

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

DEPARTMENT: Human Resources

AGENDA DATE: December 21, 2010

CONTACT PERSON(S) NAME(S)
AND PHONE NUMBER(S): Linda Ball Thomas, 541-4102, Irene Y. Morales, 541-4448
Bruce D. Collins, Purchasing Manager, 541-4313

DISTRICT(S) AFFECTED: All

SUBJECT:

Approve the award for Property, Casualty, Boiler & Machinery Insurance to Affiliated FM Insurance Company (Affiliated) through Wells Fargo Insurance Services USA, Inc. for an initial contract period of January 3, 2011 through January 2, 2014 with a one (1) year extension with an estimated three year cost of \$1,042,560.00 and a \$250,000/occurrence deductible.

BACKGROUND / DISCUSSION:

Request for Proposals #2011-033R was released seeking proposals for Property, Boiler and Machinery insurance. Two proposals were received. Texas Municipal League Intergovernmental Risk Pool (TML) and Affiliated FM Insurance Company through Wells Fargo Insurance Services USA, Inc. submitted proposals. Risk and Insurance Management Consultants, Inc. (RIMC) assisted the City with the evaluation of the proposals. The evaluation committee consisted of representatives from RIMC and the City of El Paso Human Resources Department. The evaluation criteria and weight of each is attached. The evaluation committee is recommending Affiliated FM Insurance Company. Affiliated received the higher score in all rating criteria and the higher total score overall.

Both offerors are guaranteeing the rate for the initial three year contract. The premium will increase or decrease depending on the total statement of values submitted by the City at the time of renewal. Affiliated submitted a proposal with a \$600M total property limit for \$347,520.00; TML submitted a proposal with a \$500M total property limit for \$407,148.00. The current property limit is \$500M with a \$250,000.00/occurrence deductible; the current annual premium is \$431,000.00. There have been no losses reported under the current property coverage.

Affiliated's proposal for mobile equipment coverage is included in the \$600M limit; TML's proposal for mobile equipment coverage has a \$6M limit for catastrophic coverage. TML's proposal includes \$100M for flood and earthquake coverage and Affiliated's proposal includes a \$1M limit with a \$500K deductible for properties located in flood zone A and a \$5M limit with a \$250K deductible for properties located in flood zone B. Affiliated will provide loss control services on a scheduled basis as determined in consultation with the City. Affiliated offers claims handling services through the local agent, Wells Fargo Insurance Services USA, Inc.

PRIOR COUNCIL ACTION:

Council extended the contract with the current provider on January 5, 2010, for one year through January 2, 2011. Council awarded the property insurance coverage to the current carrier, Great American Insurance Company on January 3, 2006.

AMOUNT AND SOURCE OF FUNDING:

Non-departmental, 01101-99010273-504409

BOARD / COMMISSION ACTION: NA

DEPARTMENT HEAD:

Linda Ball Thomas, Human Resources Director

COMMITTEE SCORE SHEET
REQUEST FOR PROPOSALS

Solicitation Title: PROPERTY, CASUALTY, BOILER AND MACHINERY INSURANCE
Solicitation No: 2011-033R

Total Points - Average			
Evaluation Criteria	Best Possible Score	Texas Municipal League Intergovernmental Risk Pool	Affiliated FM Insurance Co. through Wells Fargo Insurance Services USA, Inc.
\$250K Deductible			
Coverage Type Limits, terms, conditions and exclusions of the coverage provided, cost and services available from the broker, Insurer(s) and Pool(s).	35	19.0	29.3
Pricing	25	21.0	25.0
Experience	20	14.0	19.0
Loss Control Service and additional fees	10	5.3	8.3
Claims Adjusting Services	10	5.7	9.0
Total	100	65.0	90.6



CITY OF EL PASO REQUEST FOR PROPOSALS TABULATION FORM



Bid Opening Date: November 3, 2010

Project Name: Property, Casualty, Boiler and Machinery Insurance

Solicitation #: 2011-033R

Department: Human Resources - Risk Management

TEXAS MUNICIPAL LEAGUE INTERGOVERNMENTAL RISK POOL	AUSTIN, TX
WELLS FARGO INSURANCE SERVICES USA, INC. (WFIS)	EL PASO, TX
RFPs SOLICITED: 8	RFPs RECEIVED: 2
RFPs LOCAL: 3	NO RFPs: 0

NOTE: The information contained in this rfp tabulation is for information only and does not constitute actual award/execution of contract.

APPROVED: MWP

DATE: 11-4-10

STINSON & SONS INSURANCE
9900 MONTANA AVENUE SUITE A
EL PASO, TX 79925

BN & AI -
NDAA

TL WATROUS AGENCY
P. O. BOX 4170
EL PASO, TX 79914

ILONA LYDE
CHPA
5000 LEGACY DRIVE SUITE 100
PLANO, TX 75024

WELLS FARGO INSURANCE
SERVICES USA, INC.
ATTN: JIM BRUNDAGE
2505 E. MISSOURI AVENUE
EL PASO, TX 79903

J & G CONSULTANTS
P. O. BOX 134
WAKE ISLAND, HI 96898-0134

LIBERTY MUTUAL
C/O RICHARD RUSE
3 RIVERWAY SUITE 1300
HOUSTON, TX 77056

GRINDELL & ROMERO
ATTN: LEO ROMERO
227 S. MAIN
P. O. BOX 1929
LAS CRUCES, NM 88004-1929

TEXAS MUNICIPAL LEAGUE-
INTERGOVERNMENTAL RISK POOL
1821 RUTHERFORD LANE
AUSTIN TX 78754

TEXAS MUNICIPAL LEAGUE-
INTERGOVERNMENTAL RISK POOL
P. O. BOX 149194
AUSTIN, TX 78714