

CITY OF EL PASO, TEXAS
AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT: Office of Management & Budget/Insurance & Benefits

AGENDA DATE: January 5, 2010

CONTACT PERSON/PHONE: David Almonte, 541-4350 ; Terrence Freiburg, PurchasingMgr.541-4313

DISTRICT(S) AFFECTED: All

SUBJECT:

Discussion and Action to exercise the City's final option to award the property insurance and boiler and machinery insurance coverage to Great American Insurance Company through Wells Fargo Insurance Services, Inc. for one additional year though January 2, 2011.

BACKGROUND / DISCUSSION:

The City of El Paso carries property insurance for buildings, contents, boiler and machinery equipment and various City owned heavy equipment. Great American Insurance Company is quoting a renewal premium of \$431,204 effective January 3, 2010 with a combined total of \$1,087,333,632 for building and contents values, a \$500M limit per occurrence and a \$250,000 deductible per occurrence. Insured perils under this policy include, but not limited to fire, windstorm, hail; extensions of coverage include, but not limited to, loss of revenue/extra expense, valuable papers and records, accounts receivable, flood and mobile equipment. The mobile equipment coverage has a sublimit of \$6M with a \$2,500 deductible on any scheduled item with a value of less than \$250,000 and \$5,000 deductible on any scheduled item with a value greater than \$250,000. Flood coverage has a sublimit of \$25M excluding flood zones A, V & B; coverage is provided in zones C & X where the majority of City property is located. The premium in 2009 was \$470,043.

A quote was requested from the Texas Municipal League (TML). TML quoted an annual premium of \$457,093 with a combined total of \$1,087,333,632 building and contents values, a \$150M limit per occurrence and a \$250,000 deductible per occurrence. Insured perils included in the quote were the same as the Great American renewal quote. The mobile equipment coverage has a sublimit of \$6M with a \$25,000 deductible. Flood coverage has a sublimit of \$50M with no flood zone exclusions.

The City will prepare a request for proposal in 2010 for property insurance coverage.

PRIOR COUNCIL ACTION:

Council awarded the property insurance coverage to Great American Insurance Company in January 2006 through solicitation #2006-014R for an initial three year period (January 3, 2006 – January 2, 2009) with the option to renew for two additional years, one year at a time. This is a request for the final extension.

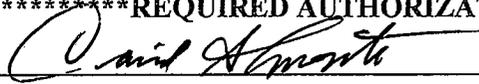
AMOUNT AND SOURCE OF FUNDING:

Non-departmental Account, 99010273-01101-504409

BOARD / COMMISSION ACTION: NA

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD: _____



APPROVED FOR AGENDA: _____

CITY MANAGER: _____

DATE: _____

PROJECT FORM

DATE: December 22, 2009

TO: Municipal Clerk

FROM: Terrence Freiburg
Purchasing Manager, ext. 4313



Deniese Baisley
Procurement Analyst, ext. 4263

Please place the following item on the CONSENT agenda of January 5, 2010

Item should read as follows:

Request that the Purchasing Manager for Financial Services, Purchasing Division, be authorized to exercise the City's option to extend to extend current Contract 2006-014R (Property and Boiler Machine Insurance Coverage) with Great American Insurance Company through Wells Fargo Insurance of Texas, Inc. for one additional year pursuant to the provisions of an award approved by City Council on January 3, 2006. Extended contract period is through January 2, 2011.

Department: OMB/Insurance & Benefits
Option: Two [Of Two]
Total Estimated Amount: \$431,204.00
Funds Available in: 99010273-01101-504409
Funds Source: Non-Departmental Account
District (s): All

SPECIAL INSTRUCTIONS: _____

Municipal Clerk's Use

ITEM NO. _____

**MOTION
DECEMBER 9, 2008**

Motion made, seconded, and unanimously carried to **APPROVE** a Resolution authorizing the City Manager to sign Consent to Assignment and Option to extend the City of El Paso Contract No. 2006-014R by and between the City of El Paso, Rogers & Belding Insurance Agency, Inc. ("Assignor") and Wells Fargo Insurance Services of Texas, Inc. ("Assignee") for Property and Boiler Machine Insurance Coverage in which Assignor/Assignee is the broker for insurance coverage to be provided by Great American Insurance Company.

| | |
|------------------------|---|
| Department: | OMB/Insurance & Benefits |
| Option: | One [of Two] |
| Account No.: | 99010273 – 504409 – 01101 |
| Funding Source: | OMB/Insurance & Benefits, Property Insurance Expense, Special Items, Operating Account |
| Total Estimated Award: | \$470,043 |

Richarda Duffy Momsen, City Clerk

**MOTION
JANUARY 3, 2006**

Motion made by Mayor Pro Tempore O'Rourke, seconded by Representative Byrd and unanimously carried to award RFP Solicitation No. 2006-014R Property, Casualty, Boiler and Machinery Insurance

| | |
|------------------|---|
| Award to: | Rogers & Belding Insurance Agency, Inc. El Paso, Texas |
| Item(s): | All |
| Amount: | \$480,635.00 1 st Year |
| Department: | OMB/Insurance & Benefits |
| Funds available: | 99010273-01101-504409 |
| Funding source: | Operating Account, Property Insurance |
| Total award: | \$1,441,905.00 |
| District (s): | All |

OMB/Insurance & Benefits, Financial Services Department Purchasing Division and the review committee have met and reviewed the proposals that were received. It is the recommendation of the committee to award the RFP to Rogers & Belding Insurance Agency, Inc.

This is a thirty-six (36) month contract with the options to extend the contract for two (2) additional years on a year to year basis.

Additionally, it is requested authorization for City staff to negotiate, City Attorney's Office to review, and the City Manager be authorized to execute any related contract documents, agreements and budget transfers necessary during the contract.

Richarda Duffy Momsen, City Clerk