



CITY OF GAINESVILLE

Broker /Agent Insurance & Risk Management Consulting Services RFP #RMDX-150054-DD

Arthur J. Gallagher Risk Management Services, Inc.

200 South Orange Avenue | Suite 1350 | Orlando | FL | 32801

Date of Opening: July 27, 2015

Time of Opening: 3:00 PM

Chris Connelly, ARM-P, ARE

Area Senior Vice President

Chris_Connelly@ajg.com

407-563-3513

Chad Reynolds

Principal, Energy Practice

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405-639-3850

Erica Connick, ARM-P

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Tab 1: Executive Summary

July 23, 2015

Mr. Doug Drymon, Senior Buyer
 City of Gainesville
 General Government Purchasing
 200 East University Avenue, Room 339
 Gainesville, FL 32601

RE: RFP NO. RMDX-150054-DD Broker/Agent Insurance and Risk Management Consulting Services

Dear Mr. Drymon:

Our Arthur J. Gallagher Risk Management Services, Inc. team would like to thank the City of Gainesville for the opportunity to respond to its “Request for Proposal for Broker/Agent Insurance and Risk Management Consulting Services.” We look forward to your review of our enclosed response.

Gallagher is uniquely positioned to meet and exceed the needs of the City. As the largest insurance broker specializing in public sector, we have the experience, resources, and insurance market relationships to significantly impact your risk management program costs.

The City’s objectives and technical requirements are met by the Gallagher RFP response in a variety of ways, including:

1. **Public Entity Qualifications and Experience:** Gallagher is the largest broker for public entities across the U.S. providing brokerage, claims, and loss control services to over 7,000 public entities. In Florida, Gallagher provides services to over 80 public entities including:

17 Cities	12 Counties
4 Pools	6 States
14 Special Districts	32 Public School Districts

2. **Utility and Power Generation Qualifications and Experience:** Gallagher has over 100 power generation clients worldwide.
3. **Staff Qualifications:** The City’s servicing team provides the City of Gainesville with a specialized individual group of individuals assigned to this account. Your core team is made up specialist who only handles accounts that are Public Sector or Energy.
 1. Your Energy service team handles all the accounts we have referenced in Section II, this reflects the experience of the team.
 2. Your Public Sector service team personally handles 13 clients over \$1 Billion in Total Insured Value and 9 clients with premiums over \$3 million.
4. **Insurance Market Leader:** Gallagher places more than \$20 Billion in annual insurance premiums per year.

5. **Program Structure:** Our team is extremely knowledgeable of the insurance markets, coverages and exposures for Public Entities and Utilities. We will be able to implement and improve the City's overall insurance program. Within Tab 4 under Gallagher's Project Approach we have provided examples of how we would improve GRU's current program and included comments regarding your loss control recommendations.

We appreciate the opportunity to present the unique capabilities of our company to the City. Should the evaluation committee have any questions or need further clarification, please don't hesitate to contact us.

Best Regards,

Your Gallagher Team:

Michael Gillon, ARM
Area President

Chris Connelly, ARM-P, ARe
Area Sr. Vice President

Chad Reynolds
Area Vice President

Erica Connick, ARM-P
Area Vice President



Tab 2: Qualifications

- Minimum Requirements
- Firm Overview

Section II	
B. Minimum Requirements	Gallagher Meets & Exceeds
1. Minimum 10 years' experience with public agencies of equal size and complexity to City of Gainesville is required.	Page 5-6
2. Experience with a power generating utility having at least 400 MW of generating capacity is required.	Page 5
3. Proposer's assigned Service Team should have experience with the marketing and placement of complex insurance programs, including the placement of a property program having a minimum total insured value of \$500,000,000., and which included a significant boiler and machinery component.	Page 6
4. Proposer's Service Team should have a public entity client with a minimum insurance placement of \$3 million.	Page 5-6
5. Proposer shall have experience coordinating loss control visits with carriers.	Page 5

Power & Generating Utility Experience

Name of Power Generating Utility	Number of MW	Services Provided	Number of Years as Client
Lakeland Electric (City of Lakeland)	875 MW	Property, General Liability Workers' Comp., Crime, Environmental, Airport Liability, Bond, Inland Marine, Risk Engineering Support	1994 to present
Central Louisiana Electric Company (CLECO)	4,611 MW	Property, Excess Liability, Executive Lines, Risk Engineering Support	2013 to present
Portland General Electric	4,073 MW	Property, Risk Engineering Support	2009 to present
Essential Power	1,755 MW	Property, General and Excess Liability, Executive Lines, Risk Engineering Support	2013 to present
Competitive Power Ventures	4,935+ MW	Property, General and Excess Liability, Risk Engineering Support	2008 to present
Wheelabrator Technologies	768 MW	Property, Excess Liability, Environmental, Risk Engineering Support	2014 to present
E.ON Climate and Renewables	2,935+ MW	Property, General and Excess Liability, Auto Liability	2008 to present
Equipower Resources	6,357 MW	Property, General and Excess Liability, Workers Comp, Auto Liability, Risk Engineering Support	2008 to 2015 (Assets Sold to Dynegy)
Constellation Energy	9,000+ MW	Property, Risk Engineering Support	1995 to 2013 (Merged with Exelon – Still manage aspects of Exelon/Constellation program)

*****All clients above have at least \$3 Million in premium spend and more than \$500 Million in total insurable values (TIV).***

Public Entity Experience

Name of Power Generating Utility	Services Provided	Total Insured Value / Premium	Number of Years as Client
Lakeland Electric (City of Lakeland) 875 MW	Property, General Liability Excess Workers' Comp., Crime, Environmental, Airport Liability, Bond, Inland Marine	TIV: \$1,900,000,000 Premium: Over \$3M	1994 to present
Pinellas County	Property / B&M – 2010, Public Entity Package, Marine, Aviation, Pollution, AD&D, Cyber, Terrorism, Excess, Workers' Comp, Crime, NFIP Flood	TIV: \$1,800,000,000 Premium: Over \$4M	2010 - present
Orange County	Property / B&M, General Liability, Auto Liability, Public Officials Liability, Cyber Liability, Excess Workers Comp, Crime, Pollution Liability	TIV: \$3,714,000,000 Premium: Over \$6M	2009 - present
Hillsborough County (Includes Waste-to-Energy)	Property / B&M, Excess Workers Comp, NFIP, Pollution Liability, AD&D, Aviation	TIV: \$2,095,000,000 Premium: Over \$8M	2002 - present
Pasco County (Includes Waste-to-Energy)	Property / B&M, General Liability Auto Liability, Excess Workers' Comp. Umbrella/Excess Liability, Crime, Environmental 3rd Party Storage Tank, Bond, Inland Marine, AD&D, Cyber	TIV: \$1,050,000,000 Premium: Over \$3M	1995 - present
Miami-Dade County	Property / B&M, Crime, NFIP, Terrorism	TIV: \$12,620,000,000 Premium: Over \$19M	1984 - present
Broward County	Property / B&M, Fiduciary, Excess Workers Comp, Pollution Liability, Aviation, Terrorism	TIV: \$4,740,000,000 Premium: Over \$22M	2009 - present
City of Jacksonville	Property / B&M, Public Entity Package, Excess Workers Compensation	TIV: \$3,046,000,000 Premium: \$5,900,000	2013 - present

Firm Overview

General Overview of Gallagher

Arthur J. Gallagher & Co. is one of the largest insurance risk management firms in the world. Gallagher was founded in 1927 and is publicly traded on the NYSE under the symbol "AJG." Gallagher has over 85 years of experience in the insurance brokerage and risk management industry. We have offices and affiliates in over 150 countries and are responsible for the placement and administration of approximately \$20 billion in written premium.

Arthur Gallagher



Family Founder

Robert "Bob" Gallagher



Publicly Traded

Patrick Gallagher, Jr.



Family Run

Arthur J. Gallagher & Co.

Home Office	The Gallagher Centre 2 Pierce Place Itasca, IL 60143-3141 (630) 773-3800
Founded	1927
Size	World's fourth largest insurance broker
Revenues	\$4.6 Billion in total revenues in 2014
Employees	20,000+
Sales and Service Offices	More than 650 Offices in 30 Countries
Public Sector Locations	Over 30+ Offices Over 325 Sales & Services Professionals
Area of Specialization	AJG has almost twenty industry and coverage practice groups servicing industries ranging from Public Sector, Energy, Transportation, Aviation, Construction, Food & Agribusiness, Healthcare, Higher Education, Tech & Telecomm, Religious & Nonprofit, Automotive, Entertainment, Hospitality, Law Firms, Restaurants, Equity Advisors, Life Sciences, Marine, and Real Estate.

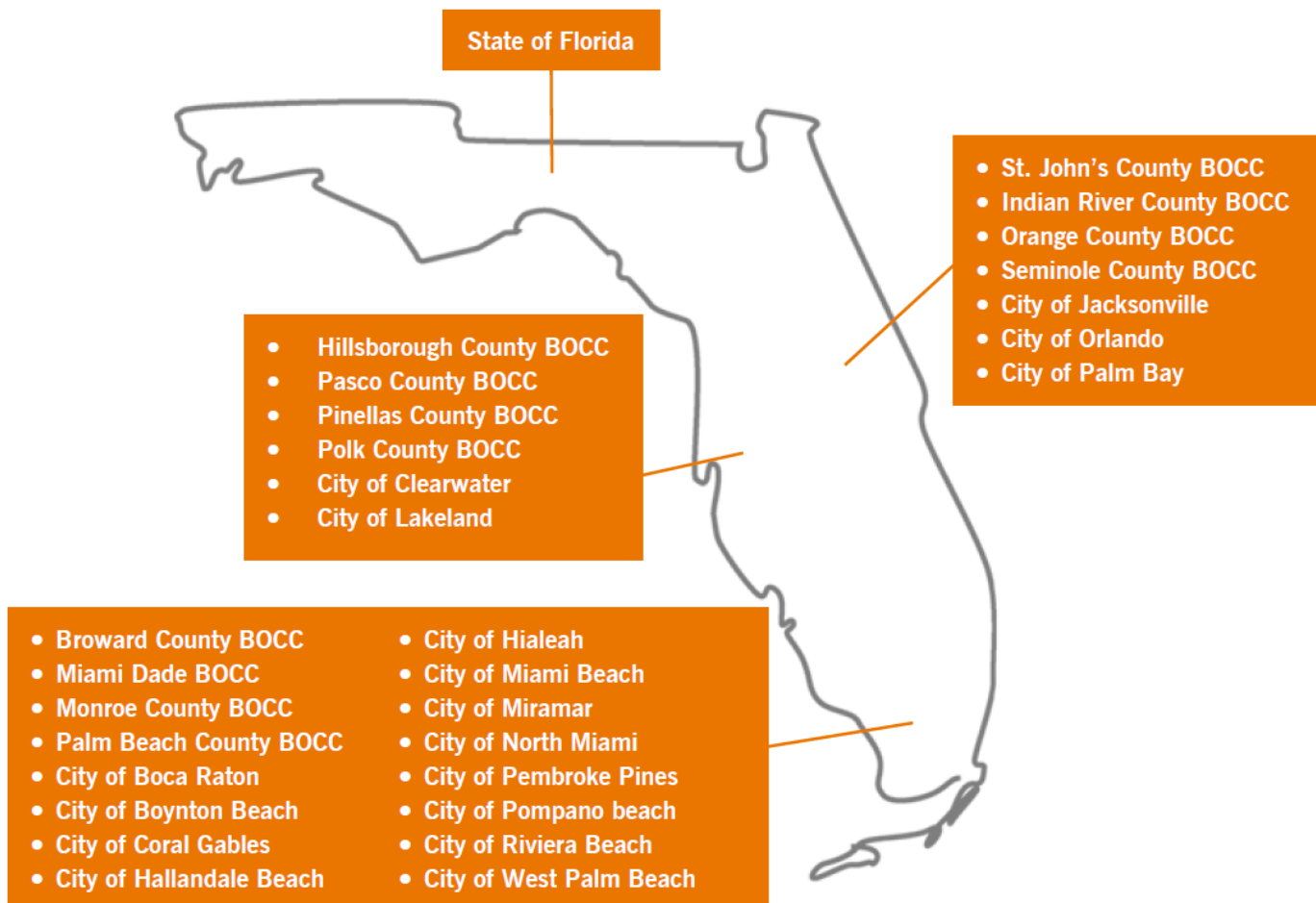
Gallagher Florida

In the State of Florida, Gallagher opened its first office in 1977. Arthur J. Gallagher & Co. currently employs 150 property and casualty employees in Florida, places over \$525 Million in property and casualty premium and maintains five brokerage offices (Boca Raton, Miami, Orlando, Tampa and Jacksonville).

To show our experience with Florida public entities, we have provided City of Gainesville the diagram below to illustrate our depth of knowledge for clients similar to City of Gainesville.

Our Gallagher Florida Public Entity team includes 38 dedicated full-time public sector members with over 985 years combined experience that manages over 80 Public Entities that include 31 Florida Public Entities that each have over \$1 Billion in Insurance values. Our team has over 20 public entity clients that have chosen Gallagher as their broker in multiple competitive solicitations for over 10 years. The following page is a sample of those clients.

Gallagher Florida Public State, County & City Clients



Florida Clients with Insured Values \$1 Billion or Greater

Client Name	Approximate TIV	Years as Client
FLORIDA CLIENTS		
State of Florida	\$22,420,000,000	7
Miami-Dade County Board of County Commissioners	\$12,620,000,000	29
The School Board of Miami-Dade County	\$8,195,000,000	37
Florida Colleges System Risk Management Consortium	\$7,200,000,000	35
The School Board of Broward County	\$6,219,000,000	38
Florida Department of Transportation	\$5,440,000,000	16
Florida Religious Organization	\$5,412,000,000	48
Broward County Board of County Commissioners	\$4,740,000,000	6
Orange County Board of County Commissioners	\$3,714,000,000	20
N.E. Florida Educational Consortium	\$3,500,000,000	33
City of Jacksonville	\$3,046,000,000	1
The School District of Duval County	\$3,023,000,000	34
The School Board of Polk County	\$2,758,000,000	1
Palm Beach County Board of County Commissioners	\$2,400,000,000	34
Greater Orlando Airport Authority	\$2,354,000,000	12
Hillsborough County Aviation Authority	\$2,267,000,000	1
Hillsborough County Board of County Commissioners	\$2,095,000,000	12
City of Lakeland	\$1,900,000,000	19
The School Board of Brevard County	\$1,896,000,000	14
Pinellas County Board of County Commissioners	\$1,800,000,000	5
Miami-Dade Water and Sewer	\$1,780,000,000	2
The School District of Osceola County	\$1,447,000,000	4
Panhandle Area Educational Consortium	\$1,203,000,000	2
Orlando-Orange County Expressway Authority	\$1,137,000,000	13
Pasco County Board of County Commissioners	\$1,050,000,000	20
Clay County School Board	\$1,000,000,000	17
TOTAL	\$110,616,000,000	

Energy Experience

Gallagher's worldwide Energy Practice has more than 150 dedicated professionals with office locations in the U.S., London, Mexico City, Rio de Janeiro, Singapore, Perth and the Caribbean. Our diverse team is comprised of individuals with backgrounds in risk management and insurance, including former risk managers, utility engineers, risk engineers, property underwriters, casualty and executive protection underwriters, attorneys and finance professionals. This provides GRU with unmatched hands-on energy experience and expertise from the Gallagher servicing team.

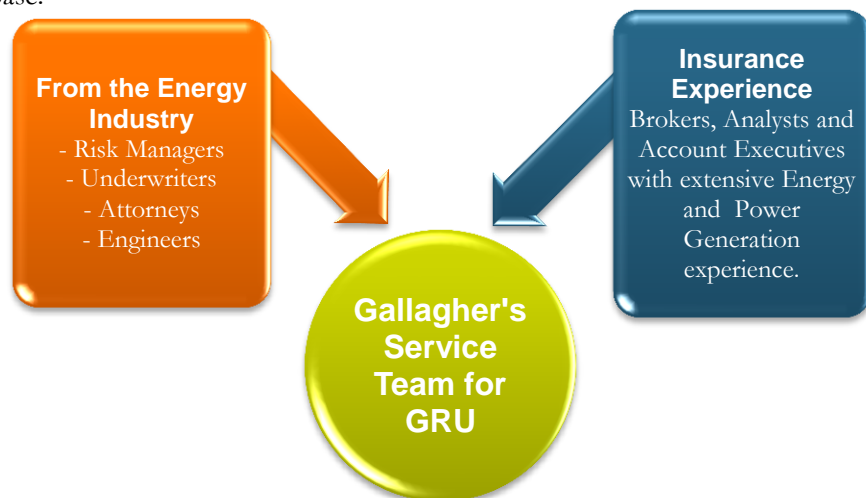
Power and Utilities

Gallagher has over 100 power generation clients worldwide ranging from large multinational companies to single location independent power producers. The Gallagher service team assigned to GRU includes members that focus exclusively on providing strategic advisory, insurance brokerage and/or ancillary professional services to investor owned utilities and independent power producers.

The worldwide Power & Utilities experience of the actual brokerage service team assigned to GRU includes more than 300 projects that collectively produce over 100,000 MW and an operation and maintenance portfolio of over 40,000 MW cumulatively valued at over \$60 billion. Gallagher has the experience, depth of bench and resources to provide "best-in-class" service to GRU.

Many of our staff members truly understand the challenges and frustrations that you face on a daily basis, because they have walked in your shoes while working at companies such as Kerr-McGee, Constellation Energy Group, Chesapeake Energy, Dominion Resources and Siemens Financial Services.

We have always taken the view of adding senior level additional technical support resources in advance of growing our client base. This is due to an understanding that client growth should never impact the servicing of Gallagher's existing client base.



Gallagher Public Sector Presence

Gallagher has the largest public entity brokerage team of all U.S. brokers. With over 300 professionals committed exclusively to this market segment, our clients benefit from shared knowledge within the public sector field, market leverage and past experiences. Our team's dedicated focus on the public sector provides us an intimate understanding of the environment in which you operate, and assist us in developing solutions and services tailored to the City. We have developed formalized public sector training programs that many of our clients have used for training both of their risk management teams and out into their field personnel. Many of these training programs may be accessed via online platforms. In these ways, we look to not only function as a third party intermediary, but also as a provider of valuable resources to the City of Gainesville.



