

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	May 18, 2015
	Agenda Item No.	47
	Roll Call No.	<u>15-837</u>
	Communication No.	<u>15-265</u>
	Submitted by:	Dan Ritter, Finance Director

AGENDA HEADING:

Approving an exception to the procurement ordinance competitive Request for Proposal (RFP) process for good cause and approving renewal amendment to insurance agent/broker services contract with Jester Insurance Services, Inc.

SYNOPSIS:

Approve good cause shown and authorize the City to contract for insurance agent/broker services with Jester Insurance Services Inc. for one (1) additional year, through February 28, 2016.

FISCAL IMPACT:

Amount: \$43,000 less commission (no change from FY 2015)

Funding Source: Tort Liability - G005, ND405645 page 92 of the budget document

ADDITIONAL INFORMATION:

As a part of the City’s Operating Budget Plan for FY 2014, the Finance Department restructured the risk management function to achieve cost savings. Part of the plan was to have the City’s Insurance Agent/Broker take on more responsibilities as staff reductions occurred in the Finance Department. Accordingly, the City’s Insurance agent/broker services contract was amended to expand the current scope of services to allow for the provision of the needed expanded services.

The organization has changed in business practices and people since the restructuring. Council confirmed the appointment of a new Finance Director /Treasurer on April 6th. The recommendation that the services be exempted from the competitive RFP process for good cause shown, pursuant to the Municipal Code, would allow the Finance Director to review the restructuring and assess if any change in process, support services, or other aspects of the contract and risk management is needed. Since the current agent/broker provided assistance in developing past policies and programs, and has been providing assistance as required in the amended contract, the review would include how well the new structure is working and if there are issues that need to be addressed.

Since the current agent/broker has worked with the City for some time, they have knowledge of the programs and issues related to special events, leases, and contracts, which would all be looked at as well to examine what the City has done, and what options can further be explored to improve programs

and avoid injuries and losses. The assessment may result in changing current language in the RFP for broker services, identification of areas for specific services to be contracted, reallocation of current staff to risk management activities, or new policies and training.

PREVIOUS COUNCIL ACTION(S):

Date: February 27, 2012

Roll Call Number: [12-0300](#)

Action: [Amendment](#) to insurance agent/broker services contract with Jester Insurance Services, Inc. ([Council Communication No. 12-104](#)) Moved by Meyer to adopt. Motion Carried 7-0.

Date: February 9, 2009

Roll Call Number: [09-0197](#)

Action: [Proposal](#) for Insurance Agent/Broker Services with Jester Insurance Services Inc., \$50,000 annually. ([Council Communication No. 09-051](#)) Moved by Vlassis to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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