

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	February 20, 2017
	Agenda Item No.	37
	Roll Call No.	<u>17-299</u>
	Communication No.	<u>17-103</u>
	Submitted by:	Dan E. Ritter, Finance Director

AGENDA HEADING:

Approving proposal for insurance agent broker services and authorizing the City Manager to negotiate and execute a contract with Jester Insurance Services, Inc.

SYNOPSIS:

The City of Des Moines covers its risk exposures through a combination of self-insurance, insurance and excess insurance. Recommend approving proposal for insurance agent broker services and authorizing the City Manager to negotiate and execute a contract with Jester Insurance Services, Inc. for a new contract to be effective March 1, 2017. On December 22, 2016, the Finance Department prepared and distributed a Request for Proposals (RFP) soliciting proposals from qualified insurance agents/brokers to assist in the administration of City’s self-insurance/insurance program. RFPs were sent to eight (8) potential proposers and received proposals from Arthur J. Gallagher Risk Management Services, Inc. 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 Arthur J. Gallagher & Company was \$80,000. The current insurance contract expires on February 28, 2017.

FISCAL IMPACT:

Amount: \$50,000 each year over three (3) years, with a three (3) year renewal option of \$52,500 per year.

Funding Source: First year funding: 2017-2018 Operating Budget:

- City: Tort Liability, G005, ND405645, page 92.
- The Des Moines Municipal Housing Agency (DMMHA): Central Office, S350, HS01000, page 115.

ADDITIONAL INFORMATION:

In order to ensure continued services, the Finance Department mailed RFPs 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), Aon Consulting (West Des Moines, Iowa), Marsh, Inc. (West Des Moines, Iowa), Reynolds & Reynolds, Inc. (Des Moines, Iowa) and Bernie Lowe & Associates (Ankeny, Iowa) .

Proposals were received from Arthur J. Gallagher Risk Management Services, Inc. & Associates and Jester Insurance Services, Inc.

The RFP Evaluation and Selection Committee included staff members from the Finance, Housing, Human Resources and Parks Departments. The 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 1% 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.

The City does not own the Des Moines Metropolitan Wastewater Reclamation Authority (WRA) but does, by contract, operate its facilities. The WRA purchases its own insurance. The City allocates a portion of its premiums related to Excess Workers Compensation and Crime Insurance to the WRA because City employees operate WRA facilities and provide financial services to the WRA.

The DMMHA is a quasi-City governmental entity that operates as a City department but is funded and regulated by the United States Department of Housing and Urban Development. The City purchases General and Automobile Liability (see paragraph e below) insurance for DMMHA sufficient to meet the City's \$2,000,000 self-insured retention (SIR). The General Liability Insurance purchased through the Housing Authority Risk Retention Group, Inc. The annual renewal date for DMMHA insurance is January 1.

PREVIOUS COUNCIL ACTION(S):

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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