Tab 3: Team Experience

Our proposed account servicing team for the City of Gainesville and GRU combines professionals from two of Gallagher's strongest niche groups – Public Sector and Energy. This partnership ensures that both the City and GRU have experts in place to address your insurance and risk management needs.

Gallagher Organizational Team Chart

Team Leaders

Public Entity Co-Team Leader Chris Connelly, ARM-P, Are Area Senior Vice President Chris_Connelly@ajg.com 407-563-3513	Energy Team Leader Chad Reynolds Principal, Energy Practice Chad_Reynolds@ajg.com 405-639-3850	Public Entity Co-Team Leader Erica Connick, ARM-P Area Vice President Erica_Connick@ajg.com 407-563-3554
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Energy Administration	Energy Loss Control & Claims Consulting	Public Entity Program Administration	Public Entity Loss Control & Claims Consulting
Energy Specialist Josiah Daniel Director, Gallagher Energy Josiah_Daniel@ajg.com 405-639-3852	Senior Energy John Munno Director of Engineering Services John_Munno@ajg.com 405-639-3890	Executive Leadership Michael Gillon, ARM Area President, Orlando Michael_Gillon@ajg.com 407-563-3550	Claims Advocate Bart Douglas, AIC, Director Gallagher Claims Advocacy Bart_Douglas@ajg.com 305-639-3121
Energy Specilast Michael Berlinghof Senior Accuont Executive Michael_Berlinghof@ajg.com 713-358-5860	Engineering Consultant Easton Calhoun Easton_Calhoun@ajg.com 405-639-3818	Account Manager Kim Zastrow Client Service Manager Kim_Zastrow@ajg.com 407-563-3537	Risk Control Advocate Jim Smith, M.S., CSP Director of Risk Control Services Jim_Smith@ajg.com 561-998-6809
	Back-Up Engineering Consultant Nick Munno Nick_Munno@ajg.com 804-387-5484	Back-Up Account Manager Sandy Andrade Client Service Supervisor Sandy_Andrade@ajg.com 407-563-3523	

Specialist Resources

International Team Lead Stuart Fatt Partner, Alesco Risk Management Services Stuart_Fatt@alescorms.com +44-20-7560-3817	Power & Utilities Consulting Mike Hogue Director, Gallagher Energy Michael_Hogue@ajg.com 405-639-3810	Public Entity Risk Management Consulting Dorothy Gjerdrum Managing Director Public Sector Dorothy_Gjerdrum@ajg.com 952-358-7551	Fine Arts Specialist Ellen Ross Director, Fine Arts Area Senior Vice President Ellen_Ross@ajg.com 212-994-70-80
Wholesale E&S Team Lead Wes Robinson, CIC, CRIS National Property President Wes_Robinson@rpsins.com 770-829-3341	Cyber Risks Adam Cottini Director, Gallagher Cyber Adam_Cottini@ajg.com 212-994-7048	Environmental Risks Anthony Lehnen Director, Gallagher Environmental Risk Anthony_Lenhnen@ajg.com 312-803-7447	Construction Specialist Brian Cooper Director, Gallagher Construction Brian_Cooper@ajg.com 415-288-1620
			Aviation Specialist Erik J. Egeland, CPCU Area President Erik_Egeland@ajg.com 847-586-0801

Team Leader Resumes


**Chris Connelly, ARM-P, ARe | Area Senior Vice President
Senior Director, Gallagher Public Sector Practice**

Co-Team Leader	The Gallagher team is Co-Led by Chris Connelly who is the primary coordinator of all Gallagher resources to the City alongside Chad Reynolds. Chris is a Senior Director within Gallagher's nationwide Public Sector practice. He will lead his team in the day-to-day responsibilities in providing technical expertise, benchmarking with other public entity programs, and market relationships to ensure that the City has the best program that can be placed in the market. Chris will be available to the City with any questions or concerns the City may have.
Relevant Experience & Qualifications	Chris is a principal within our public sector team and manages highly complex property programs for our clients. He's been instrumental in designing innovative ideas for his clients to ensure the most effective use of available insurance markets. He has been with Gallagher for the past seven years and has been nominated by his clients each of the past two years as a "Power Broker" in the Public Sector category by Risk & Insurance Magazine. Chris was recognized as 2013 "Power Broker" for Public Sector, Risk & Insurance Magazine; 2012 "Power Broker" finalist for Public Sector, Risk & Insurance Magazine.
Education, Licenses & Designations	<ul style="list-style-type: none"> • Association in Reinsurance (ARe) Designation • Risk Management for Public Entities (RMPE) Designation • CPCU Candidate (4 courses completed) • B.S. from University of Maryland, College Park Scholar's Program



Chad Reynolds | Principal Director, Gallagher Energy

Co-Team Leader	The Gallagher team is Co-Led by Chad Reynolds who is the primary coordinator of all Gallagher resources to the City/GRU alongside Chris Connelly. Chad Reynolds is a principal in the Power & Utility Niche of Gallagher Energy. He will lead his team in the day-to-day responsibilities in providing technical expertise, benchmarking with other power and utility programs, and market relationships to ensure that the City/GRU has the best program that can be placed in the market. Chad will be available to the City/GRU with any questions or concerns the City/GRU may have.
Relevant Experience & Qualifications	He designs, places, and services complex insurance and risk management programs for his clients in the energy industries. He has Prior to joining Gallagher, Chad worked for Meyers-Reynolds & Associates, a boutique risk services firm providing innovative risk management and insurance solutions and ancillary professional services to the renewable energy, power, oil and gas, construction, and transportation industries. Prior to joining the insurance and risk management industry, Chad taught English and composition at various schools in Ohio and Massachusetts.
Education, Licenses & Designations	<ul style="list-style-type: none"> • Masters in Fine Arts from Emerson College • Magna Cum Laude with a BA in English from Washington & Lee University



Erica Connick, ARM-P, CSRМ | Area Vice President Gallagher Public Sector

Client Executive	Erica will be an exceptional Client Executive to the Gallagher servicing team. She has unprecedented experience with Florida public entities. Erica's role is to be the primary coordinator of all Gallagher resources to the City/GRU. Erica will share responsibilities with Chris and Chad to ensure the City/GRU receives exceptional service and expertise from the Gallagher network. She will work hand-in-hand with other team members to ensure effective execution of the entire team.
Relevant Experience & Qualifications	Erica brings over 15 years of experience to the City and her entire career focused on managing and designing Public Entity Risk Management Portfolios. She works exclusively for Gallagher's public entity clients and provides a wealth of knowledge in public sector insurance and risk management.
Education, Licenses & Designations	<ul style="list-style-type: none"> • Licensed 2-20 Property & Casualty Agent • Certified School Risk Manager (CSRМ) • Association in Risk Management (ARM) Designation • Risk Management for Public Entities (RMPE) Designation • Accredited Advisor in Insurance (AAI) • Bachelors of Science in Risk Management from Florida State University



Michael Gillon, ARM | Area President Principal, Public Entity & Scholastic Division

Executive Leadership	<p>Michael Gillon is the Executive Leadership for the City of Gainesville. He is a great resource to the City/GRU and our Gallagher team and is used for his expertise in Florida Public Entities with Electric Generation. . He will work hand-in-hand with Chris, Erica, and Chad to ensure effective execution of the entire team and program, as needed.</p>
Relevant Experience & Qualifications	<p>Michael specializes in providing services to public entities. Since 2002, Michael has worked closely with public entities and has been instrumental in designing and negotiating his clients' insurance coverages as well as assisting with contractual risk management concerns. Michael will be available as needed to respond to the service needs of the City / GRU and will assist in the design and implementation of your insurance programs. In 2014, Michael was promoted to the Area President of our Orlando branch.</p>
Education, Licenses & Designations	<ul style="list-style-type: none"> • Licensed 2-20 Property & Casualty Agent • Associate in Risk Management (ARM) • Bachelors of Science in Finance and Insurance—University of Florida



Josiah Daniel | Jr. Principal Gallagher Power & Utilities

Energy Specialist

Josiah provides client account management, insurance brokerage and consulting services to utilities, IPPs, OEMs, EPC contractors, Lenders, and upstream and midstream oil and gas operations. He has extensive experience supporting clients and their counsel in drafting, negotiating and reviewing risk-related provisions of EPC, BOP, Power Purchase, Interconnection, O&M, and other project agreements. In addition, he assists clients in developing and maintaining effective MSA programs that effectively structure risk-sharing between project owners, contractors and their subs. Prior to joining Gallagher Energy, Josiah was an attorney with Chesapeake Energy Corporation focusing on regulatory risks impacting the company's operations in Oklahoma and Arkansas. The Oil & Gas Financial Journal and The RMA Journal have both published articles by Josiah on timely insurance and financing issues facing the energy industry.



Michael Berlinghof | Technical Advisor Gallagher Power & Utilities

Energy Specialist

Michael joined Gallagher in 2007 following a 16 year career with the insurer Allianz where he held multiple technical property underwriting positions in Germany and in the US. While with Allianz he focused on power & utility risks. His responsibilities include technical and financial risk assessment, development of tailor-made property insurance solutions, placement brokerage, in-house risk management consultations and claims support. Michael has an Industrial Engineering degree from the University of Applied Sciences in Mannheim Germany.



John Munno | Director of Engineering Gallagher Power & Utilities

Senior Energy

John has over 30 years of utility engineering and risk management experience. John began his career working at Georgia Power as a nuclear fire protection engineer. His areas of responsibility ranged from plant design change engineering to Supervisor of Fire Protection Engineering. John then spent 17 years in utility company corporate loss control and risk engineering where he supported a variety of business units including generation, gas storage and delivery, electric transmission and distribution, and oil & gas exploration and production. John was a member of the Nuclear Electric Insurance Limited (NEIL) Engineering Advisory Committee during this time. John is currently a member of the NFPA-25 Technical Committee on "Inspection, Testing and Maintenance of Waterbased Fire Protection Systems." Since 2007 John has been providing risk consulting services to Meyers Reynolds/Gallagher clients, including review of risks related to new construction projects and operational power plants. John helps clients identify risks and develop appropriate non-insurance solutions for those exposures. John helps clients understand how insurance company engineers will view risks of construction and operation of all forms of power plants. John interfaces between clients and insurance company engineers to ensure that the insurance companies understand risk improvements that distinguish Gallagher clients from others.



Easton Calhoun | Risk Engineer Gallagher Power & Utilities

Energy Consulting

Easton provides an array of risk engineering services to Gallagher clients. He has a Bachelors of Science in Fire Protection and Safety Engineering Technology from Oklahoma State University. In addition, he has his GSP, OSHA 5 and 30 hour, and ICS 100 certifications. He is HAZWOPER certified and is a certified HAZMAT Technician. Easton assists clients with implementation of insurance company recommendations by researching equipment and code alternatives that inform the guidance Gallagher gives its clients on how best to minimize risk. He interfaces with claims adjusters and independent experts to assure that claims are handled quickly and effectively. Easton also participates in incident investigations to help clients determine the best options for repair or replacement of damaged property.



Nick Munno | Risk Engineer Gallagher Power & Utilities

Back-Up Energy Consulting

Nick joined Gallagher in 2013 and has 4 years of controls design experience working with Siemens. He began his career designing building automation system graphic interfaces and progressed to designing the control systems themselves. Nick's experience also includes the design of exhaust catalysts and silencers for large industrial engines. He also has experience in reviewing and providing guidance on various EPA regulations for clients. Nick became a member of SAE in 2012 and has a level I thermography certification. Nick has a degree in Mechanical Engineering from Virginia Commonwealth University.



Kim Zastrow | Client Service Manager Gallagher Public Sector

Account Manager

As account manager, Kim will work hand-in-hand with the team leaders and the entire services team. Kim's job responsibilities will be to provide technical expertise, handle the daily servicing responsibilities, and ensure all team members are up-to-date on all aspects of the insurance program. She will also assist in the marketing phase of the insurance renewal cycle, working closely with the City to help facilitate the gathering of exposure information, and working closely with the team leaders in the negotiations with the insurance companies.

Kim brings over 30 years of experience to City of Gainesville. Since joining Arthur J. Gallagher in 2014, she has focused on designing and servicing public entity accounts and has experience with a variety of other insurance exposures. As Account Manager, Kim works hand-in-hand with the team leaders and the entire team to respond to the City's daily needs.



Sandy Andrade | Client Service Supervisor Gallagher Public Sector

Back-Up Account Manager

Sandy's role will be on an as needed basis to back-up Kim Zastrow in the instance Kim is unavailable to City of Gainesville. Sandy brings over 17 years' experience to the City. Her career has been primarily focused on managing public entity and commercial accounts. Sandy is the Client Service Supervisor over all Client Service Managers in our Orlando, Florida office.



Bart Douglas, AIC | Managing Director Gallagher Claims Advocacy

Public Entity Claims Advocate

Bart is available to assist City of Gainesville with regular claim reviews and in the claims settlement process to ensure prompt, fair claim settlements. In the event of significant losses, Bart will be available to assist to the City as your professional advocate, dealing directly with the claims adjusters who represent the various insurance companies participating on the City's program. Bart has been involved in claims and risk management for over 25 years and primarily services public sector clients at Gallagher. He has provided advocacy for large first party and third party claims and is available to assist City of Gainesville should an unfortunate claim arise. Bart has been instrumental in his participation with a number of clients. His client base consists of primarily public entity accounts.



Jim Smith, M.S., CSP | Managing Director Southeast Regional Risk Control

Public Entity Risk Control

Jim's role is to coordinate loss control activities and training as desired by City of Gainesville to reduce your cost of risk. Jim has 29 years of experience in risk control and is a frequent speaker for our clients and national safety associations on topics including public entity and higher education loss trends, workplace safety, vehicle operations loss control, effective media relations and employment practices. His client base consists of primarily public entity accounts.



Stuart Fatt | Partner, Alesco Risk Management Services Gallagher Power & Utilities

International Team Lead

Stuart has a wealth of experience delivering successful Project Specific Insurances for major Power Developers. Through this experience Stuart can provide valuable workable solutions across many different areas of the Construction Project; whether contractual related, Lender related, claims related or simply in relation to insurance issues faced during the construction period as a project develops. Having worked at two of the major international brokers within their construction and power divisions Stuart joined Alesco in November 2014 as the Head of the International Division. Stuart has worked predominately in the London construction market but also spent nearly 4 years in the Singapore Insurance Market handling major construction and operational power projects & programs. In addition Stuart has also handled a number of Operational Power Programs for major Power Generation Clients around the World.



Wes Robinson, CIC, CRIS | National Property President Wholesale E&S

Wholesale E&S Team Lead

Wes has worked closely with the Gallagher team for 12 years placing complex catastrophe exposed accounts ranging in size from a few hundred thousand in premium to over \$15 million. He currently manages over \$60 million in property premium, and is also RPS' national property resource for their brokerage network which places over \$600 million in property premium. In the event that your core proposed Gallagher servicing team needs additional assistance in accessing domestic excess and surplus lines carriers, Wes will step in and be of assistance to the Gallagher team. In this role, he will negotiate appropriate coverage terms, pricing, and program structure while working in tandem with the Gallagher team to ensure the most competitive capacity is provided to City of Gainesville.



Mike Hogue | Managing Director Gallagher Power & Utilities

Energy Specialist

Mike has 22 years of insurance and risk management experience and brings a Risk Manager's perspective to providing insurance brokerage services. He has held positions in claims, loss control and underwriting for the Pennsylvania Manufacturers Insurance Company. Prior to joining Meyers-Reynolds & Associates, Inc., (now Gallagher), Mike was the Director of Risk Management for Constellation Energy, a Fortune 200 diversified energy company comprised of power generation, electric and gas transmission and distribution, exploration & production, and competitive supply businesses.

Mike holds a Bachelor of Science Degree in Business Administration and Economics from Juniata College in Huntingdon, Pennsylvania and a Master's Degree in Finance from Loyola College in Baltimore, Maryland. In addition, he holds the Associate in Risk Management (ARM) and Chartered Property and Casualty Underwriter (CPCU) designations from the Insurance Institute of America.



**Adam Cottini | Area Vice President
Managing Director, Gallagher Cyber Risk**

**Cyber Risk
Specialist**

Adam is a National Resource for Executive Risks Liability for Arthur J. Gallagher Risk Management Services, Inc. He oversees all Cyber Liability experts throughout the nation and is a strong resource to the City when needed. Adam began his insurance career at Reliance National in 1998 in the Casualty Risk Management division underwriting Workers' Compensation, General liability and Commercial Auto Liability for Fortune 1000 insureds. While at Reliance he underwent a 3 month intensive insurance training program focusing on all facets of the commercial property and casualty industry. Adam began his career at Gallagher in 2008 managing a diverse book of professional liability accounts consisting of Directors' & Officers' Liability, Employment Practices, Fiduciary Liability, Professional Errors & Omissions, Cyber Risk, and Media Liability. He also focused on building the cyber practice. In 2014, he became Gallagher's Managing Director of the Cyber Liability Practice. Adam graduation form State University of New York with a bachelor's of science in Business Administration and Finance.

Jennifer Bolling | Account Executive
Gallagher Cyber Risk



**Dorothy Gjerdrum, ARM-P, CIRM
Executive Director, Public Sector**

**Risk Management
Consulting**

As Senior Managing Director of Gallagher Public Sector, Dorothy leads 300 Gallagher insurance brokers and specialists dedicated to public sector clients across the United States, focusing on issues of risk management, exposure identification, pool operations and enterprise risk management (ERM). In addition to leading the broker group, Dorothy provides consulting and risk management services to select Gallagher public sector and higher education clients. Dorothy is available to discuss and recommend ERM and Risk Management Insurance Systems (RMIS) processes and resources to the City as needed.



