RESOLUTION NO. 09-247

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, AUTHORIZING ACCEPTANCE OF THE PROPOSAL FROM THE PREFERRED GOVERNMENTAL INSURANCE TRUST (PGIT) AS SUBMITTED BY THE PUBLIC RISK INSURANCE AGENCY (PRIA) IN THE AMOUNT OF $792,480.00 FOR THE CITY'S PROPERTY AND CASUALTY INSURANCE PROGRAM FOR POLICY YEAR 2009/2010; AUTHORIZING ACCEPTANCE OF PRIA AS THE AGENT/BROKER FOR THE CITY'S PROPERTY AND CASUALTY INSURANCE PROGRAM FOR POLICY YEARS 2010/2011 AND 2011/2012; AUTHORIZING ACCEPTANCE OF PROGRAM ENHANCEMENTS OFFERED BY PGIT FOR STOP LOSS AT A COST OF $5,000.00, INCREASED LAW AND ORDINANCE COVERAGE AT $7,053.00 AND INCREASED DEBRIS REMOVAL COVERAGE AT $7,053.00; AUTHORIZING THE PLACEMENT WITH ARTHUR J. GALLAGHER OF TWO SPECIFIC POLICIES, MARINA OPERATORS LEGAL LIABILITY (MOLL) COVERAGE AT A COST OF $29,451.60 AND WHARFINGERS LIABILITY COVERAGE AT A COST OF $26,765.00; PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the City issued RFP #09-010 requesting proposals for "property and casualty insurance program", which was opened on August 25, 2009; and

WHEREAS, the City received three responses to the RFP.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, AS FOLLOWS:

Section 1: That the proposal from Preferred Governmental Insurance Trust (PGIT) as submitted by the Public Risk Insurance Agency (PRIA) in the amount of $792,480.00 for the City's property and casualty insurance program for policy year 2009/2010 is hereby

accepted.

Section 2: That PRIA is accepted as the agent/broker for the City's property and casualty program for policy years 2010/2011 and 2011/2012.

Section 3: That program enhancements offered by PGIT for stop loss at a cost of $5,000.00, increased law and ordinance coverage at $7,053.00 and increased debris removal at $7,053.00 are accepted.

Section 4 That placement with Arthur J. Gallagher of two specific policies, marina operators legal liability coverage at a cost of $29,451.60 and wharfingers liability coverage at a cost of $26,765.00, is authorized.

Section 5: That this Resolution shall go into effect immediately upon its passage and adoption and authentication by the signature of the presiding officer and the Clerk of the Commission.

Passed and adopted by the City Commission at a meeting held this 15th day of September, 2009.

Authenticated by the presiding officer and Clerk of the Commission on September 16th, 2009.

Filed with the Clerk September 16th, 2009.

MORGAN MCPHERSON, MAYOR

ATTEST:

CHERYL SMITH, CITY CLERK

CITY MANAGER'S OFFICE
MEMORANDUM

TO: Jim Scholl, City Manager

FROM: Mark Z. Finigan, Assistant City Manager

DATE: September 9, 2009

SUBJECT: RFP 09-010
Property Casualty Insurance Program

ACTION STATEMENT:

Request the City Commission award the proposal from the Preferred Governmental Insurance Trust (PGIT) as submitted by the Public Risk Insurance Agency (PRIA) in an amount of $792,480 for the City's Property and Casualty Insurance Program for policy year 2009/2010 as well as recognizing PRIA as the agent / broker for the City's Property and Casualty Insurance Program for two (2) successive policy years, specifically 2010/2011 and 2011/2012. Additionally, City Commission accepts program enhancements offered by PGIT for Stop Loss at a cost of $5,000, increased Law and Ordinance coverage at $7,053 and increased debris removal coverage at $7,053.

City Commission authorizing the placement of two specific policies, Marina Operators Legal Liability (MOLL) coverage from Arthur J. Gallagher at a cost of $29,451.60 and Wharfingers Liability coverage from Arthur J. Gallagher at a cost of $26,765.

