



**City of Coral Gables
CITY COMMISSION MEETING
March 24, 2009**

ITEM TITLE:

A Resolution authorizing the City Manager or Designee to negotiate and execute a contract with AON Risk Services, Inc. of Florida for Property coverage for three (3) years with two (2) additional two (2) year renewal options, with the first year premium and service fee not to exceed \$1,128,187 For the period May 1, 2009 to May 1, 2010.

ACTION REQUESTED BY THE BOARD/COMMITTEE:

The Insurance Advisory Committee is recommending that the City award the contract to AON Risk Services, Inc. of Florida for Property and other insurance coverage, effective May 1, 2009 to May 1, 2010.

RECOMMENDATION OF THE CITY MANAGER:

The City Manager recommends approval.

BRIEF HISTORY:

The City entered into a three year contract with a three year renewal option that began on May 1st, 2003 for Risk Management and Insurance Brokerage Services with Arthur J. Gallagher Risk Management Services, Inc. and AON Risk Services, Inc. of Florida after an RFP process. In October of 2008, the City advertised RFP 2008.10.31 – Risk Management & Insurance Brokerage Services for the Property and Casualty Lines of Insurance Coverage. This bid was protested and a decision was made to start the process over and in January of 2009, the City advertised RFP 2009.01.05 – Risk Management & Insurance Brokerage Services for the Property and Casualty Lines of Insurance Coverage. This RFP created a controlled platform for the City to obtain competitive bids on insurance broker service fees and competitive quotations on insurance policies (net of commissions) through a market assignment process.

The end result of this process is the Insurance Advisory Committee making a recommendation to name AON Risk Services, Inc. of Florida as the Property Insurance Broker. The following is a breakdown of the policy premiums and broker fee represented by this resolution:

Description of the Insurance Policy or Fee	Premiums/Fees for the May 1, 2009 to May 1, 2010	% Difference	Premiums/Fees for the May 1, 2008 to May 1, 2009
Primary Property Policy	\$1,001,623	+12.7%	\$888,804
Excess Property Policy	\$ 66,564	-5.5%	\$ 70,199
Insurance Brokerage Fees	\$ 60,000	-20.0%	\$ 75,000
Total Premiums and Fees	\$1,128,187	+9.1%	\$1,034,003

The total premium/fee increase year over year is 9.1% (\$109,184), mainly reflective of a 12.7% premium increase (\$112,819) in the primary property premium. It is noted that the premium for next most competitive bid was over \$700,000 higher.

FINANCIAL INFORMATION: (If Applicable)

Amount	Account No.	Source of Funds
\$1,128,187	540-000-590-4550	Insurance Fund
Total:	APPROVED BY:	<i>Donald A. Shulman</i>

APPROVED BY:

Department Director	City Attorney (If Applicable)	City Manager
<i>Maryann Ladd</i>		

Attachments:

1. Resolution
2. Related documents from AON Risk Services Inc of Florida response to RFP