Anthony L. Lehen, CHMM | Area Senior Vice President Director, Environmental Risk

Environmental Risks

Mr. Lehen is the Managing Director of Gallagher Environmental Risk and Insurance (GERI). GERI is an expertise group within Arthur J. Gallagher Risk Management Services, Inc. that focuses on risk management issues of companies with environmental exposures. As an Area Senior Vice President, Mr. Lehen is responsible for providing technical knowledge, brokering, and sales of environmental insurance for GERI throughout the United States. Mr. Lehen also has the responsibility for maintaining relationships with the primary providers of environmental liability insurance. Anthony will be available to the team as needed.



Ellen Ross | Area Senior Vice President Managing Director, Gallagher Fine Arts Practice

Fine Arts Specialist

Ellen is the Managing Director of the Fine Arts Practice and will help coordinate the creation and management of the Fine Arts program for City of Gainesville. For the past twenty-seven years, Ms. Ross has worked in the Fine Arts and Jewelry Industry providing significant guidance and innovative solutions to meet the changing needs of the art world. As head of the Fine Arts Practice at Arthur J. Gallagher & Co., she leads a team of professionals that specializes in fine arts insurance for high-end art and antique dealers, galleries, collectors and museums. The book of business includes non-profit organizations, artists and their estates, travelling exhibitions and other art related business. Controlling over 1,500 fine art accounts, Gallagher's Fine Arts Niche is recognized worldwide as experts in the art of insuring art.



Brian Cooper | Director, Gallagher Construction

Construction Specialist

Brian is Managing Director for Arthur J. Gallagher & Company National Construction Practice. He is responsible for leading the insurance, surety and risk management services delivered to the construction industry from offices throughout the U.S. This construction practice represents over 1200 clients involved in the construction industry including General Building Contractors, Heavy Highway/Engineering Contractors, Subcontractors, Developers and Buyers of Construction Services. The GCS 2012 construction revenues were approximately \$80,000,000 in commissions and fees (over \$1 billion premiums). Brian brings over 35 years' experience to the Gallagher team.



**Erik Egeland | Area President
Director, Gallagher Aviation**

Aviation Specialist

Erik has worked in the Aviation Industry for over twenty-five years. Erik has negotiated, placed and serviced insurance coverage for many public and private airports during his career. A partial list includes: The Chicago Department of Aviation, Mid America St. Louis Airport, and Lee County Port Authority. Erik joined Arthur J. Gallagher in 2002 and he available to respond to questions, address concerns, the City may have related to the Aviation industry.

Agent Licenses

JEFF ATWATER FLORIDA'S CHIEF FINANCIAL OFFICER

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Licensee Details

6/7/2015

Demographic Information

Name of Licensee: CONNELLY, CHRIS
License #: P040699
Business Location: ORLANDO,FLORIDA

Types and Classes of Valid Licenses

Type	Original Issue Date	Qualifying Appointment
LIFE & HEALTH(0218)	4/19/2006	YES
GENERAL LINES (PROP & CAS)(0220)	11/27/2006	YES

FLORIDA DEPARTMENT OF FINANCIAL SERVICES

CHARLES REYNOLDS
 License Number : W162940

Non Resident Insurance License Issue Date
 • 0920 - NONRES GEN LINES (PROP & CAS) 10/03/2013

NOTICE - This non-resident license is limited to the classes of insurance reflected above and is further limited to ONLY those classes of insurance for which you are licensed in your home state.

Please Note: To validate the accuracy of this license you may review the individual or business entity's license record under "Licensee Search" on the Florida Department of Financial Services website at <http://www.MyFloridaCFO.com/Division/Agents>.

J. Atwater
 Jeff Atwater
 Chief Financial Officer
 State of Florida

JEFF ATWATER FLORIDA'S CHIEF FINANCIAL OFFICER

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Licensee Details

6/7/2015

Demographic Information

Name of Licensee: CONNICK, ERICA L
License #: D040411
Business Location: ORLANDO,FLORIDA

Types and Classes of Valid Licenses

Type	Original Issue Date	Qualifying Appointment
GENERAL LINES (PROP & CAS)(0220)	8/4/2000	YES

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Licensee Details

6/7/2015

Demographic Information

Name of Licensee: GILLON, MICHAEL SCOTT
License #: E068092
Business Location: ORLANDO,FLORIDA

Types and Classes of Valid Licenses

Type	Original Issue Date	Qualifying Appointment
GENERAL LINES (PROP & CAS)(0220)	5/23/2003	YES



Tab 4: Services/Scope of Work



Gallagher Client Service Model

The primary goal of our service offering is to act as an extension of your risk management team. We do this by leveraging our core strengths in providing both day-to-day services and tailored projects to your team. Below is a snapshot of our **value added client service model**.

Gallagher Core Strengths

- ✓ We are a cohesive member of your Risk Management Team
- ✓ High Level of Service – your team has a manageable account workload
- ✓ Stability – 20 year average employee experience working in Public Sector
- ✓ Team Expertise & Innovation – creativity from the most experienced public sector staff in the business
- ✓ Client Focused – we are committed to being known as one of the best customer service companies in the U.S. (in ranks with Apple, Southwest Airlines, etc.)
- ✓ Fully Integrated Placement Capabilities – full access to all available markets:
- ✓ We provide the tools & resources to analyze and reduce your cost of risk
- ✓ Market Leverage – Gallagher is the largest public entity broker in the U.S. and develops relationships with insurers to benefit our clients

Daily Services

- ✓ Communication - 24/7 availability of our team to answer questions, coordinate exposure data, discuss pressing issues and provide claim support during a crisis
- ✓ Certificate Issuance – hourly turnaround time
- ✓ Contract Review and Recommendations
- ✓ Holistic Approach – continuous monitoring of exposures and coverage to prevent duplication, address coverage gaps, and ensure policy issuance is accurate
- ✓ We organize our information and resources to fit your needs – not the other way around
- ✓ We invest in technology to reduce the burden of administration burden for our clients

Recurring Services

- ✓ Budget Forecasting / Projections - We assist you in projecting and meeting your budget
- ✓ Communicate Market Conditions and Projections
- ✓ Pre-Renewal Discussions and Appetite for Risk
- ✓ Data Collection – Exposure analysis – Identify Goals & Objectives for the Renewal
- ✓ Detailed Submissions with meaningful analysis
- ✓ Marketing – provide options for consideration
- ✓ Benchmarking – Historical / Peer Measurement - both Regionally and Nationally

Project Specific

- ✓ Annual Stewardship Reports – summarizing successes of your program
- ✓ Resources available: Claims Advocacy & Loss Control specializing in Public Entity & Energy
- ✓ Support in claims dealing with FEMA and the Emergency Management Department in determining “insured losses” vs. uninsured losses
- ✓ Claims and Loss Analysis Review
- ✓ Loss Control Recommendations – focus on historical cost drivers
- ✓ Manuscript Forms / Endorsements to fit your needs
- ✓ White Paper discussions on Emerging Issues & Risks - both local & national
- ✓ Coordinate CAT Modeling, Appraisal Services & Engineering reports to strengthen exposure data
- ✓ Consulting Work with Detailed Recommendations

Gallagher's Culture in Servicing Our Clients

Gallagher is one of the leading brokerage services providers in the world. Our team believes the RFP is written each and every day by the work we do for our customers. We believe if we do our work at an exceptional level, our customers will continue to be our business partners. We want to earn your business each and every day. We believe our culture and how we interact and communicate with our customers is our secret differentiator.

Culture is a critical aspect to a company's DNA. Culture transforms the products and services into our experience for the customer. Our Gallagher culture is our key differentiator, and we value its importance to our customers' experience.

Client Servicing Plan

Our team would work with the City's staff to develop an annual client servicing plan outlining the major goals and objectives for the year, along with a detailed work plan. A general outline of our traditional servicing plan is included below; however, this would be tailored specifically to the City's scope of services.



Scope of Services

Gallagher meets and exceeds City's requests and expectations for the Scope of Services outlined in the Request for Proposal (RFP).

Section VI – Technical Specifications	
Scope	Gallagher Agrees to Perform
1. Coordinate with the City of Gainesville’s Risk Management Department to ensure up to date exposure data is incorporated into the issuance of any marketed insurance program.	✓
2. Market and recommend insurance program included in Exhibit A.	✓
3. Issue and deliver valid and timely binders for insurance policies purchased by the City.	✓
4. Assure that the insurance policies being purchased will be delivered in accordance with the proposals that were negotiated and/or accepted by the City. <ul style="list-style-type: none"> a. Assure that policies reflect no lesser policy terms, conditions and coverage amounts and options that were accepted by the City. b. Immediately correct policy deficiencies before delivery to the City. c. Promptly deliver policies to the City. If any deficiencies from the accepted proposal remain, provide a timeline for their resolution to the satisfaction the City. 	✓
5. Promptly and accurately process insurance policy endorsements and other change request as needed.	✓
6. Coordinate loss control/safety services desired by the City that are available from the insurers whose policies were purchased through the agent/broker. This will include up to two loss control visits to the City’s power generating facilities as scheduled with the City’s lead property carrier.	✓
7. Review and recommend responses to the loss control reports and present them to the market.	✓
8. Assist the City in filing claims with the insurers from whom the City has purchased policies through the agent/broker.	✓
9. Be available for risk management meetings with the City as desired during the year.	✓
10. Issue certificates of insurance as may be required by the City Of Gainesville.	✓
11. Respond to coverage or other insurance policy questions as may be presented by the City.	✓
12. At least annually, review with the Risk Management Director the premium/claims history of the City for the policies purchased.	✓
13. Coordinate with the City prior to renewal any significant changes in the market that would impact the budgeting process.	✓
14. When possible, present renewal pricing at least thirty day prior to renewal in subsequent policy years.	✓
15. If permitted by the City, market coverages with other insurers, and deliver to the City a listing of the marketing efforts including details of the proposals and rejections.	✓
16. If the City conducts an RFP process for coverages provided, promptly provide the necessary background and rating data, and premium/claims history information desired for the RFP.	✓
17. Cooperate with the City in developing a fair reduction of the contracted agent/broker remuneration in the event the City exercised the option to solicit competition for one or more of the insurance outside the agent of record contract.	✓
18. Deliver renewal policies and timely and fully disclose insurance policy premium and commissions or other remuneration received for the sale of such policies.	✓
19. Permit the City to conduct an audit of all remuneration/revenues attributable to the City’s account and to fully cooperate with persons designate by the City to perform such audits.	✓

Power & Utilities Services / Scope of Work for Gainesville Regional Utilities

The Gallagher service team will provide GRU with access to attorneys and loss control engineering specialists, in addition to insurance professionals, who will work directly with GRU to enhance its overall risk management and insurance strategy. Our team will work in a coordinated effort to identify, qualify, mitigate and transfer risks that are either accepted by or imposed on GRU. Our general strategy can be summarized as follows:

Contract Risk Management

Gallagher provides in-house legal expertise specializing in contractual risk transfer and other issues impacting the power generation/utility industry.

This process will require the review of key contracts and agreements entered into by GRU in the course of business to ensure that (i) we mutually understand the risk profile of GRU and (ii) we use the various contractual arrangements to manage risk in the most favorable ways possible.

The contracts and agreements applicable to GRU will be an important piece of an overall risk management program. It will be necessary for our team at Gallagher and the risk management team at GRU to have access to and input into the following areas:

Risk of Loss

Understanding how the risk of loss within the contracts is allocated between the parties, including damage to the work, is very important. This will include issues such as transportation of components to the site and offsite storage as well as issues related to commissioning of the work, handover to the customer at completion, punch-list activities and any necessary warranty work.

Indemnification

We need to understand how indemnity is being treated between the parties in order to properly structure the insurance programs. Of particular interest will be the indemnification/hold harmless arrangements related to the each party's employees as well as those of other contractors performing work at the site. In addition, we want to understand the scope of indemnity for third party claims as well as environmental issues; both for material brought onto the site as well as preexisting conditions which may be discovered during the scope of the work.

Force Majeure

It will be important to understand the scope of force majeure and the remedies to the contractor in the event of force majeure during construction. This will include issues related to liquidated damages for delay as well as such items as transportation and claims resulting from fire, explosion and mechanical breakdown during construction.

Limitation of Liability

The limitation of liability applicable in contracts and how it applies to both indemnity obligations and warranty issues will be important considerations. In addition, any caps on performance and delay liquidated damages needs to be understood. Additionally, we need to consider the relationship between the limitation of liability and the insurance program as we often see conflicting provisions, such as requirements to enforce all contract provisions prior to making a claim.

Warranties and Performance Guarantees

It will be important to understand the scope and duration of any warranties and/or performance guarantees within the contracts. Issues such as damage resulting from defective work, materials or specifications will also be important as they may or may not be appropriately insured.

Insurance

An appropriately designed insurance program is important to allow the acceptance of many of the contractual risks which are addressed within the various contracts. We will ensure we line up your insurance to complement your various project agreements.

Power & Utilities Risk Engineering Evaluation

Effective marketing also requires engaging our risk engineering personnel. Their input allows us to fully communicate the technical aspects of the projects to underwriters. It also increases our credibility with underwriters and provides necessary factual backup for more difficult negotiations.

- We will participate in onsite insurance company inspections to assist facility personnel during the assessment process and to become familiar with any issues brought up by the insurance company engineers.
- We will evaluate all insurance engineering survey reports in order to determine if there are any issues that may be of concern to underwriters. We will follow-up with GRU to determine an appropriate position to present to underwriters if necessary.
- As requested, we will provide input to GRU with regard to alternative measures to reduce risk related to insurance company recommendations. The input will attempt to balance the goal to reduce risk with the necessity to generate power.
- We will review specifications, plans, drawings and procedures that could impact risk and provide input as appropriate.
- We will provide GRU with updates regarding significant events in the power generation industry.
- We will provide plant personnel support via phone and email to address risk significant questions and issues.

Power & Utilities Marketing Approach and Strategy

In our view, there are two philosophies can are often employed by brokers in the marketing and negotiating of policy coverage, terms and conditions:

Dynamic Friction

Some brokers create a state of “dynamic friction” wherein the broker attempts to create leverage by holding actual or perceived strengths (not strength of will) over the head of the insurers. This often leads to leverage by coercion or force, such as threatening to move or withhold business, even unrelated business, if the underwriters do not bow to the broker’s wishes, or implying that the market will be blacklisted on future business, whether related or unrelated. More often than not, the end result is an insurer who resents the broker and possibly even the insured. If this method of negative leverage becomes common practice, both the broker and the insured eventually lose market goodwill. The market backlash to this approach can be severe and protracted; especially during hard market conditions where insurance capacity and availability may be limited. If the negotiation process is contentious, the claims settlement process may also become contentious.

Enticement

The second method is to create leverage by “enticement” through understanding underwriters’ potential concerns, finding solutions to their perceived or real concerns, and working in a spirit of cooperation to entice the market into providing the desired terms and conditions. By providing underwriters with in-depth information regarding the technical, contractual, financial, procedural and human resource merits of the risk and by asking underwriters to assist us in creating an insurance program that is fair and balanced, we find that goodwill between the counterparties is fostered and the result is a more favorable outcome. It is only human nature that, in any endeavor, people prefer

doing business with someone they respect and trust. It is acceptable to be an ardent advocate for your client and to take an aggressive and tenacious stance in negotiations, providing that you are knowledgeable, respectful and professional at all times.

To support this marketing strategy, we prepare meticulous and technical underwriting submissions based upon the unique characteristics and merits of each project. We strive to gain a thorough understanding of the intricate technical, contractual and financial details of each client, thus assuring that we have accurately identified the distinct risks and risk management responses associated with their operations. Our merit-based underwriting submissions to insurers provide all the technical details of a risk.

Since members of our staff have previous underwriting experience, we are aware that “knowledge is power” within the underwriting process. By taking the uncertainty out of the underwriting process, we find that underwriters are more receptive to broader policy language if they are presented with all aspects of a given risk within the underwriting submission. The end result is an insurance program that presents maximum value to our clients. Underwriters recognize and appreciate the fact that submissions from Gallagher are technically detailed, precise and provide them with the necessary information to make an accurate assessment of the risks involved, along with an accurate representation of the efforts our clients take to mitigate and/or reduce risk for the benefit of both the insured and the insurers.

Public Entity Market Approach & Strategy

Due to our experience with Public Entities, our team understands the issues surrounding the property and casualty insurance placement for Florida Public Entities. Below you will find key services we will provide to the City:

Retention Analysis

As your broker we will provide a detailed analysis of your costs at various retention levels so that the City can select the self-insured retention that provides the lowest overall cost of risk. A key to this process is understanding historic claims experience, by each layer of loss. We will provide the City loss stratification so it can understand the number and cost of claims within various retention levels

Exposure Data Refinement

We have reviewed the City’s Property Statement of Values and we feel we can assist the City by providing additional data for modeling the non-HPR exposure. Our Florida team services roughly \$150 Billion of Florida property exposure which provides us with a very deep understanding of the nuances of the catastrophe models, and how to “optimize” the dataset to yield the most credible model results. We will assist the City with the meticulous process of analyzing and stratifying your \$1 Billion of property exposure to make certain your insurers are provided an accurate picture of the underlying risks.

Our full analysis and exposure refinement would include:

1. Initial examination of exposure data to identify areas to improve data quality
2. Determine areas of potential investment, such as collection of more thorough COPE data or Secondary Windstorm Characteristics for coastal insureds
3. Global modeling results for the City showing PMLs, AAL, SDs
4. Analysis of geo-coding accuracy
5. Analysis of year-over-year change in model results
6. Timely information regarding model revisions and estimated impact to the City
7. Work with the City to identify flood exposure at individual location level
8. Provide guidance regarding impact of FEMA Stafford Act requirements and their impact on flood and repetitive damage

Improve Policy Language

Our team will assist the City by reviewing the current insurance program through our policy analysis. We will review the current policies line by line and provide a report of our recommendations to the City. Below we have provided an example of our policy analysis.

Arthur J. Gallagher & Co.

