURANCE AGENT-
BROKER SERVICES
CONTRACT

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

MERRILL R. STANLEY
FINANCE DIRECTOR

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

SYNOPSIS —

On January 25, 1999, the City Council approved the negotiation and execution of a contract with Jester Insurance Services, Inc. as the City's insurance agent of record. The contract was for three years and included two 12-month renewals. The City has renewed this contract twice with the final renewal to end on February 29, 2004. On September 22, 2003, the City Council approved the issuance of an Agent-Broker Services Request for Proposals (RFP). Proposals have been received and evaluated and it is the selection committee's recommendation that a new three-year contract with two 12-month renewals be entered into with Jester Insurance Services, Inc. effective March 1, 2004.

FISCAL IMPACT —

The flat-rate fee for this contract will be \$45,000 annually. The total fee for the first three years is \$135,000. The fee for the first year of this contract will be included in the City's 2004/2005 Operating Budget, if approved by Council.

RECOMMENDATION —

Approval.

BACKGROUND —

On June 22, 1998, the City Council directed staff to issue an RFP to competitively select an insurance agent or broker of record for the City. On January 25, 1999, the City Council approved that staff could negotiate and execute a contract with the recommended proposer, Jester Insurance Services, Inc. That contract was executed on March 4, 1999. The resulting contract was for a period of three years including the option of two 12-month renewals. The first renewal was approved by Council on February 18, 2002, and the second renewal was approved on January 27, 2003.

On September 22, 2003, Council approved the issuance of a new RFP soliciting proposals from insurance agents and brokers interested in providing services to the City of Des Moines. Copies

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of the RFP were received by Marsh USA, Inc. (formerly KVI); LaMair-Mullock-Condon Co.; Holmes Murphy & Associates; Jester Insurance Services, Inc.; and Arthur J. Gallagher & Co. of Iowa, Inc. Both LaMair-Mullock-Condon Co. and Arthur J. Gallagher & Co. notified the City of their choice to not submit a proposal in response to the City's RFP. Marsh USA, Inc. provided no response to the RFP.

The Agent-Broker Services RFP Evaluation and Selection Committee reviewed the proposals submitted by Holmes Murphy & Associates and Jester Insurance Services, Inc. In addition, the Committee interviewed members of the proposed account team from each. Based on their review of each proposal and the results of the interviews that were conducted, the Committee scored each proposer based on how well they responded to the following evaluation criteria: (1) overall agreement of each proposal to the provisions of the RFP; (2) the qualifications of the proposer; and (3) the flat-fee required by each proposer. After compiling a consensus score for each of these criteria for each of the proposers, the Committee selected Jester Insurance Services, Inc. as the proposer to be recommended to Council for approval.

