



Council Communication

Office of the City Manager

Date	February 9, 2009
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Agenda Item No.	32
Roll Call No.	<u>09-</u>
Communication No.	<u>09-051</u>
Submitted by:	Allen McKinley, Finance Director

AGENDA HEADING:

Insurance Agent/Broker Services Contract 2009

SYNOPSIS:

Recommend approval of the Insurance Agent/ Broker Services Contract for 2009. Every five years since March 1, 1999, the City's Finance Department has prepared and distributed a Request for Proposals (RFP) in order to competitively solicit proposals for the providing of insurance agent/broker services to the City. The City's current contract expires on February 28, 2009. On November 5, 2008, the Finance Department prepared and distributed an RFP soliciting proposals for a new contract to be effective March 1, 2009. RFPs were sent to five companies and proposals were received from Holmes Murphy and Jester Insurance Services, Inc. The Evaluation and Selection Committee recommended Jester Insurance Services, Inc. as having best met the evaluation criteria. The average annual not-to-exceed total cost of Jester Insurance Services, Inc.'s proposal was \$50,000 and that of Holmes Murphy was \$54,500.

FISCAL IMPACT:

Amount: \$50,000 each year over six years (\$ 40,000 per year the City and \$10,000 per year for the Des Moines Municipal Housing Agency.

Funding Source: First year funding: 2009-2010 Operating Budget:

- City: Tort Liability, GE005, FIN940500, page 149.
- DMMHA: Central Office, SP350, HSG029000, page 176.

ADDITIONAL INFORMATION:

As stated above, the City has had a contract for Insurance Agent/Broker Services since 1999, with the current contract expiring on February 28, 2009. Since July 1, 2004, this Contract has included providing these service to both the Des Moines Municipal Housing Agency (DMMHA) (as a City department, but funded through HUD) and the Des Moines Metropolitan Wastewater Reclamation Authority (WRA) (as required by WRA/City Operating Agreement). The DMMHA fee is fixed by contract and the WRA's fee is a portion of the City's fixed fee reimbursed to the City. The DMMHA's fixed fee is based on the agent/broker having to market primary insurance coverages in addition to the overall insurance coverages required by the City. The WRA's insurance does not require additional marketing because the WRA's insurance is provided by the City by operating agreement.

In order to ensure continued services, the Finance Department issued RFPs on November 5, 2008. RFPs were mailed to Arthur J, Gallagher Risk Management Services, Inc. (West Des Moines, Iowa), Holmes Murphy & Associates (West Des Moines, Iowa), Lamair-Mullock-Condon Co. (West Des Moines, Iowa), Jester Insurance Services, Inc. (Des Moines, Iowa) and Johnson Insurance Services, LLC (Madison, Wisconsin). Proposals were received from Holmes Murphy & Associates and Jester Insurance Services, Inc.

The RFP Evaluation and Selection Committee evaluated the proposals received against the following criteria specified in the RFP: (1) how well the proposal meets the requirements of the RFP as a whole; (2) the proposer's qualifications and Scope of Services capabilities; and (3) the proposed cost. An additional one percent of total possible points was awarded to the proposals meeting the local preference requirement. After scoring each proposal individually, the Evaluation and Selection Committee met and discussed the proposals and based on that discussion arrived at a consensus score for each of the criteria for each proposal.

PREVIOUS COUNCIL ACTION(S):

Date: December 22, 2003

Roll Call Number: 03-2906

Action: Insurance Agent/Broker Services Contract with Jester Insurance Services, Inc. effective March 1, 2004. (Council Communication No. 03-606)
) Moved by Brooks to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Prior to expiration of this Contract (no later than February 28, 2015), issue a Request for Proposals to ensure continued insurance agent/broker services.

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