Comparison		
Item	ACE Privacy Protection Privacy & Network Liability	Recommendations
Form Name/ed.	ACE Privacy Protection Privacy & Network Liability	
Claims Made or Claims Made & Reported	Claims Made & Reported	
Pay on Behalf Wording	No	Change to pay on behalf where possible
Defense Provision	Right and Duty to Defend (All Claims) Right to Defend, but not Duty (Regulatory Proceeding)	
Insured		
Subsidiaries	>50% controlling interest	
Acquisition Threshold (notice window)	10% of Named Insureds' total assets, if over 10%, then 30 days to report and pay A.P.	
Independent Contractors	Covered under the definition of insured Coverage only applies to wrongful acts within the scope of duties	Carveback to the insured vs. insured exclusion
Volunteers	No Coverage	Add volunteer to definition of insured
Joint Ventures	Covered if the insured owns 50% or more of the issued and outstanding voting stock	
Insured Persons	Any past, present or future principal, partner, officer, director, trustee, employee, leased employee, or temporary employee	Need to add volunteers
Security Liability		
Denial of Service Attack	Included	
Denial of Access	Not specifically included	Revise to include in Network Security definition
Malicious Code/Virus Transmission	Included	

KEY: Level of Importance
■ Highest Importance
■ Moderate Importance
■ Lesser Importance

Market Update and Emerging Trends

Our Gallagher team specializes in Florida Public Entity. Our specialization allows us to be one of the first to analyze emerging risk and market conditions. We have created educational white papers on emerging risks and market trends, as well as given presentations on emerging topics in the industry. Below we have included a summary of our 2015 Florida Market Update report and our white paper on Cyber Liability.

2015 Market Update

#1 PROPERTY MARKET	#2 CASUALTY MARKET	#3 RESULTS MATTER
Current Conditions <ul style="list-style-type: none"> Record levels of capacity Low domestic and international losses in 2013/14 New "alternative" capacity entering the reinsurance market, making waves into the direct insurance market CAT pricing down in 2014, 5-15% depending upon losses 	Current Conditions <ul style="list-style-type: none"> Workers Compensation & Casualty Lines – Increasing loss ratio Executive & Professional Lines – Increasing Claims Frequency Cyber Liability – Increasing Claims Frequency and Severity 	The Gallagher Advantage <ul style="list-style-type: none"> We utilized more than 328 market access points, placing \$624 Million in property and casualty premium 158 Dedicated Public Entity Team Members National and international resources available to all Gallagher clients Experienced and results oriented Industry Practice and Market Segment Group
Looking Ahead to 2015 <ul style="list-style-type: none"> Reinsurance costs for carriers have been down double digits in 2014, expected to continue at January treaty renewals Industry continues to be overcapitalized, leading to further competition Loss-free programs will renew down, assuming no loss activity Projections between -5 to -10% for accounts with favorable loss history Certain carriers willing to consider multi-term support (limited to loss-free layers) 	Looking Ahead to 2015 <ul style="list-style-type: none"> Carriers continue to push for SIR and rate increases due to increased legal costs, medical costs, and claims activity Limited number of carriers writing stand alone excess WC General/Auto Liability – Stable Public Officials/Employment Practices – Rates are firming due to frequency Cyber Liability Rates – Flat to +5% Terrorism – Reauthorization Pending 	We are the number one broker for: <ul style="list-style-type: none"> Commercial Property Surplus Lines Broker \$1 Billion Property TIV Client Broker Workers Compensation Broker Public Entity Broker Education k-12 Broker Higher Education Broker Religious Broker—Catholic Province and ELCA

Arthur J. Gallagher & Co. *Business Without Barriers™*

Cyber Liability

What could a cyber breach cost your year?

\$155 - \$194
Average cost per record (includes response costs, credit monitoring, forensic, and breach costs)

\$5.4 Millions
Average total cost per breach.

2011 Annual/2nd Q1 CIO Cost of Data Breach - The Ponemon Institute, LLC. (www.ponemon.com)

The majority of organizations today have an information technology ecosystem. Between your customer, citizen records, employee information, patient information or student records, all are digitized and transferable through email or stored on your network. This network of information puts your organization at risk that your existing insurance policies do not cover. Our Gallagher experts offer a solution to your cyber liability experts with a range of coverage options, including:

- Breach Response Expenses:** Covers crisis management, including credit monitoring services and public relations expenses associated with a security or privacy breach. Also pays costs of notifying customers as required by various state, federal or international laws or regulations.
- Data Restoration:** Pays the reasonable costs incurred by the insured, in excess of any amount operating cost, for the restoration of any data stored.
- Network Security Liability:** Provides liability coverage for damages and claim expenses arising out of an actual or alleged act, error or omission.
- Privacy Liability:** Provides liability coverage if an actual fails to protect electronic or non-electronic private or confidential information in their care custody and control.
- Privacy Regulatory Proceeding:** Provides coverage for defense expenses, and in some cases penalties/fines, incurred from a regulatory proceeding resulting from a violation of a privacy law caused by a covered security breach.
- Media Liability:** Covers the insured for Intellectual Property (copyright infringement, etc.) and Personal Injury (defamation, etc.) claims that result from an actual or omission as content on their website. Multimedia coverage is also available.
- Cyber Extortion:** Provides coverage for expenses and/or losses incurred as the result of an extortion threat made against an insured.
- Business Interruption:** Provides coverage for business interruption loss and/or business restoration expense incurred by the insured as the direct result of a security breach that caused system failure.

Contact:
 Michael Guzman, ARM Account Executive
 Michael.Guzman@ajg.com
 407.563.3555

Benchmarking Analysis

We will provide the City with our annual benchmarking report. The Gallagher benchmarking report outlines the insurance coverage for other Public Entity clients in Florida. Our benchmarking report consists of limits, deductibles, premiums, rates, and other essential information. Due to our specialization in Public Entities, our team is one of the few firms that can offer this service. Below is an example of our Public Entity Benchmark report.

Entity Type	Counties	Counties	School Boards	Counties	School Boards
Payroll - 2014	\$353,041,947	\$732,316,200	\$58,098,218	\$185,164,582	\$187,667,129
Payroll - 2015	\$353,695,419	\$753,636,709	\$48,960,979	\$186,554,094	\$192,612,291
Payroll % Change	0%	3%	-16%	1%	3%
SIR - 2014 (All Other)	\$2,000,000	\$2,000,000	\$325,000	\$1,250,000	\$500,000
SIR - 2014 (Police/Fire)	\$2,000,000	\$2,000,000	N/A	N/A	N/A
SIR - 2015 (All Other)	\$1,500,000	\$2,000,000	\$325,000	\$1,250,000	\$500,000
SIR - 2015 (Police/Fire)	\$2,000,000	\$2,000,000	N/A	N/A	N/A
Total Premium - 2014	\$635,476	\$1,316,349	\$171,708	\$230,160	\$90,456
Total Premium - 2015	\$760,445	\$1,356,546	\$171,544	\$262,064	\$107,092
Premium % Change	20%	3%	0%	14%	18%
Rate per \$100 - 2014	\$0.18	\$0.18	\$0.30	\$0.12	\$0.05
Rate per \$100 - 2015	\$0.21	\$0.18	\$0.35	\$0.14	\$0.06
Rate % Change	19%	0%	19%	13%	15%

Power & Utilities Loss Control

Gallagher provides high quality engineering and loss control services as an integral part of our overall activities for clients. We are not intrusive, nor do we attempt to tell you how to operate your plant or manage your business. The goal of our engineering support service is to bring value and support to each client by assisting in the identification, quantification, management and mitigation of the hazards that impact the risks associated with your business.

Property and Boiler & Machinery Loss Control Services

Our loss control / engineering resources can provide the following to GRU:

Annual Management “State of Your Risk: Presentation

Participation in meetings with facility and business unit management and/or with GRU to summarize the positive loss control observations and identify areas for potential risk improvement. The meeting typically includes generic insight gained from observations at other companies. The meeting will also highlight the prioritization of risks and identification of any trends that could lead to large losses

Conceptual Engineering

Assist in the identification of specific approaches to protect against recognized hazards. Determination of the most appropriate type of fixed system that would protect a given hazard. Provide specifications that cover design criteria and installation requirements.

Fire Protection Evaluation

Review inspection, testing and maintenance records for fire protection systems and compare facility protection to NFPA, FM & IRI guidelines for special hazard protection. Review water supply arrangement and test results. Evaluate administrative controls such as Hot Work, Impairment Tracking and control of transient combustibles. Evaluate emergency response capability of on-site and off-site responders. Review previous incidents and corrective actions. Review programs that manage change within the facility and any changes that increase hazards.

Fire Pump Test Results

Review fire pump test results and perform trending analysis for pumps that are showing signs of deterioration. Compare pump results to greatest system demand at the facility to determine adequacy of water supply.

Insurance Company Engineering Report Review

Conduct a review of all insurance company engineering surveys to determine issues that may be of concerns to underwriters. Follow-up with GRU to determine an appropriate position or response to present to the underwriters as necessary. Provide input to AEP regarding alternative measures to reduce risk related to insurance company recommendations.

MFL / PML Analysis

Develop Maximum Foreseeable Loss (MFL) and Probable Maximum Loss (PML) scenarios and calculations.

Notice of Industry Events

Electronic delivery of significant industry events from news sources, as well as industry contacts

Loss Contingency Planning

Reviewing and assisting in the development of loss contingency plans for critical equipment.

Plan Reviews

Review drawings and specifications to determine if the project will comply with HPR and/or insurance company standards.

Power Plant Protection Rating

Conduct an assessment of GRU to characterize degrees of protection in 54 different weighted criteria. The results of this assessment will be a two page report that provides a single score for GRU's level of protection against large losses. The details of the reports will enable GRU to identify high-weight areas with low ratings. This report can help GRU distinguish between various opportunities to improve protection so as to focus on what drives frequency and consequence the most.

Risk Assessments

Evaluate a facility's threats to continued operation. Estimate the likelihood and consequence of those threats. Compare existing levels of protection against the threats including administrative controls, manual actions and fixed protection. Provide recommendations where appropriate to reduce risk. Prioritize the recommendations on a risk-reduction per dollar cost basis. Conduct an analysis of insurance company loss control recommendations to assure that they are appropriate and feasible.

Risk Improvement / Cost Benefit Analysis

Analyze the existing Property and Boiler & Machinery recommendations and prioritize them based on risk reduction per dollar of cost to implement the recommendations. The first step of this process will be to establish an annual 'cost of risk' for each recommendation based on potential consequences of an incident related to the adverse condition. The consequences will include estimated property damage and business interruption. Likelihood factors based upon industry experience and historical data will be used in conjunction with the estimated consequences to calculate the annual 'cost of risk.' Finally, the risk will be compared to the cost to implement the recommendations to develop ratios that can be used to prioritize the expenditure of resources most effectively. This process will balance the goal of reducing risk while achieving the overall corporate objectives of GRU.

Casualty Loss Control Services

In addition to the property loss control engineering services referenced above, Gallagher is uniquely positioned to offer the following casualty loss control engineering services to GRU:

- Assistance with the implementation of a Self Administered Risk Assessments for GRU's operations;
- Development of questionnaires that can be used to determine the level of existing loss control programs for third party exposures such as:
 - Public safety education programs,
 - Perimeter fencing adequacy and maintenance,
 - Warning sign placement, and
 - Adequacy of fence grounding
- Assistance in development of emergency response teams and associated training programs;
- Assistance in working with offsite emergency responders such as Fire, Police and Emergency Medical Services (EMS) to understand the unique hazards associated with GRU's facilities;
- Guidance on the implementation or refinement of an Automated External Defibrillator program tailored to power generation / utility risks;
- Distribution of information, reports and videos, related to significant energy industry events that have liability and life safety impact;
- Sharing of "Best Practices" for the prevention of Casualty incidents among electric power and utility companies;
- Assistance with incident / loss investigations;
- Guidance on Burner Management Systems and the impact of Low NOx burners and fuel switching/blending on potential catastrophic casualty losses;
- Expertise in Process Safety Management (PSM) implementation related to third party exposures to Anhydrous Ammonia associated with power generation pollution controls;
- Assistance in the analysis of loss information to identify adverse trends and development of Casualty loss control programs to address the exposure(s);
- Loss control audits, including fleet safety, equipment maintenance procedures, employee health and safety procedures and driver selection and training;
- Review loss control reports applicable to GRU's insurance program and assist GRU in determining the most appropriate strategy in addressing the suggestions and recommendations, including any actions necessary to implement risk improvement measures.

Public Entity Loss Control Services

Continual Training & Risk Management Updates

City of Gainesville will receive continual training, support and ideas from our loss control team. We continually provide clients with written publications, online seminars and direct personal support to provide additional value to your current loss prevention initiatives. City of Gainesville would continue to receive assistance and involvement from your designated Gallagher team. This will also include assistance with loss control programs and strategies, educational training, seminars, research and analysis of loss trends and communication material.

Loss Control & Claims Advocacy Services

One of the core value added services Gallagher provides to City of Gainesville is hands-on loss control services. These programs will be led by Jim Smith, who specializes in servicing our Florida higher education and public entity clients. The goal of these efforts is to reduce your total cost of risk through the use of targeted loss control program designed to reduce your loss frequency and in turn the total claims costs.

Tailored Loss Control Services

An overview of these services is provided below for City of Gainesville’s review – a majority of the services provided by our staff are designed specifically for our clients. We would work with City of Gainesville to determine which programs could provide City of Gainesville with the most value and focus our resources in those areas.

Our loss control team has worked with Risk Managers to support their efforts in loss prevention. Provided below are a few highlights of this work to describe our team’s experience in this area. Gallagher would ensure this past experience is put to work for you.

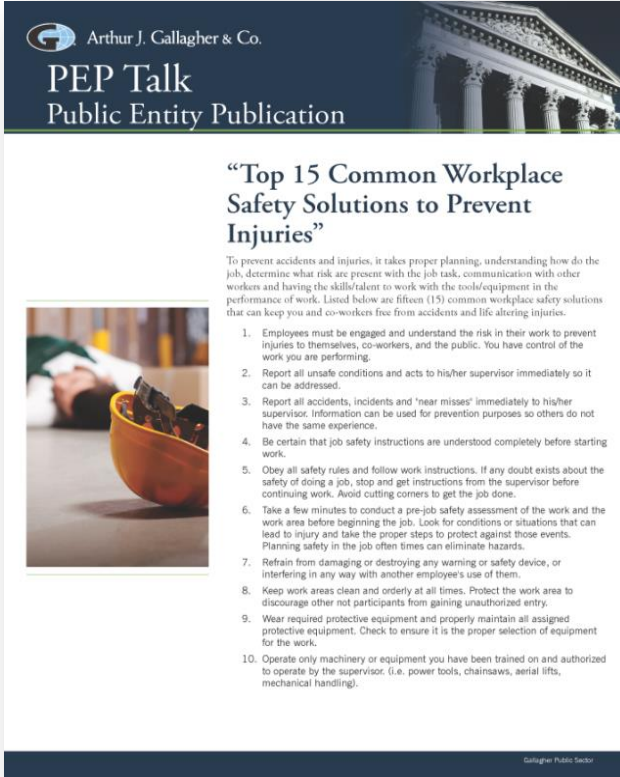
1. Developed investigation tools to investigate claims events
2. Conducted site assessments of athletic field liabilities
3. Conduct slip/fall liability claims using slip meter to measure the coefficient of friction on floor surfaces
4. Conducted training courses on Slip/Trip/Fall Liability Prevention
5. Conducted security risk assessment and site liability risk assessments

Tabletop Disaster Exercise

A tabletop disaster exercise tests the effectiveness of an institution’s disaster response and recovery plans. Key personnel participate in the exercise and learn firsthand if their assigned roles and responsibilities will be as effective in reality as they appear on paper. The exercise generates insights that can lead to refinement in policies, procedures, and the organizational structure needed for an effective response to a crisis.

Public Sector Bulletin Examples

Below, and on the following page, we have provided examples of our Public Sector Bulletins created for our Florida Higher Education and Public Entity clients. Also provided, is an example of our Webcast Flyer we provide to our clients eight times a year.



Arthur J. Gallagher & Co.

PEP Talk

Public Entity Publication

“Top 15 Common Workplace Safety Solutions to Prevent Injuries”

To prevent accidents and injuries, it takes proper planning, understanding how to do the job, determine what risks are present with the job task, communication with other workers and having the skills/talent to work with the tools/equipment in the performance of work. Listed below are fifteen (15) common workplace safety solutions that can keep you and co-workers free from accidents and life-altering injuries.

1. Employees must be engaged and understand the risk in their work to prevent injuries to themselves, co-workers, and the public. You have control of the work you are performing.
2. Report all unsafe conditions and acts to his/her supervisor immediately so it can be addressed.
3. Report all accidents, incidents and ‘near misses’ immediately to his/her supervisor. Information can be used for prevention purposes so others do not have the same experience.
4. Be certain that job safety instructions are understood completely before starting work.
5. Obey all safety rules and follow work instructions. If any doubt exists about the safety of doing a job, stop and get instructions from the supervisor before continuing work. Avoid cutting corners to get the job done.
6. Take a few minutes to conduct a pre-job safety assessment of the work and the work area before beginning the job. Look for conditions or situations that can lead to injury and take the proper steps to protect against those events. Planning safety in the job often times can eliminate hazards.
7. Refrain from damaging or destroying any warning or safety device, or interfering in any way with another employee’s use of them.
8. Keep work areas clean and orderly at all times. Protect the work area to discourage other not participants from gaining unauthorized entry.
9. Wear required protective equipment and properly maintain all assigned protective equipment. Check to ensure it is the proper selection of equipment for the work.
10. Operate only machinery or equipment you have been trained on and authorized to operate by the supervisor. (i.e. power tools, chainsaws, aerial lifts, mechanical handling).

Gallagher Public Sector



11. Learn to lift and handle materials properly. Seek assistance for heavy or bulky materials.

12. Do not misuse tools or equipment by utilizing them for their intended purpose.

13. Avoid engaging in any horseplay and avoid distracting others.

14. Notify Manager of any subjects you desire for future Safety and Health Training sessions. Attend training with the purpose of learning to methods or processes.