BACKGROUND:

On June 2, 2009 the City of Key West engaged Interisk Corporation, an independent insurance consultant, to assist the City in the development of a Request for Proposal (RFP) to receive competitive proposals for the City's Property and Casualty Insurance Program (to include Workers Compensation) for the 2009/2010 policy year. The last policy year the City's Property and Casualty Insurance Program was marketed was 2002/2003. In addition to preparing the RFP, Interisk Corporation was required to make market assignments, evaluate proposals and make a recommendation to the City of that proposal which offered the City the most comprehensive coverages at the lowest costs. A copy of Interisk's evaluation and recommendation, dated September 3, 2009, is attached.

On August 25, 2009, sealed proposals were received and were publicly opened by the City Clerk. Three (3) agents responded to the RFP:

- Marsh, USA
- Arthur J. Gallagher (the current agent)
- Public Risk Insurance Agency (PRIA)

Though Interisk Corporation was requested to provide a recommendation, the RFP required the formation of an evaluation committee that would review and evaluate each proposal submitted based on the following criteria.

Evaluation Factor	Weighted Percentage
Breath of Coverages being Proposed	30%
Strength and Financial Stability of Insurers	15%
Agents Experience with Governmental Entities	15%
Net Cost	30%
References	10%

The following committee was formed at the direction of the City Manager:

Mark Z. Finigan	Assistant City Manager/Administration
Roger Wittenberg	Finance Director
Sandy Gilbert	Human Resource Director
Sandra Barroso	Risk Manager

The Evaluation Committee met on September 8, 2009 at 1:00 p.m. in the City Manager's Conference Room. The meeting was properly noticed. Each proposal was reviewed to determine if the proposal was responsive to the submission requirements specified in this RFP. A responsive proposal is one which follows the requirements of the RFP, includes all documentation, is submitted in the proposal format outlined in the RFP, is of timely submission, and has the appropriate signatures as required on each document. Failure to comply with these requirements may render such proposal as non-responsive. It should be noted even though Interisk Corporation deemed Marsh, USA as non responsive, the Committee after discussion concluded that Marsh, USA was responsive and proceeded to consider them in the rating and ranking of the three (3) proposals submitted. After discussion and considering the recommendation of Interisk Corporation, Committee members individually rated the three (3) proposals based on the evaluation criteria stated above.

All Committee members individually rated the proposal submitted by Public Risk Insurance Agency (PRIA) the highest with Arthur J. Gallagher the second highest rated agent followed by Marsh, USA. Individual "score sheets" are attached. Based on the final aggregate rating, the Evaluation Committee recommends the City Commission

award the proposal from the Preferred Governmental Insurance Trust as submitted by Public Risk Insurance Agency (PRIA) for the City's Property and Casualty Insurance Program for policy year 2009/2010 as well as for two (2) successive policy years.

FINANCIAL IMPACT:

If the City Commission accepts the recommendations of the Evaluation Committee and Interisk Corporation to include the recognition of program coverage enhancements proposed by PGIT as well as authorizing the placement of MOLL and Wharfinger coverage with Arthur J. Gallagher, the dollar savings from the current policy period of 2008/2009 is approximately $225,000. It should be noted all coverage requirements of the City were met or exceeded by PGIT and at a minimum were no less than current year coverages.

RECOMMENDATION:

Request the City Commission award Preferred Governmental Insurance Trust's (PGIT) proposal as submitted by Public Risk Insurance Agency (PRIA) in an amount of $792,480 as the agent / broker for the City's Property and Casualty Insurance Program for policy year 2009/2010 as well as recognizing PRIA as the agent / broker for the City's Property and Casualty Insurance Program for two (2) successive policy years, specifically 2010/2011 and 2011/2012. Additionally, City Commission accepts program enhancements offered by PGIT for Stop Loss at a cost of $5,000, Law and Ordinance coverage at $7,053 and increased debris removal coverage at $7,053.

City Commission authorizing the placement of two specific policies, Marina Operators Legal Liability (MOLL) coverage from Arthur J. Gallagher at a cost of $29,451.60 and Wharfingers Liability coverage from Arthur J. Gallagher at a cost of $26,765