

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

**DEPARTMENT:** Office of Management & Budget/Insurance & Benefits

**AGENDA DATE:** December 9, 2008

**CONTACT PERSON/PHONE:** David Almonte, 541-4350 ; Terrence Freiburg, Purchasing Manager, 541-4313

**DISTRICT(S) AFFECTED:** All

**SUBJECT:**

**Discussion and Action to approve an assignment of Contract No. 2006-014R from Rogers and Belding Insurance Agency, Inc. to Wells Fargo Insurance Services, Inc. as the broker for Great American Insurance Company for Property and Boiler and Machinery Insurance Services, to exercise the City's option to extend the contract for one additional year until January 2, 2010 and to authorize the City Manager to sign the contract assignment and extension.**

**BACKGROUND / DISCUSSION:**

On December 1, 2007, Wells Fargo Insurance Services, Inc. purchased Rogers & Belding Insurance Agency, Inc. The first part of this item is the consent to assignment from Rogers & Belding to Wells Fargo.

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 \$470,043.00 effective January 3, 2009. The premium in 2008 was \$531,857.00. The renewal premium is \$61,814.00 less than the 2008 premium; an 11.6% reduction in the premium. The reduction in premium is primarily due to a reduction in the property rate from \$.040/\$100 of insured value to \$.035/\$100 of insured value and a reduction in the heavy equipment rate from \$.50/\$100 of insured value to \$.425/\$100 of insured value.

**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 first extension.

**AMOUNT AND SOURCE OF FUNDING:**

Non-departmental Account, 99010273-01101-504409

**BOARD / COMMISSION ACTION:** NA

\*\*\*\*\*REQUIRED AUTHORIZATION\*\*\*\*\*

**LEGAL:** (if required) \_\_\_\_\_ **FINANCE:** (if required) \_\_\_\_\_

**DEPARTMENT HEAD:** \_\_\_\_\_  
*David Almonte*

**APPROVED FOR AGENDA:**

**CITY MANAGER:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

**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 <sup>st</sup> 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

**RESOLUTION**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:**

That the City Manager be authorized 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.

**PASSED AND ADOPTED** this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

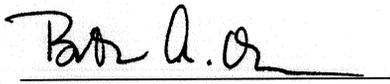
**THE CITY OF EL PASO**

\_\_\_\_\_  
John F. Cook  
Mayor

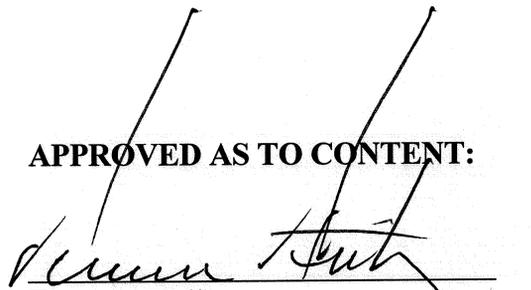
**ATTEST:**

\_\_\_\_\_  
Richarda D. Momsen  
Municipal Clerk

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Bertha A. Ontiveros  
Assistant City Attorney

**APPROVED AS TO CONTENT:**

  
\_\_\_\_\_  
Terrence Freiburg  
Purchasing Manager, Financial Services

STATE OF TEXAS        )  
                                  )  
COUNTY OF EL PASO    )

**CONSENT TO ASSIGNMENT  
AND OPTION TO EXTEND**

This Consent to Assignment is executed this 16th day of December, 2008, by and between the City of El Paso (the "City"), Rogers & Belding Insurance Agency, Inc. ("Assignor") and Wells Fargo Insurance Services of Texas, Inc. ("Assignee").

**WHEREAS**, on January 3, 2006, the City entered into Contract No. 2006-014R (Property and Boiler Machine Insurance Coverage) with Assignor as the broker for insurance to be provided by Great American Insurance Company, which contract is fully incorporated herein by reference. This agreement is herein referred to as the Contract;

**WHEREAS**, after entering into the Contract, the assets of Assignor were sold to Assignee;

**WHEREAS**, the Contract provides that it is not assignable without the consent of the City;

**WHEREAS**, the Assignor has requested that the City approve an assignment of the Contract to Assignee;

**WHEREAS**, the Assignee has agreed to be responsible for all duties and obligations under the Contract as of December 1, 2007;

**WHEREAS**, the City has agreed to the assignment of all rights, duties and obligations encompassed in the Contract to the Assignee and Assignee's assumption; and

**WHEREAS**, the City Council awarded the Contract for an initial three (3) year period (January 3, 2006 to January 2, 2009) with the option for the City to renew the contract for two (2) additional years, one year at a time.

**WHEREAS** the City desires to exercise its option to extend the term of Contract for one year until January 2, 2010.

**NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES OF  
THE PARTIES, IT IS HEREBY AGREED AS FOLLOWS:**

1. The City consents to the assignment of the rights, duties and obligations under Contract No. 2006-104R to Assignee and releases Assignor from any further liability under the Contract.
2. Assignee agrees to assume and perform all duties, obligations and responsibilities under Contract No. 2006-014 as of December 1, 2007.
3. The City hereby exercises its first option to extend Contract No. 2006-104R for one (1) year until January 2, 2010.
4. Except as set forth herein, all terms and conditions of Contract No. 2006-014R shall remain in full force and effect.
4. **Assignee agrees to indemnify, defend and hold harmless the City from and against any and all claims, demands, causes of action, court costs, expenses, and attorney's fees which are connected with or arise from the assignment of this Contract or the City's acceptance and recognition of the assignment of Contract No. 2006-014R.**

*(Signature Page to follow)*

STATE OF TEXAS       )  
  )  
COUNTY OF EL PASO   )

**CONSENT TO ASSIGNMENT  
AND OPTION TO EXTEND**

*(Signature Page)*

**EXECUTED** this the \_\_\_\_\_ day of \_\_\_\_\_, 2008.

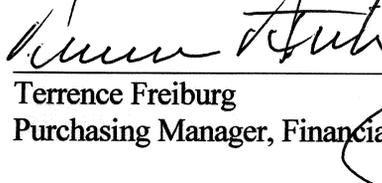
**THE CITY OF EL PASO**

\_\_\_\_\_  
Joyce A. Wilson  
City Manager

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Bertha A. Ontiveros  
Assistant City Attorney

**APPROVED AS TO CONTENT:**

  
\_\_\_\_\_  
Terrence Freiburg  
Purchasing Manager, Financial Services

**ASSIGNOR:**

**Rogers and Belding Insurance Agency, Inc.**

  
\_\_\_\_\_  
James E. Rogers, Jr.  
CEO

**ASSIGNEE:**

**Wells Fargo Insurance Services  
of Texas, Inc.**

  
\_\_\_\_\_  
Jim Brundage  
Vice President