15. Dress safely and wear appropriate footwear for the work area or job.

The information contained in this report was obtained from sources, which to the best of the writer's knowledge, are authentic and reliable. Arthur J. Gallagher Risk Management Services, Inc. makes no guarantee of results, and assumes no liability in connection with using the information herein contained, or the safety suggestions herein made. Moreover, it cannot be assumed that every acceptable safety procedure is contained herein, or that adherence to or use of, constitutes an endorsement or request for further or additional procedures.

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ajg.com/2014/08/08/pep-talk

Webcast Flyer Example for Loss Control Services

The screenshot shows a webcast interface with a slide titled "Solutions – Slip and Fall Solutions". The slide content includes a photo of a wet floor with a yellow caution sign and a list of recommendations. The interface also features a sidebar with navigation options and a top navigation bar.

Participant Audio

Participants Must Dial In to Hear Audio Portion of the Webinar
 Int'l Toll: 719-457-2629
 US/CAN Toll free: 866-431-5314
 Participant Passcode: 620652#

Speaker Contact Information
 James D. Smith, M.S., CSP
 Director, Risk Control Services
 561.998.6809,
 jim_smith-fl@ajg.com.

Handouts (Download)

Name	Size
Preventing Slips and Falls.pdf	962 KB
S T F accident prevention questi	32 KB
STF_Prevention Monitoring.pdf	636 KB

[Download File\(s\)](#)

Solutions – Slip and Fall Solutions

What are recommendations

- Design, Construction and Maintenance
- Self Monitoring/Observation
- Spill Management
 - Spill Clean up Carts
 - Wet Floor Signs
 - Lids on Drinks
 - Immediately Clean Up/Report
- Inclement Weather
 - Mats Entrance
 - Umbrella Covers

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Power & Utility Claims

The professionals assigned to the GRU service team have a wide range of experience in large and complex property and casualty claims. Most importantly, the individuals responsible for arranging, negotiating and procuring the insurance coverage will be in the best position to know exactly how the policies provided to GRU should react to any claim.

From first notification of an incident, we engage individuals on the service team along with representatives from GRU to determine the general nature of the event. Once we understand the scope of the occurrence and the nature and extent of the loss, we can provide direct assistance to GRU.

The unique make-up of your Gallagher service team, combined with the direct involvement of the insurance program design team throughout the claim process, provides us with a wide ranging ability to assist GRU in managing claims. Our heavy focus on contract certainty in the marketing and placement process results in an agreement between the insured and the insurers regarding coverage expectations and obligations. This procedure ensures a clear understanding of the policy by all parties and is essentially a procedure for pre-adjusting claims.

The members directly assigned to the GRU service team have been involved the successful resolution of property and business interruption claims with an aggregate value in excess of \$100 million.



In last several years, the following are just some of the property claims that Gallagher has managed to resolution for our power generation clients:

- Turbine generator pedestal concrete damage due to freezing of large anchor bolts.
- 700 MW boiler tubes contaminated by chlorides.
- 8000 boiler tubes installed out of alignment.
- Fire main hydro-tested with pond water that contained rocks and debris forcing a re-flush of entire plant fire system.
- GSU radiator damage
- Steam Turbine bow
- GSU bushing failure
- Catastrophic failure of main GSU due to bushing failure
- GE7FA blade liberation
- ABB GT24 blade liberation
- Wind turbine blade damage
- Phase-to-phase arc on GSU transformer
- Major power generation plant fire involving hot work in a day bin and the coal handling system

Public Entity Claims Advocacy Services

Claims Management Services

Gallagher does not charge any additional service fees for providing claims advocacy. We see this as a critical function of our value added services to City of Gainesville. Gallagher claims experts are seasoned professionals having served as claims adjusters, supervisors, managers, insurance company claim trainers and claim consultants. Gallagher adheres to a strategy that no one individual can be expert in all lines and facets of the dynamic claims arena. Therefore, we provide a team of experts that have significant claim expertise in Catastrophe Property Damage, Equipment Breakdown, Business Interruption, Workers Compensation, Medical Management, Litigation Management, Cumulative Trauma Specialization (CTS), General Liability, Automobile Liability and Automobile Property Damage.

Gallagher has committed significant resources to advocate for our clients, in terms of traditional claims adjustment, claim review meetings, and complex interactions with FEMA to ensure prompt, fair claim resolutions. We maintain a staff of highly experienced property claims consultants that would serve as the City of Gainesville's advocate and advisor to facilitate the claims process. These advocates will interface with our brokerage staff to ensure expeditious handling of City of Gainesville's property claims.

Pre-Loss Support

Effective pre-loss strategies are a core of Gallagher's claims management services. Gallagher's team would look to integrate our claims response services with the existing Disaster Response Plans and other claims or risk management plans already in place. The Gallagher team would identify and analyze potential areas to refine current practices, and their inter-relation with your insurers, other local public entities and FEMA Stafford Act requirements. Some areas of concentration include:

- Potential for pre-loss recovery/mitigation contractors for City of Gainesville. We've been successful in obtaining carrier credits for "demand surge" when effective recovery contracts are in place.
- Identify potential systems and tools to assist members and/or City of Gainesville with claim documentation and FEMA Project Worksheet requirements
- Discuss potential involvement of FEMA Public Assistance contractor as part of catastrophic disaster recovery efforts


Loss Recovery, Negotiation & Dispute Resolution

Gallagher will coordinate with Risk Management, its adjusters, and insurers to facilitate a prompt response following a loss. These services include, but aren't in any way limited to:

- Participate in claims review meetings as requested
- Discussion of Stafford Act implications on the client's risk financing strategy
- Provide assistance with FEMA
- Provide training to various departments and individuals on the claims management plan

Training & Claims Resources

Our claims consultants work with our clients to develop tailored claims management and training programs. We offer periodic seminars, online webinars, publications and on-site training available for our clients to enhance the effectiveness of your current claims management practices. Examples of recent publications are displayed below.



Claim Advocacy Services

Claim Reviews

- Coverage advocacy
- Reserve advocacy/reductions
- Aggressive POA
- Thorough investigations
- Medical management
- Litigation management
- Fraud awareness and defense
- Identify systemic problems
- Push for resolution and closure

Claim Audits

- Best practices review
- Compliance with special handling requests/instructions
- Compensability verification AOE/COE
- Reserve adequacy—recognition of changes impacting reserves
- Detailed file review of adjusting activity
- Confirm file/adjuster supervision and directions
- Cost-containment litigation management
- Timely resolution-structured settlement considered if appropriate

Coverage Advocacy

- Coverage intervention and resolution
- Coverage resolution

Complex Claims Consulting

- Analysis and strategy development
- Troubleshooting/intervention
- Damage control
- Cost control
- Timely and appropriate vendor list
- Negotiation/resolution strategy
- Mediation and pretrial preparation and participation

CAT Management

- Vendor resources/immediate responders
- Off-site coordination of team
 - Client
 - Adjuster
 - Consultant
 - Forensic accountant
 - Construction manager
 - And others as necessary
- Facilitating advance payments
- Proactive claim management
- Assist with documentation

Claim-Needs Analysis

- Interview client
- Determine goals and exposures
- Outline carriers requirements
- Develop service plan and timeline
- Ensure accountability

Special Handling Instructions

- Client-needs analysis
- Negotiation with carrier regarding claim handling instructions
- Implement
- Ensure compliance

Seminars/Workshops

- Internal training sessions
- WC, GL, Products, EPL, Auto, Fraud, Medical Management, New Legislation

Gallagher Claim Advocacy



Insurer Insolvencies

- Rehabilitation vs. Liquidation
- Guaranty fund availability/limitations
- Proof of claim processing
- Management of claims

TPA/RFP/RFQ

- Client-needs analysis
- TPA alternatives
- Develop RFP and disseminate
- Analysis of responses
- Interview candidates and visit (tour facilities)
- Prepare comparative matrix
- Assist client in decision

Attorney/Vendor Selection

- Determine list of potential candidates
- Interview candidates
- Request/Review CV
- Obtain carrier approval
- Review selection of attorney/vendor
- Implement to ensure satisfaction

RMI Claim Management Manual

- Comprehensive reference source
- Tailored to client
- Flexible document
- Track Best Practices

Data Analysis

- Benchmarking
- Loss picks
- X-Mod calculations

LOC Advocacy

- Scrub losses for reduction
- Identify/explain high-impact variables
- Initiate/facilitate RM Best Practices
- Discussion/negotiation with carrier

Healthcare Provider Selection

- Review medical providers
- Tour client facility/plant
- Discuss RTW requirements
- Implement needed changes
- Evaluate NCM
- Job descriptions to doctor
- Video workstation requirements and provide to doctor

RMIS Evaluation and Assistance

- Identify client needs
- Identify vendors
- Develop matrix
- Contrast/compare RMIS programs

Dissemination of Industry Information

- Changes in law
- Industry changes
- Newsletters

Subrogation Assistance



Advisor Name

Address1

Address2

Phone

Email

www.ajg.com

Gallagher Claim Advocacy

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Gallagher's Project Approach

Due to our experience with Public Entities and Power & Utilities, our team understands the issues surrounding the property and casualty insurance placement for the City of Gainesville. Our team has reviewed the items provided in addendum 1 and below is some of our observations of your current program:

GRU Casualty Program

The current primary General Liability policy is written on Lexington's Public Entity form in lieu of AIG's Energy form. We assume this may have been done due to GRU's operations including exposures that typically fall outside an Energy account including water/waste-water utility, fiber optics, and medical gas infrastructure, etc. We would recommend a full marketing to Energy markets as well as Public Entity markets. We would recommend these markets quote various primary limits. We would also request Public Entity markets to also provide options to include the professional lines currently placed with Travelers. We believe if we combined the GRU and Travelers Professional lines the City would reduce its overall cost.

Failure to Supply Exclusion: We often find carriers exclude any liability to third parties for bodily injury or property damage resulting from an insured's failure to supply electricity. The current policy provides a carve back for coverage via endorsement, but the intent is hard to understand. The exclusion doesn't apply if there is an occurrence and if the total generating capacity at time of loss is equal to or greater than the total demand for electricity at time of loss. We would negotiate a much simpler and broader carve back for Failure to Supply. Our submission would request the following language:

This insurance does not apply to:

Failure to Supply

Any liability damages, loss, injury, demand, claim or "suit" arising out of the failure of any insured to adequately supply gas, oil, water, electricity, steam or biofuel.

This exclusion does not apply if the failure to supply results from the sudden and accidental injury to tangible property owned or used by any insured to procure, produce, process or transmit the gas, oil, water, electricity, steam or biofuel.

Umbrella Failure to Supply Exclusion: The current umbrella policy excludes failure to supply unless it is covered in the primary and then it would follow form. The primary policy has limited and complicated coverage for failure to supply, therefore Gainesville has limited coverage for this throughout entire liability program. Our approach would make the intent simpler and easier to understand from the primary through the excess layers.

GRU Loss Control Report Evaluations

The engineers that will be assigned to GRU have reviewed the Property and Machinery recommendations and offer the following comments:

2010-04 Water Supply – Client is complying with recommendation. The recommendation does not make economic sense from a risk basis. The likelihood of a fire is very low $\sim <0.7\%$ over a 30 year time frame. Protection that is less than current philosophy is still of value in reducing a potential loss. The annual cost of risk could be calculated if we know the operational impact of a shutdown of the unit with greatest annual revenue. That cost of risk could be compared to the cost of the recommendation implementation in order to make a sound business decision.

2010-06 Steam Turbine Fire Protection – The existing partial wet pipe sprinkler system could be converted to foam, which would be a much less costly solution to any coverage issues.

2010-07 Conveyor Fire Protection – Conveyor fires are very rare and easily prevented with periodic walk down of the belts using thermal cameras to check roller bearings and proper hot work procedures. The fire protections systems are not risk justified. As temporary fuel handling means can be deployed quickly to re-establish operations.

2010-05 Steam Turbine Bearing Fire Protection – Fix bearing protection will not impact a loss from a financial perspective. A bearing fire presumes that oil is leaking and not getting to the bearings. In such case the bearings will be wiped and the loss will be several million dollars whether there is a fire or not. The under turbine system if converted to foam would be adequate to minimize resulting damage.

KGS-B2012-01- Priority 2

Borescopic Inspection of Turbine Rotors (Bored)- Conduct boresonic inspection of bored turbine rotors.

Boresonic inspection is an NDE process that uses both ultrasonic and eddy current inspection methods to assess the remaining life of the turbine and generator rotor. Catastrophic rotor failure for units over 50 MW is approximately 3E-4 per year per unit (according to EPRI's: *Rotor Borescopic Inspection Guidelines NP-6742-I*). We understand that this testing may incur significant cost and the frequency of the rotor losses is negligible, however, the severity and cost associated with a rotor burst loss is high. Multiple quotes should be attained for cost analysis and the testing should be considered.

GRU Property Program

The Gainesville property policy is a carrier form and reflects the perils and terms and conditions an insurance company uses to limit the scope of coverage to a preferred extent. Carrier forms can often be decades old and may not reflect the development in the insurance industry and reflect the risks and exposures that can be covered in the insurance market. Carrier forms typically do not reflect all risks and exposures of the insured. Gallagher therefore prefers to draft manuscript policies around the risks and exposures of the insured to broaden the scope of coverage and eliminate grey areas and ambiguous wording.

Below you will find specific examples of concerns with respect to the City's current coverage:

- Millennium Endorsement: Very restrictive, not covering any consequential physical loss or damage
- Electrical Apparatus clause: The Gallagher Energy manuscript form doesn't have such a restriction
- Manufacturer's Warranty Exclusion (II.A.12) – This is a common exclusion found on Property forms, however the Gallagher Energy form doesn't deny coverage and our form only deducts the available warranty.
- Defect Exclusion (II.B.1) – Defects exclusions are universal, but this particular one is far more restrictive than the Gallagher Energy form.
- Wear and tear exclusion (II.B.2): This policy excludes all wear and tear, rust, corrosion, etc., whereas ours only excludes "normal" wear and tear. Any accelerated or abnormal wear and tear (or anything beyond what is "normal") would be covered in the Gallagher Energy form.
- Exclusion for insulating tests (II.B.7) – This exclusion is not included within the Gallagher Energy form
- Florida sinkhole restriction (Endorsement starting on page 60 of 124) we would attempt to negotiate the removal of this endorsement

Gallagher Power & Utilities - Manuscript Property Policy Form

Over the years we have developed and continually updated and improved a comprehensive power generation property policy for both construction and operational risks. These property policies provide coverage for property, boiler & machinery, and time element (including contingent time element), and contain significant coverage enhancements that inure to the benefit of our clients. Our policy forms provide value, because we've written every single word in the policy and therefore we know exactly what it means to our client in the event of a loss. The Gallagher policy forms are designed to assure that insurers respond to losses in a fair, balanced and expeditious manner, thus maximizing the recovery that the insured can expect following loss or damage to property.

A brief summary outlining some of the most significant enhancements that the Gallagher manuscript property policy form provides are as follows:

Additional Costs and Expenses (Extra Expense – Property Damage)

The Gallagher manuscript property policy form provides coverage for the necessary costs incurred to continue the Insured's operations following a loss, including but not limited to the costs to hire, transport, install, operate and remove substitute equipment and/or alternative locations to serve in the place of equipment and/or locations which have suffered direct physical loss. This coverage is available within the property damage section of the policy and does not require the insured to exhaust the business interruption waiting period deductible to trigger the coverage as is the case with traditional (time element) extra expense coverage.

Defects Exclusion

Over the years, our staff has reviewed a countless number of property insurance policy forms for power generating risks. The vast majority of these forms contain a "Defects Liability Exclusion" that incorporates the London Engineering Group "LEG 2" language.

The LEG 2 Defects Language

"The Insurer(s) shall not be liable for:

All costs rendered necessary by defects of material workmanship design plan or specification and should damage occur to any portion of the Insured Property containing any of the said defects the cost of replacement or rectification which is hereby excluded is that cost which would have been incurred if replacement or rectification of the Insured Property had been put in hand immediately prior to the said damage.

For the purpose of this policy and not merely this exclusion it is understood and agreed that any portion of the Insured Property shall not be regarded as damaged solely by virtue of the existence of any defect of material workmanship design plan or specification."

We find the LEG 2 defects exclusion to be particularly onerous as respects both property damage and business interruption losses.

Gallagher Standard Defects Language

Conversely, the Gallagher manuscript property form does not include the restrictive LEG 2 defects wording. Our form contains favorable defects language that inures to the benefit of the Insured, rather than to Underwriters. The defects exclusion contained in the Gallagher policy form has been substantially modified as seen below:

"This policy does not insure against the cost of making good defective design or specifications, faulty material, or faulty workmanship; however, this exclusion shall not apply to damage resulting from such defective design or specifications, faulty material, or faulty workmanship, nor shall this exclusion apply to the mechanical or electrical breakdown of:

- (i) Any boiler, pressure vessel, refrigerating system or any piping and accessory equipment or;*
- (ii) Any electrical or mechanical machine or apparatus used for the generation, transmission or utilization of mechanical or electrical power; which has been installed, fully tested and contractually accepted by the first Named Insured and which is being, or has been operated in the capacity for which it was designed as part of the Insured's normal production process or processes."*

Since the exclusion does not apply to "... any electrical or mechanical machine or apparatus used for the generation, transmission or utilization of mechanical or electrical power...which has been installed, fully tested and contractually accepted by the first Named Insured and which is being, or has been operated in the capacity for which it was designed as part of the Insured's normal production process or processes..." the insurance recovery to the insured is greatly enhanced.

Wear and Tear Exclusion

The vast majority of property policies that we review contain the standard exclusion for wear and tear. The Gallagher manuscript property policy inserts the word “normal” before wear and tear. By doing so, we are able to trigger coverage in circumstances in which accelerated or abnormal wear and tear leads to the failure of a given part or piece of equipment.

Valuation Clause

The Valuation Clause is the cornerstone of the Gallagher policy form as it contains standards or benchmarks applicable to the repair or replacement of damaged property. In short, the repair or replacement of damaged property must return the property to:

1. A condition at least equal to the condition of the property at the time of the loss and;
2. The restored property must be able to perform the same function(s) as the original property, per the performance quantity and quality that existed at the time of the loss;
3. And any repair or replacement is not acceptable if it causes any Insured to be in violation of any preexisting warranty or other similar agreement.

Conversely, the standard insurance practice is to pay for the cost to repair or replace, whichever is less. Proper benchmarks governing repair or replacement standards are generally omitted from the policy language.

The Gallagher valuation language has added value for our clients on numerous occasions. In one instance, Underwriters were forced to pay for the cost of replacement of damaged parts, rather than repairs that would have cost less, because the repairs would have resulted in decreased efficiency and, subsequently, increased operating costs. In another instance, replacement blades from an outside source recommended by the Insurers were eliminated from consideration, despite the fact the reverse engineered blades would have been 50% cheaper than the replacement blades offered from the original equipment manufacturer (OEM). Because the OEM refused to honor their warranty obligations if non-OEM parts were used in the turbine, Underwriters were forced to pay the higher costs.

Definition of Occurrence

The majority of the policies we review do not contain a definition of an occurrence, other than that found in the 72-hour clause. We believe this is a serious oversight. The Gallagher policy defines an occurrence as follows:

“For the purposes of this insurance, an occurrence shall be defined as an accident, loss, incident, or series of accidents, losses or incidents arising out of a single event or originating cause during the Policy Term and includes all resultant or concomitant losses.”

This definition proved to be extremely useful to one of our clients following a loss.

During the installation of some instrumentation on a GE 7FA, a common error was made on four engines. Because the contractor had misread the installation drawings, the combustion tuning probes were incorrectly installed so that the probes were positioned directly in the flame path. During commissioning, damage was discovered on the first unit as the probes had melted and migrated downstream. It was also discovered that the second unit had also sustained damage, but to a lesser degree. Initially, the insurers classified the loss as two occurrences and sought to apply the deductible separately to each occurrence. Based on the Gallagher definition of an occurrence seen above, we were able to explain to the insurers that the losses sustained to each unit, although occurring at different times, both arose because of *a single event or originating cause*, which was the initial misreading of the installation drawings. As a result of the policy language, the Underwriters applied only one deductible to both turbine losses.

Definition of Damage / Testing Costs and Root Cause Analysis

The Insuring Agreement in most policies specifically grants coverage for the cost to repair or replace physical loss or damage to insured property. However, all too often claim adjusters will attempt to exclude testing costs and root cause analysis, which can be quite expensive. This potential problem has been remedied in the Gallagher form by insertion of the following language:

“Physical loss or damage shall also include testing costs incurred for the determination of (i) the existence of insured physical loss or damage to insured property, (ii) the root cause of such physical loss or damage, and/ or (iii) to determine if the repair or replacement of property so damaged has been satisfactorily completed.”

Non-Vitiation Coverage

The Severability of Interest Clause has been expanded to automatically provide non-vitiation coverage for lenders and each several Insured. The policy will read in part as follows:

“The respective rights, interests and protection provided for the Mortgage Holder, if any, and each of the several Insureds covered under this Policy shall not be compromised or invalidated, either directly or indirectly, as a result of the deliberate act(s) of any other Insured covered under this Policy acting autonomously without the knowledge of another Insured”.

Deliberate Act(s) is defined as follows:

“...A deliberate act shall mean any act, neglect, omission, failure to disclose any material fact, circumstance or occurrence, misrepresentation, and/ or breach of any duty or condition that is intentional and which may result in a reduction in, or declination of, coverage and/ or insurance proceeds that would have otherwise been provided under this Policy had the deliberate act(s) not occurred.”

No Adverse Warranties or Conditions

All warranties and/or duties that are onerous or place an unfair or unrealistic burden on the Insured have been removed from the Gallagher policy form.

Series Loss Clause

In the current property insurance market, some power generation underwriters are attempting to attach a Series Loss Clause to operational property policies.

The clause reads, in general, as follows:

“If the discovery of a defect in any electrical or mechanical plant manufactured by or for the Insured for incorporation into the Project shall indicate or suggest that a similar defect exists in any item of such plant insured under this policy, Insurers reserve the right to suspend the insurance in respect of damage due to or arising out of the said defect unless the Insured shall forthwith investigate and if necessary rectify as soon as it is reasonably practicable the defect of such property at his own expense.”

This clause is dangerous since it gives Underwriters the right to suspend coverage on equipment containing any real or perceived defect until the defect has been rectified. This would be similar to allowing Underwriters the right to suspend coverage for windstorm when your plant's in the path of a hurricane. The Gallagher policy does not contain this language.

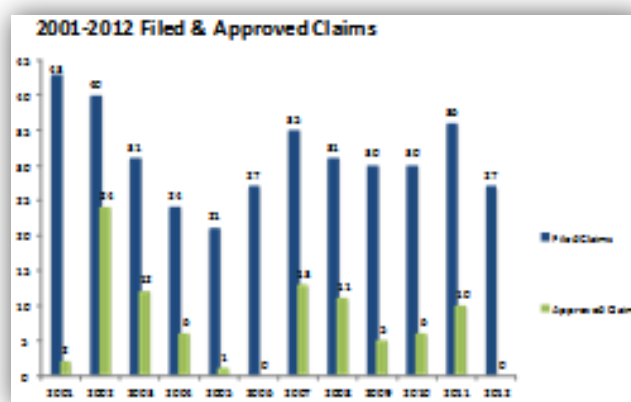
Florida Public Entities

Gallagher insures more Florida Public Entities similar in size and exposure to the City than any other broker. As a result we keep up to date with major developments and/or changes specific to the Florida legal landscape.

Gallagher keeps track of all claims bills filed and approved back to 1955. We also prepare an analysis based on claims filed versus claims approved for ten years which we update annually. To the left you will find a few snapshot from our 2013 report.

Our Claim Advocates understand and recognize the ramifications of sovereign immunity and potential protections and exposures:

- Appropriate Notice to Public Entity – Important on all claims as there are specific steps and/or guidelines for notice to a Public Entity to be valid. Improper notice allows the Statute of Limitations to continue to run.
- We are familiar with the types of claims that would generate a Claims Bill and therefore try and extinguish that exposure early on if possible
- Our clients should always try and use the benefits of Sovereign Immunity to their advantage when and where possible



Sovereign Immunity

In 2013 Florida House of Representatives Select Committee approved House Bill 7123 also known as the “Florida Fair Claims Act”. A general summary of the proposed changes in the bill language included:

- Increase sovereign immunity caps
- Set a limit of insurance an entity would be required to carry if they wanted to be exempt from a claims bill
- If an entity did not insure up to the required insurance limit, a claims bill could still apply plus interest penalties
- New caps to be increased by the CPI in future years
- Local Governments such as municipalities, counties, cities and school boards would be subject to the act
- Judges, rather than juries would decide the amounts payable on successful claims bill amounts

The bill did not pass the committee process in 2013, and this topic was not brought up in the legislative section. However, it does lead us to believe that further changes in the next three to five years will be made to sovereign immunity.

Power & Utility Industry Meetings, Forums, and Conferences

The Gallagher Power & Utilities group attends industry specific insurance and risk management meetings and forums, including:

- AEGIS Policyholder’s Conference
- AEGIS Regional Meetings
- AEGIS Boiler & Machinery Conference
- EIM Risk Managers Information Meeting

Further, our engineering group stays current on issues facing the utility / energy industry in the by attending the following conferences and meetings:

- Edison Electric Institute Loss Control Task Force Meetings
 - John Munno, our Lead Risk Engineer, helped this group author a technical paper describing a methodology for conducting maximum foreseeable loss estimates for power generation facilities. John chaired the group's development of a technical paper that defined the role of emergency response liaisons who would interface with emergency responders who would be involved with power generation emergencies.
- National Fire Protection Association Technical Committee for the Inspection Testing and Maintenance of Waterbased Fire Protection Systems
 - John Munno is a member of this technical committee which is responsible for establishing maintenance standards for fire protection systems.
- PowerGen International
- American Wind Energy Association AWEA
- Industrial Risk Management Institute IRMI
- Siemens Energy Annual Insurance Meeting
- GE Product Annual Update forum
- MHI Annual Product Update forum
- Alstom Annual Insurance Meeting

Gallagher's Involvement in Public Entity Conferences (Regionally and Nationally)

City of Gainesville's Gallagher Orlando Team and the company as a whole, significantly supports and provides speakers to the following organizations regularly:

- Florida PRIMA
- Florida RIMS
- URMIA (National and Regional Events)
- Florida Government Finance Officers Association (FGFOA)
- Florida Educational Risk Managers Association (FERMA)
- Florida Airports Council, National PRIMA
- RIMS
- Airports Council International – North America



Tab 5: RFP Submission Form

REQUIRED FORMS

The following form(s) will enable submitters to provide basic information and specific qualifications regarding the provision of insurance to the City of Gainesville. Provide all requested information, as responses are needed for comparison between all submissions. This form need not be typed; it may be handwritten in ink.

**SUBMISSION FORM
FOR QUALIFICATION OF
PROPERTY/CASUALTY INSURANCE AGENT OF RECORD**

1. Insurance Agent / Insurer Representative:

Chris Connelly, ARM-P, ARe
Erica Connick, ARM-P
Chad Reynolds

2. Firm Name:

Arthur J. Gallagher Risk Management Services, Inc.

3. Address:

200 South Orange Avenue, Suite 1350, Orlando, FL 32801

4. Telephone: 407-370-2320

Fax: 407-370-3057

E-Mail: Erica_Connick@ajg.com

Insurance Agent / Insurer Representative

5. Number of years in the insurance business:

- A **Chris Connelly** – 10 years' experience, 8 years' experience exclusively in Public Sector
- B **Erica Connick** – 15 years' experience, 15 years' experience exclusively in Public Sector
- C **Chad Reynolds** - 6 years' experience, 6 years' experience in Energy/Gas Utility

6. Number of years with your present firm:

- A **Chris Connelly** – 8 years
- B **Erica Connick** – 10 years (5 year split)
- C **Chad Reynolds** - 6 years

7. Number of public entities you service:

The Gallagher Orlando office currently has 80% Public Entity clients, and Chris and Erica have 23 public entity account. However 7 of the 23 accounts they work on together.

8. Have you attached background information on yourself, e.g. resume?

Yes. Please refer to Tab 3: Team Experience for your Gallagher Team's resumes.

9. Have you attached an explanation of your experience with other public entities of similar size, complexity and magnitude?

Yes.

A Chris Connelly's experience includes:

- Experience with large property programs (10 clients > \$500M in TIV, largest \$16B TIV, total TIV handled of \$52.3 Billion)
- Experience with \$3M+ Insurance Placement (7 clients > \$3M in premium)
- Experience with 3 current Florida city/county clients (Clearwater, Pasco, St. Johns)
- Experience with power utility (Pasco waste to energy)
- Experience with bus transit (LYNX – 380 unit bus fleet)
Experience with public rail transit (Sunrail – 9000 daily ridership)

B Erica Connick's experience includes:

- Large property programs (6 clients > \$1 Billion in Total Insured Value)
- \$3M+ Insurance Placement (3 clients > \$3M)
- 3 current Florida County clients
- Experience with power utility
 - Past City of Gainesville & City of Lakeland
 - Current Waste-to-energy (Pasco)
- Public rail transit (Sunrail – 9000 daily ridership)
- 2 current Airport Authorities

10. Do you or does a key person in your firm that will be assigned to the City's account in a major capacity have experience with a power generating electric utility?
(The City considers such experience to be mandatory. Additional questions are provided later herein.)

Yes. Chad Reynolds is City of Gainesville's Power Generating Electric Utility Team Leader. He and his Energy team have ample experience to service the City along with your core Public Entity team lead by Chris Connelly and Erica Connick.

11. Have you attached explanatory details of this experience?

Yes. Please reference Tab 2 Qualifications for the team's experience with power generation utilities.

12. Have you attached an explanation of your experience with electric utility, gas utility and public transportation operations?

A *Chris Connelly currently manages the following:*

Public Transportation Authorities

- LYNX, Sunrail,
- Central Florida Expressway Authority
- Tampa Hillsborough County Expressway Authority

Public Utility

- Chris also works on Pasco County Resource Recovery

B *Erica Connick has past and current experience with the following:*

Public Transportation

- City of Gainesville
- Sunrail

Public Utility

- GRU
- Pasco County Resource Recovery
- Pinellas County Waste-to-Energy
- City of Lakeland/Lakeland Electric

C *Chad Reynolds has the following Electric/Gas Utility experience:*

- Pasco County Resource Recovery
- Deepwater Wind Block Island Windfarm (America's first offshore wind farm under construction)
- Cube Hydro Partners (owner of hydroelectric facilities in NY and PA)
- Moundsville Power (550 mw combined cycle power plant under development in WV)
- Western Technical College (hydroelectric dam owned by college in WI)

13. Will you provide the scope of agent services as outlined in the RFQ?

Yes, Gallagher agrees to meet and exceed the City's request and expectations for the scope of services outlined in the RFQ. We have provided further details on how we will accomplish this within Tab 4.

14. Will you commit to proactive and aggressive pursuit of negotiation of favorable policy terms, conditions and pricing of insurance coverage?

Yes. Our team directly markets our client's Insurance programs. Even when intermediaries are necessary to gain access to these markets, members of our team negotiate program pricing, terms and conditions, and control the entire marketing process. Our team will present City of Gainesville's submission to the marketplace. Gallagher has a hands-on

approach to marketing of our accounts. This is part of our aggressive, proactive approach to handling your negotiation process. Your Insurance Specifications will never be handed over to a regional marketing center for “processing”. Your Gallagher service team outlined in this proposal will handle your account from start to finish. This means the people with the most knowledge of your account are the same people with the market relationships to get the job done. We have access to the right people, we know the marketplace, and know your account. We are in the best position to negotiate the best possible terms for your program.

15. Have you attached examples of such proactive and aggressive negotiations, etc.?

We’ve outlined several client success stories below. These examples demonstrate how Gallagher’s high-touch service benefits our clients and would benefit the City of Gainesville/GRU.

1) ***Manufacturing Plant Claims Resolution***

Challenge: Lube Oil Flush Gone Wrong (and three bearings wiped): During a scheduled outage, a power generation facility took the opportunity to inspect their lube oil reservoir. They discovered varnish deposits and conducted a series of steps to clean the lube oil system. Prior to the chemical cleaning process, there was one important step omitted, that allowed dissolved varnish to be circulated through the tight passages in the bearing housings. Within three months of start-up the station experienced damage to three bearings.

Strategy: Gallagher proved that the omitted step was the event that gave way to a series of losses.

Result: The entire claim was paid at a value of approximately \$2 million.

2) ***Power & Generator Claims Resolution***

Challenge: 31 Generator Stator Bars Developed H2 Leaks: This loss occurred during the manufacturing process when some tape residue was not cleaned from the area where the stator bars were to be brazed together. The oxides from the burned tape prevented the natural formation of copper oxides which inhibit corrosion. Humidity led to crevice corrosion cracking in the brazed joints.

Strategy: Gallagher proved that poor workmanship was the peril and the corrosion was proven to be resulting damage.

Result: The entire claim was paid at a value of approximately \$3 million.

3) ***Power & Utility Policy Analysis***

Challenge: A gas turbine lost a 3rd stage compressor stator vane (which was found in the back end of the compressor). At the time of the loss there were two other wrecks in the fleet and the client needed to make a decision of repair or replace before the rotor was disassembled to understand all of the damage.

Strategy: Gallagher performed a weighted outcome analysis and used the manuscript policy language allowing for a “reasonable betterment” to support that the claim should cover a new upgraded Compressor Rotor instead of just a repair.

Result: The price of the new upgraded rotor was \$22 million and was paid in full as a claim, where a repair would have only paid \$16 million.

4) ***State of Louisiana Office of Risk Management***

Challenge: The client hired Gallagher in 2015 to create a new (re)insurance program to increase program stability and reduce costs. After hurricane Katrina, the program suffered dramatic reductions in available insurance capacity at dramatic rate increases. The client looked to Gallagher to create a program that would protect against severe market shocks while also achieving short term budget savings.

Strategy: Gallagher worked with the client to brainstorm various strategies to both reduce short-term costs and ensure adequate capacity at reasonable rates for subsequent renewal terms. This strategy centered upon expanding the client’s capacity footprint into all risk transfer markets – including traditional domestic insurance, international insurance, treaty reinsurance and insurance-linked securities.

Result: Through both aggressive negotiations, and cutting edge ideas, Gallagher’s team was able to reduce the clients total expenditure by 30% (equating to \$11,000,000+ in annual savings) while at the same time locking in capacity commitments for 2 and 3 year terms. This impressive result ensures the client has the capacity they need at competitive cost, regardless of insurance market conditions.

5) ***Various City/County Clients 2015***

Challenge: All significant property clients in the State of Florida are forced by the insurance industry to either take large percentage or flat hurricane deductibles. These 3% and 5% hurricane deductibles could become a major concern should the 100-500 year hurricane event occur. Many clients have been concerned about the out-of-pocket cost should a large event occur.

Strategy: Gallagher worked with our clients to come up with a solution to control the maximum out-of-pocket exposure for the client, regardless of the size of hurricane event.

Result: By continually pushing for the best possible terms and conditions for our clients, our team was able on multiple occasions to provide clients with a named windstorm maximum deductible. This deductible caps the maximum out-of-pocket exposure for our clients, regardless of the size of the hurricane that occurs. This provides a manageable and predictable exposure for our clients, instead of relying upon a percentage deductible which during a loss could equal tens of millions of dollars.

6) ***Florida City Reduction in Total Cost of Risk***

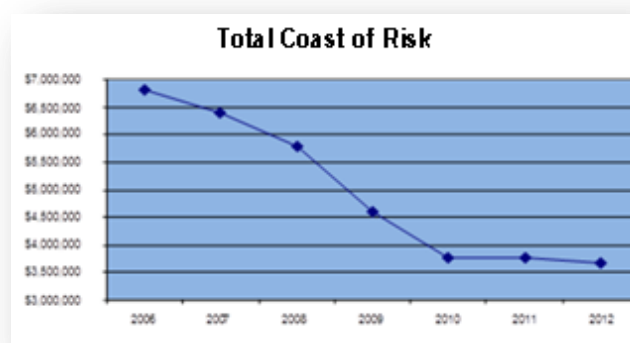
We are committed to making a tangible impact on your risk management costs. Shown below is an example demonstrating how we were able to have a \$3 Million impact to another Public Entity's risk management costs.

Challenge: City's cost of risk was almost \$7 million and climbing.

Strategy: Gallagher was asked to help the City by:

- Implementing Safety Training through City Departments
- Assigning Claims Advocacy to work with the City's Legal Counsel and TPA to reduce claims costs
- Continually restructuring the insurance program to maximize the changing market
- Helping to obtain a Reasonableness Letter to enable FEMA hurricane assistance

Result: Through a focused approach, our client City was able to reduce their loss experience, overall cost of risk, and allocated loss funding, enabling them to redeploy over \$3 million for other uses throughout the City.



Firm Background

16. Which of your firm's Florida offices will provide the ongoing services to the City?

Our Orlando, Florida office will lead the ongoing services to the City and be your main contact. If and when other team members from other offices may need to be engaged the Orlando office will coordinate this on the City's behalf.

17. Will any other offices be involved; to what extent? Be specific. Our

Oklahoma office will be working with the Orlando office with respect to your property program, property loss control services/claims, and will access Energy Casualty markets on GRU's behalf.

We also have several other team members that work from other offices as well (Public Entity Claims/Loss Control, Specialty Resources, etc.) and our team chart within Tab 3 references each member's office.

18. Years the firm has been in business:

1927 Corporate and 1977 for our first Florida office.

19. Number of Florida public entities the firm services:

Gallagher Florida currently handles over 70 Florida Public Entities.

20. Have you attached an explanation of your firm's experience with other public entities of similar size, complexity and magnitude?

Yes. Please reference Tab 2: Qualifications for Gallagher's experience with similar clients to City of Gainesville.

21. Have you attached an explanation of your firm's experience with electric utility, gas utility and public transportation operations, including commentary on specialists in these coverages, their location and their availability to the City when needed?

The Gallagher Florida Public Entity Team has the following existing clients that are relevant to the City's Transportation exposure:

1. LYNX
2. Sunrail
3. Miami-Dade Transit Authority
4. Metro Dade Transit Authority
5. Palm Tran Transit Authority
6. Tampa Hillsborough County Expressway Authority
7. Central Florida Expressway Authority
8. Florida Department of Transportation

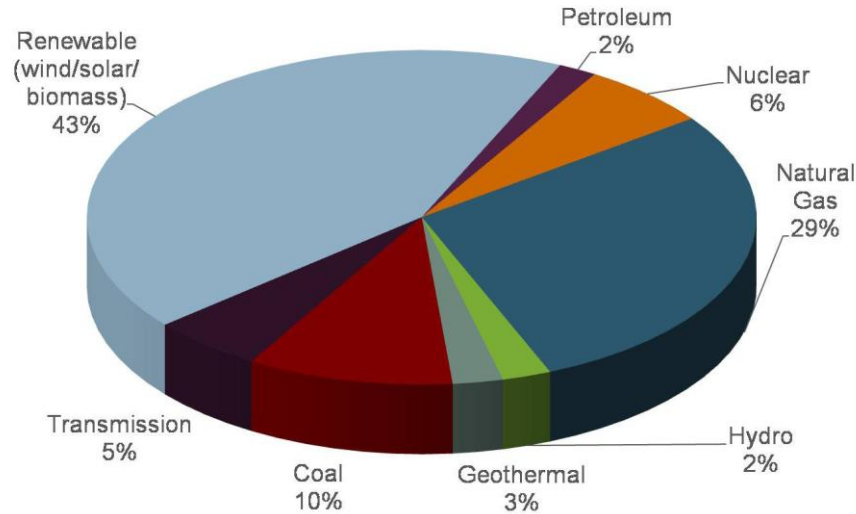
Power Generation Experience

Gallagher Energy provides professional risk management advisory and insurance brokerage services to power generation and energy companies on a global basis. Our clients are involved in virtually every aspect of the energy sector:

- Utilities
- Independent Power Producers
- Transmission & Distribution Companies
- Original Equipment Manufacturers
- Lenders
- Contractors
- Subcontractors
- Operators
- Power Marketers
- Public Authorities

Our worldwide portfolio of projects consists of the following assets for which we have provided risk management and insurance brokerage services:

Fuel Mix



Cross Section of Clients

Alterra Power/Magma Energy

Broadwind Energy

Borrego Solar

Competitive Power Ventures (CPV)

Constellation Energy

Deepwater Wind

Enel Power

Energy Capital Partners

E.ON Climate and Renewables

EquiPower Resources

Gradient Resources

Iberdrola Renewables

Juwi Solar

Mitsubishi

Portland General Electric

Power Systems America

REC Solar

RPM Access

Siemens AG

SolarCity

SunRay/SunPower

Terna Energy

Your Public Entity Team is located in Orlando, Florida and the Energy Team is located in Oklahoma City, Oklahoma.

22. Firm's Florida premium volume:

Over \$525 Million.

23. Approximately what percentage of the firm's Florida business are public entities, in revenue volume, e.g. commissions, fees?

40% of Gallagher's revenue in Florida is from public entities.

24. Have you provided background information on the range of your firm's services?

Yes, this included within Tab 4 Services/Scope of Work

25. Are the key person's designated to services the City's account appropriately licensed by the State of Florida?

Yes. Please reference Tab 3: Team Experience for copies of the City's Gallagher Team licenses.

Regarding question 25, please complete the following table

Name	License Types	Years Serving Large Commercial Accounts	Years Serving Public Entities
Chris Connelly	Florida 2-20 ARM-P, ARe	10	10
Erica Connick	Florida 2-20 ARM-P	15	15
Chad Reynolds	Florida Non-resident	6	2
Michael Gillon	Florida 2-20 ARM	13	13
Kim Zastrow	Florida 2-20	30	30
Josiah Daniels	Florida Non-resident	6	2

26. Have you attached details of the experience of the listed persons with large commercial accounts and/or public entities with similar size and complexity as the City?

We have provided details of Chris and Erica's public entity experience within question 9 and 12 above.

Chad's similar experience is referenced within question 12.

Josiah Daniels currently works on two public utilities: City of Holland, Michigan Board of Public Works and Long Island Power Authority. He also is part of the Energy team on all accounts referenced within Tab 2.

Kim has over 30 years' experience working on public entities and large commercial accounts at Marsh, Sedgwick and Gallagher.

Further details of each team member's experience are outlined within Tab 3: Team Experience.

27. Have you attached details of other persons, and their background and office locales, that will be most involved in providing expertise regarding the City's electric utility?

Yes. Please reference Tab 3: Team Experience for details on each team member regarding Electric Utilities.

28. What, specifically, is the firm's experience with power generating electricity utilities? How many, where located, and (briefly) what has the firm done for them?

We have outlined in Tab 2 our utility clients that are most relevant to GRU with respect to exposure and similar brokerage services.

29. What is the basis of the power generating electric utility expertise possessed by your key person(s) to be assigned to the City's account?

Chad, Josiah, Michael, John Munno and Easton Calhoun handle all the accounts listed within Tab 2. This reflects the experience of our team and not the experience of just one person or the experience of Gallagher.

30. What kind of guarantee can you provide that the key person(s) with the power generating electric utility expertise will be available to the City when needed?

Team work is key in handling your account. There will not be a single key person the whole team has redundant experience and will understand GRU's exposures. This guarantees that full team function is always available to GRU.

31. What is the specialist's knowledge of new technology for electric utilities and its relationship to insurance coverages and costs?

Currently there are three areas of new technology in the power generation segment:

1. New Technologies in the equipment sector (Gas turbines, Wind turbines, Solar, etc.)
2. Integration of renewable energy in grid system
3. Smart grid (including internet applications)

The Energy team is in regular contact with manufactures that offer solutions for all technology in 1-3 segments. Additionally has referenced in Tab 4 the members of the Gallagher Power & Utility group attend regularly industry specific insurance and risk management meetings and forums. The Engineering group stays current on issues facing the utility / energy industry by attending conferences and meeting as well.

32. Provide specifics on agency personnel (employees or subcontractors other than staff of insurance companies) who are likely to be utilized in performing desired inspection and loss control services.

John Munno, Easton Calhoun and Nick Munno is the core engineering team with respect to inspection and loss control services. Michael Berlinghof also provides backup to the team when needed and/or requested.

33. State the amount of errors and omissions insurance for the firm and the name of the insurer.

Gallagher's Errors & Omissions insurance is \$20,000,000 and our carrier is Lexington. A copy of our E&O certificate of insurance and a copy of our Liability certificate of insurance is located for City of Gainesville in Tab 6: Appendix.

34. If you are invited to a finalist interview, are you willing to discuss with the interview committee investigations of alleged wrongdoings, litigation and/or settlements, and fines or penalties (in the U.S.) involving your firm and the specific agents listed as projected to provide services to the City?

Yes.

Remuneration

35. State your total remuneration (as commissions, maximum commissions etc.) for the following coverages; and treat each as if it might be separable from the others (include, if you can, your transparency disclosure of the remuneration to be paid to the intermediary(ies) or wholesalers or others you plan to utilize (provide attachments if necessary):

Total Remuneration = \$195,000.00 for all services/lines of insurance coverage.

- We will cap domestic intermediary at 5% and international intermediary at 10%.

Gallagher is fully transparent and discloses all premiums, quotes, and any compensation to the City of Gainesville. We will provide the City with a proposal breaking out the premium, taxes, and compensation for each line of coverage.

City of Gainesville

Insurance Coverage	Proposing Agency		Intermediary	
	% of Premium	Maximum Commission	% of Premium	Maximum Commission
Excess Workers Compensation	%	\$ included	N/A %	\$
Contractors Equipment	%	\$ included	N/A %	\$
Employment Practices Liability	%	\$ included	N/A %	\$
Public Officials Liability	%	\$ included	N/A %	\$
Automobile Physical Damage	%	\$ included	5 %	\$
Law Enforcement Liability	%	\$ included	N/A %	\$
City of Gainesville Employee Disability Fund Fiduciary Liability	%	\$ included	N/A %	\$

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City of Gainesville Fire and Police Fiduciary Liability	%	\$ included	N/A %	\$
Lawyers Professional Liability	%	\$ included	N/A %	\$
Special Events	%	\$ included	N/A %	\$
Accidental Death & Dismemberment	%	\$ included	N/A %	\$
Crime	%	\$ included	N/A %	\$
Fine Arts Floater	%	\$ included	N/A %	\$
Pollution and Remediation Legal Liability	%	\$ included	N/A %	\$
Aviation – Helicopter	%	\$ included	N/A %	\$
Rehab Dwellings – Property/Liability	%	\$ included	N/A %	\$
Environmental Liability	%	\$ included	N/A %	\$
Public Official Bonds – Two	%	\$ included	N/A %	\$
Bond – Downtown Redevelopment	%	\$ included	N/A %	\$
Property	%	\$ included	If Lloyd's syndicate used, 10 %	\$
Excess Property	%	\$ included	5 %	\$
Boiler and Machinery	%	\$ included	N/A %	\$
Pension Trust Fiduciary Liability General Employee Pension Plan and Employee Disability	%	\$ included	N/A %	\$
Pension Trust Fiduciary Liability Police and Firefighters	%	\$ included	N/A %	\$
Aviation/Hangarkeepers Liability	%	\$ included	N/A %	\$
Thomas Center / Fine Arts	%	\$ included	N/A %	\$
Vacant Dwellings	%	\$ included	N/A %	\$
Builders Risk – If Requested	%	\$ included	5 %	\$
TOTAL:	N/A	\$ 195,000.00 for ALL services/ insurance coverages	N/A	\$

Gainesville Regional Utilities

Insurance Coverage	Proposing Agency		Intermediary	
	% of Premium	Maximum Commission	% of Premium	Maximum Commission
Primary Property/Boiler & Machinery	%	\$ included	If Lloyd's syndicate used, 10 %	\$
Excess Property/Boiler & Machinery	%	\$ included	5 %	\$
General Liability - Deerhaven	%	\$ included	N/A %	\$
Excess Liability - Deerhaven	%	\$ included	N/A %	\$
Railroad Liability – Leased Cars Only	%	\$ included	5 %	\$
Railroad Physical Damage – Owned and Leased Cars	%	\$ included	5 %	\$
Electronic Data Processing	%	\$ included	N/A %	\$
Bonds	%	\$ included	N/A %	\$
TOTAL:	N/A	\$ 195,000.00 for ALL services/ insurance coverages	N/A	\$

Gainesville Regional Utilities Communication Services

Insurance Coverage	Proposing Agency		Intermediary	
	% of Premium	Maximum Commission	% of Premium	Maximum Commission
General Liability	%	\$ included	N/A %	\$
Auto Liability	%	\$ included	N/A %	\$
Excess Liability	%	\$ included	N/A %	\$
Electronic Data Processing	%	\$ included	N/A %	\$
TOTAL:	N/A	\$ 195,000.00 for ALL services/ insurance coverages	N/A	\$

Ironwood Public Golf Course

Insurance Coverage	Proposing Agency		Intermediary	
	% of Premium	Maximum Commission	% of Premium	Maximum Commission
Package Property	%	\$ included	N/A %	\$
Inland Marine	%	\$ included	N/A %	\$
General Liability	%	\$ included	N/A %	\$
Pollution Liability	%	\$ included	N/A %	\$
Liquor Liability	%	\$ included	N/A %	\$
Hired / Non-Owned Liability	%	\$ included	N/A %	\$
Excess / Umbrella Liability	%	\$ included	N/A %	\$
Golf Cart / Golf Maintenance	%	\$ included	N/A %	\$
Golf Facilities Management Liability	%	\$ included	N/A %	\$
Automobile Liability	%	\$ included	N/A %	\$
Crime	%	\$ included	N/A %	\$
TOTAL:	N/A	\$ 195,000.00 for ALL services/ insurance coverages	N/A	\$

Are the above maximum commissions negotiable?

Yes.

36. Will this remuneration be included within the premiums you propose, or in addition to net premiums proposed? Explain.

We can accept our remuneration within the premiums or we can accept a fee with all policies placed net (0%) of retail commissions to Gallagher

37. Number of years you are willing to guarantee this level of remuneration, regardless of premium changes? Explain.

Gallagher's proposed compensation shall be an annual fee for services not to exceed \$195,000. This fee will be guaranteed for a period of three years and can be extended as needed by mutual agreement thereafter.

38. Is proposed remuneration inclusive of marketing activity and services to be provided throughout the year? To what extent are there also fees for services, e.g. loss control, actuarial, windstorm modeling, property valuations? (Clearly explain any variable.)

Remunerations are based on services outlined in the Scope of Services and in this Request for proposal. Windstorm modeling, loss control services and other typical brokerage and consulting services would be provided with no additional fee. Additional items that would require an additional fee are TPA services, actuarial services and property and appraisals/valuations.

39. To what extent will you need a separate contract for services not related to the insurance being purchased?

Gallagher would require an addendum to the existing contract to include additional services not related to the insurance being placed.

40. Do you acknowledge that the City reserves the right, at any time, to remove the agent of record status for one or more types of coverage if believed to be in the City's best interest to solicit such coverage from one or more parties involving other agents?

Yes.

41. Do the submitting agency and agents agree to allow and pledge full cooperation to the City if it (at its option) desires an audit of the agency and related parties regarding the City's expenditures for the property/casualty insurance/self-insurance program and all related remuneration to the agency and agents and others involved, including the tracking of funds to intermediaries, insurers, etc?

Yes.

General

42. Will you be available for the Agent finalist interviews is held week of August 3rd, 2015 if you are selected as a finalist?

Yes.

43. Have you disclosed the name of any officer, director, agent or other key person who is also an official or employee of the City? If none, state "none".

None.

44. Have you disclosed the name of any official or employee of the City who owns, directly or indirectly, an interest of five percent of more in a proposing firm or any of its branches? If none, state “none”.

None.

45. Reasons for the City qualifying your firm: describe below and by attachment the key reasons your firm should be qualified by the City to be the agent of record. Emphasize issues that make the firm unique, or give it special advantages over other submitters. Attach and supplemental documentation you think is relevant to your qualification.

We have outlined the key reasons within Tab 1 Executive Summary.

46. Describe your ability to access, utilize and leverage key insurance markets.

Gallagher approaches various markets – either direct access or through wholesalers both domestically and internationally. Our team and clients often meet directly with underwriters even on wholesale placements to negotiate primary terms with lead underwriters and gets full market support on all primary and excess placements on follow-form and manuscript policies. This helps optimize coverage terms and program wording.

47. If you represent unique and/or exclusive markets or specialty programs please explain and indicate if you think the City would be better off with these markets and programs than with the its current program.

Gallagher designed the first integrated, multi-line protected self-insurance program. We are the largest broker/producer for Lloyds of London Brit Package. This is not an exclusive market to Gallagher however we believe they could offer a very competitive program to the City to compare against your current Travelers program and/or a combined GRU Casualty/Travelers program.


Additional Comments:

None.

I have read the City of Gainesville's Request for Qualification for Agent of Record. I am submitting information based upon the representation that my firm is of sufficient size and capability and has sufficient experience to serve the City.

I understand that the City may conduct interviews with selected firms submitting proposals, and the City's decisions about interviews and selection shall be final.

This Request by the City is understood to be a solicitation of background information and qualifications from firms that may be designated as agent of record. I represent that I am authorized to provide this submission on behalf of my firm.

7/23/2015		Arthur J. Gallagher Risk Management Services, Inc.	407-370-2320
Date	Authorized Signature	Firm	Telephone

Which are your preferred insurance company markets (intermediaries and wholesalers are not insurance company markets), in order of those you think can best serve the City with the best cost, coverage service?

Although the current program is being renewed regardless of submitting agent responses and the chosen agent of record is unlikely to be asked to replace the current program until the next renewal, the City wants to hear what each submitting agent thinks about the best markets available to serve the City.

Agents (including incumbent) are asked to provide indications of those insurance markets believed to be, by order of preference, those that would be in the best interests of the City for the following coverages. The markets to be listed can be incumbent markets, or they can be different markets than the incumbent if you do not think current markets are in the City's best interest.

Although the numbering sequence is limited, additional insurers may be listed!

#	Insurer Name Also, include MGA/MGU, if Applicable	Insurer Group or Fleet Name	Your Firm's Estimated Annual FL Premium Volume	Direct Access Y/N	Group/ Fleet Exclusive Y/N
PACKAGE POLICY (All Lines Aggregate)					
1	Lexington Insurance Company	AIG	\$ 1,459,296	Y	N
2	Lloyds of London – Brit Syndicate	Lloyds	\$ 7,714,236	Y	N
3	Travelers	Travelers	\$ 1,132,733	Y	N
4	The Princeton Excess & Surplus Lines Ins. Co.	Munich-American Holding Corporation	\$ 2,366,206	Y	N
5	Colony Insurance Company / C&C Risk Services	Argo Group	\$ 961,502	N	N
6	Ironshore	Inshore Insurance Group	\$1,172,006	Y	N
7	Midlands Management Corporation			N	N
8	Safety National Cas. Corp.	Safety National Group		Y	Y
9	ACE American Insurance Co.	The Ace Group of Companies	\$809,503	Y	Y
PRIMARY PROPERTY					
1	ACE American Insurance Company / Star Tech	The Ace Group of Companies	\$ 16,700,525	N	Y
2	National Union Fire Ins. Co of Pittsburgh, PA	AIG	\$ 1,511,582	Y	Y
3	Associated Electric Gas & Insurance Services Limited	AEGIS		Y	Y

4	Liberty Mutual Insurance Co.	Liberty	\$364,822	Y	Y
5	Lloyds of London / Alesco	Lloyds	\$ 78,823,124	N	N
6	The Princeton Excess & Surplus Lines Ins. Co.	Munich-American Holding Corporation	\$3,593,058	Y	Y
7	Westport Insurance Corporation	Swiss Re	\$15,351,263	Y	Y
8	Zurich American Insurance Company	Zurich	\$7,208,219	Y	Y
9	Affiliated FM Insurance Co	FM Global	\$ 1,353,327	Y	Y
EXCESS PROPERTY					
1	ACE American Insurance Company / Star Tech	The Ace Group of Companies	\$ 16,700,525	N	Y
2	National Union Fire Ins. Co of Pittsburgh, PA	AIG	\$ 1,511,582	Y	Y
3	Associated Electric Gas & Insurance Services Limited	AEGIS		Y	Y
4	Liberty Mutual Insurance Co.	Liberty	\$364,822	Y	Y
5	Lloyds of London / Alesco	Lloyds	\$ 78,823,124	N	N
6	The Princeton Excess & Surplus Lines Ins. Co.	Munich-American Holding Corporation	\$3,593,058	Y	Y
7	Westport Insurance Corporation	Swiss Re	\$15,351,263	Y	Y
8	Zurich American Insurance Company	Zurich	\$7,208,219	Y	Y
9	Affiliated FM Insurance Co	FM Global	\$ 1,353,327	Y	Y
BOILER AND MACHINERY					
1	ACE American Insurance Company / Star Tech	The Ace Group of Companies	\$ 16,700,525	N	Y
2	National Union Fire Ins. Co of Pittsburgh, PA	AIG	\$ 1,511,582	Y	Y
3	Associated Electric Gas & Insurance Services Limited	AEGIS		Y	Y
4	Liberty Mutual Insurance Co.	Liberty	\$364,822	Y	Y
5	Lloyds of London / Alesco	Lloyds	\$ 78,823,124	N	N
6	The Princeton Excess & Surplus Lines Ins. Co.	Munich-American Holding Corporation	\$3,593,058	Y	Y
7	Westport Insurance Corporation	Swiss Re	\$15,351,263	Y	Y

RFP Submission Form

8	Zurich American Insurance Company	Zurich	\$7,208,219	Y	Y
9	Affiliated FM Insurance Co	FM Global	\$ 1,353,327	Y	Y
EXCESS WORKERS COMPENSATION					
1	Travelers Indemnity Co.	Travelers	\$ 125,584	Y	Y
2	Safety National Cas. Corp	Safety National	\$ 3,129,749	Y	Y
3	New York Marine & General / Midlands Management	ProSight Specialty Group	\$ 7,351,414	N	N
4	Arch Ins. Co.	Arch Group	\$ 405,881	Y	Y
5	Midwest Employers	W.R Berkley Group	\$ 1,058,774	Y	Y
6	ACE American Insurance Co.	ACE USA			
7	Colony / C&C Risk Services	Argo Group	\$ 961,502	N	N
POLICE PROFESSIONAL LIABILITY					
1	Travelers	Travelers	\$ 1,132,733	Y	N
2	ACE	The Ace Group of Companies	\$809,503	Y	Y
3	Lexington Insurance Company	AIG	\$ 1,459,296	Y	N
4	Ironshore Specialty	Ironshore Group	\$ 182,500	Y	Y
5	Lloyds of London – Brit Syndicate	Lloyds	\$ 7,714,236	Y	N
PUBLIC OFFICIALS AND EMPLOYMENT PRACTICES LIABILITY					
1	Travelers	Travelers Group	\$ 1,132,733	Y	N
2	ACE American Insurance Co.	The Ace Group of Companies	\$809,503	Y	Y
3	Lexington Insurance Company	AIG	\$ 1,459,296	Y	N
4	Ironshore Specialty	Ironshore Group	\$ 182,500	Y	Y
5	Lloyds of London – Brit Syndicate	Lloyds	\$ 7,714,236	Y	N
6	Indian Harbor Ins. Co	XL Group Ltd	\$13,223	N	N
AUTOMOBILE PHYSICAL DAMAGE					
1	Travelers Property Casualty	Travelers Group	\$ 65,084	Y	Y
2	XL Specialty Ins. Co	XL Group Ltd	\$101,512	Y	Y
3	Alterra American Insurance	Alterra Capital Holdings Ltd	\$ 144,041	Y	Y
4	Lloyds of London – Brit Syndicate	Lloyds	\$ 7,714,236	Y	N



Tab 6: Appendix

- Required Forms
- Certificate of Insurance
- Addendums

Drug-Free Workplace Form


DRUG-FREE WORKPLACE FORM

The undersigned vendor in accordance with Florida Statute 287.087 hereby certifies that

Arthur J. Gallagher Risk Management Services, Inc. does:
(Name of Business)

1. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
2. Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for the drug abuse violations.
3. Give each employee engaged in providing the commodities or contractual services that are under bid a copy of the statement specified in subsection (1).
4. In the statement specified in subsection (1), notify the employees that, as a condition of working on the commodities or contractual services that are under bid, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of Chapter 893 or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.
5. Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is so convicted.
6. Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

As the person authorized to sign the statement, I certify that this firm complies fully with the above requirements.



Bidder's Signature

Date

7-23-15

Article X. Local Preference Policy Form Exhibit A.1

EXHIBIT A

ARTICLE X. LOCAL PREFERENCE POLICY*

***Editor's note:** Section 9 of Ord. No. 001261 states: "This ordinance shall become effective October 1, 2004, and shall be reviewed by the City Commission October 1, 2005, and unless extended by action of the City Commission, shall be deemed repealed effective March 31, 2006, provided that it shall remain applicable to new contracts solicited prior to repeal."

Sec. 2-620. Findings of fact.

The city annually spends significant amounts on purchasing personal property, materials, and contractual services and in constructing improvements to real property or to existing structures. The dollars used in making those purchases are derived, in large part, from taxes, fees, and utility revenues derived from local businesses in the corporate city limits of Gainesville, and the city commission has determined that funds generated in the community should, to the extent possible, be placed back into the local economy. Therefore, the city commission has determined that it is in the best interest of the city to give a preference to local businesses in the corporate city limits of Gainesville in making such purchases whenever the application of such a preference is reasonable in light of the dollar-value of proposals received in relation to such expenditures.

(Ord. No. 001261, § 1, 3-29-04)

Sec. 2-621. Definition.

"Local business" means the vendor has a valid occupational license, issued by the City of Gainesville at least six months prior to bid or proposal opening date, to do business in said locality that authorizes the business to provide the goods, services, or construction to be purchased, and a physical business address located within the limits of said locality, in an area zoned for the conduct of such business, from which the vendor operates or performs business on a day-to-day basis. Post office boxes are not verifiable and shall not be used for the purpose of establishing said physical address. In order to be eligible for local preference, the vendor must provide a copy of the occupational license.

(Ord. No. 001261, § 2, 3-29-04)

Sec. 2-622. Local preference in purchasing and contracting.

In bidding of, or letting contracts for procurement of, supplies, materials, equipment and services, as described in the purchasing policies, the city commission, or other purchasing authority, may give a preference to local businesses in making such purchase or awarding such contract in an amount not to exceed five percent of the local business' total bid price, as described below, and in any event the cost differential should not exceed \$25,000.00. Total bid price shall include not only the base bid price but also all alterations to that base bid price resulting from alternates which were both part of the bid and actually purchased or awarded by the city commission or other authority. In the case of requests for proposals, letters of interest, best evaluated bids, qualifications or other solicitations and competitive negotiation and selection in which objective factors are used to evaluate the responses, local businesses are assigned five percent of the total points of the total evaluation points.

(Ord. No. 001261, § 3, 3-29-04)

Sec. 2-623. Exceptions to local preference policy.

The preference set forth in this Article X shall not apply to any of the following purchases or contracts:

- (1) Good or services provided under a cooperative purchasing agreement;

Article X. Local Preference Policy Form Exhibit A.2

EXHIBIT A

(2) Contracts for professional services procurement of which is subject to the Consultants' Competitive Negotiation Act (F.S. § 287.055) or subject to any competitive consultant selection policy or procedure adopted or utilized by the city commission or charter officer;

(3) Purchases or contracts which are funded, in whole or in part, by a governmental entity and the laws, regulations, or policies governing such funding prohibit application of that preference; or

(4) Purchases made or contracts let under emergency or noncompetitive situations, or for litigation related legal services, etc., as such are described in the city's purchasing policies;

(5) Purchases with an estimated cost of \$50,000.00 or less;

(6) Application of local preference to a particular purchase, contract, or category of contracts for which the city commission is the awarding authority may be waived upon written justification and recommendation of the charter officer and approval of the city commission. The preferences established herein in no way prohibit the right of the city commission or other purchasing authority to compare quality or fitness for use of supplies, materials, equipment and services proposed for purchase and compare qualifications, character, responsibility and fitness of all persons, firms, or corporations submitting bids or proposals. Further, the preferences established herein in no way prohibit the right of the city commission or other purchasing authority from giving any other preference permitted by law in addition to the preference authorized herein.

(Ord. No. 001261, § 4, 3-29-04)

Sec. 2-624. Application, enforcement.

The local preference shall apply to new contracts for supplies, materials, equipment and services first solicited after October 1, 2004. This article shall be implemented in a fashion consistent with otherwise applicable city purchasing policies and procedures.

(Ord. No. 001261, § 5, 3-29-04)

Local Preference is requested: YES NO

If Local preference is requested this exhibit must be submitted with the proposal.

A copy of your Business tax receipt and Zoning Compliance Permit should be submitted with the proposal if a local preference is requested.

Certification of Compliance with Living Wage Exhibit B

EXHIBIT B

CITY OF GAINESVILLE

CERTIFICATION OF COMPLIANCE WITH LIVING WAGE

The undersigned hereby agrees to comply with the terms of the Living Wage Ordinance and to pay all covered employees, as defined by City of Gainesville Ordinance 020663 as amended at 030168 (Living Wage Ordinance), during the time they are directly involved in providing covered services under the contract with the City of Gainesville for **Broker/Agent Insurance and Risk Management Consulting Services** a living wage of \$11.6587 per hour to covered employees who receive Health Benefits from the undersigned employer and \$12.91 per hour to covered employees not offered health care benefits by the undersigned employer.

Name of Service Contractor/Subcontractor: _____

Address: N/A for Arthur J. Gallagher Risk Management Services, Inc.

Phone Number: _____

Name of Local Contact Person _____

Address: _____

Phone Number: _____

\$ _____
(Amount of Contract)

Signature: _____ Date: _____

Printed Name: _____

Title: _____

Living Wage Compliance

Exhibit D

LIVING WAGE COMPLIANCE

See Living Wage Decision Tree (Exhibit C hereto)

Check one:

- Living Wage Ordinance does not apply
(check all that apply)
- Not a covered service
 - Contract does not exceed \$100,000
 - Not a for-profit individual, business entity, corporation, partnership, limited liability company, joint venture, or similar business, who or which employees 50 or more persons, but not including employees of any subsidiaries, affiliates or parent businesses.
 - Located within the City of Gainesville enterprise zone.
- Living Wage Ordinance applies and the completed Certification of Compliance with Living Wage is included with this bid.

NOTE: If Contractor has stated Living Wage Ordinance does not apply and it is later determined Living Wage Ordinance does apply, Contractor will be required to comply with the provision of the City of Gainesville's living wage requirements, as applicable, without any adjustment to the bid price.

Purchasing Division Survey Bid Information

CITY OF GAINESVILLE
GENERAL GOVERNMENT
PURCHASING DIVISION SURVEY
BID INFORMATION

BID #: RMDX-150054-DD

DUE DATE: July 27, 2015

SEALED PROPOSAL ON: Broker/Agent Insurance and Risk Management Consulting Services

IF YOU DO NOT BID

Please check the appropriate or explain:

N/A for Arthur J. Gallagher Risk Management Services, Inc.

- 1. Not enough bid response time.
2. Specifications not clear.
3. Do not submit bids to Municipalities.
4. Current work load does not permit time to bid.
5. Delay in payment from Governmental agencies.
6. Do not handle this item.
7. Other:

Company:

Address:

Are you a minority business? yes no

RFP (09/22/03)
Rev. local pref. 10/1/04;7/25/05;10/05;4/06;10/06;3/07;10/11;05/12

This form Document No. P04-213 is a legal instrument approved by the City Attorney. Any deviations from its intended use should be authorized by the City Attorney

Copy of Gallagher's Errors & Omissions Certificate of Insurance



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
08/25/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER 1-312-704-0100 Arthur J. Gallagher Risk Management Services, Inc. 300 South Riverside Plaza Suite 1900 Chicago, IL 60606 Direct All Inquiries to Email	CONTACT NAME:	
	PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL ADDRESS: Chi Certificates@AJG.com	
INSURED Arthur J. Gallagher Risk Management Services, Inc. 200 S. Orange Avenue, Suite 1350 Orlando, FL 32801	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A: LEXINGTON INS CO	19437
	INSURER B: XL SPECIALTY INS CO	37885
	INSURER C:	
	INSURER D:	
	INSURER E: INSURER F:	

COVERAGES CERTIFICATE NUMBER: 41159292 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COM/OP AGG \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below Y/N <input type="checkbox"/> N/A						WC STATU-TORY LIMITS OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Errors & Omissions			015012431	09/01/14	09/01/15	Each Wrongful Act 20,000,000
B	(Claims Made)			ELU13573314	09/01/14	09/01/15	Aggregate 20,000,000 Retention 5,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER Evidence of Insurance	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>Thomas J. Gallagher</i>
---	---

ACORD 25 (2010/05)
lavanyachi
41159292

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Copy of Gallagher's Liability Certificate of Insurance



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
10/05/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER 1-312-704-0100 Arthur J. Gallagher Risk Management Services, Inc. 300 South Riverside Plaza Suite 1900 Chicago, IL 60606	CONTACT NAME: Direct All Inquiries to Email PHONE (A/C No, Ext): FAX (A/C, No): E-MAIL ADDRESS: Chi_Certificates@AJG.com
INSURED Arthur J. Gallagher Risk Management Services, Inc. 200 S. Orange Avenue, Suite 1350 Orlando, FL 32801	INSURER(S) AFFORDING COVERAGE INSURER A: ARCH INS CO (A XV) NAIC # 11150 INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:

COVERAGES CERTIFICATE NUMBER: 41763590 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Gen Agg per loc subj. <input checked="" type="checkbox"/> to \$10 MIL policy agg. GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC			41GPP4938407	10/01/14	10/01/15	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000 \$
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			41CAB4939007 (MA) 41CAB4938307 (AOS)	10/01/14 10/01/14	10/01/15 10/01/15	COMBINED SINGLE LIMIT (Ea accident) \$ 3,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB EXCESS LIAB DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			41WCI4938107 (AOS) 41WCI4938107 (WI)	10/01/14 10/01/14	10/01/15 10/01/15	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER Evidence of Insurance	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
--	--

ACORD 25 (2010/05)
pushpachi
41763590

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Acknowledgement of Addendum 1

RMDX-150054-DD / Addendum No. 1
Broker/Agent Insurance and Risk Management Consulting Services

aviation policy for its police helicopter, statutory life insurance for police and fire, and a small property policy for rental rehab owned locations that renew during the year. The Attachment Form B includes all types of insurance purchased over the past 10 years and is intended to be overly broad to ensure that any additional risk transfer tools (insurance) are included in the proposal. If there are any lines that would include an additional fee, the City would like those fees identified in advance. An example would be a builder's risk policy. This not something the City purchases on an annual basis but would like to know, if needed, is it included in the proposals price structure.


7. Inquiry: The Schedule of Insurance reflects GRU's Property (All Risk) Boiler & Machinery sublimit is \$1,000,000; please confirm if this is correct.
Response: This represents sub-limits on special expense. See policy (Exhibit #3) for details.
8. Inquiry: A copy of GRU's General Liability / Umbrella policy.
Response: Please refer to Exhibit #8 uploaded with this Addendum to DemandStar.
9. Inquiry: A copy of GRU's latest risk engineering reports and GRU's standard master services agreement.
Response: Please refer to Exhibits #4, #5 and #6, as well as Exhibit #7 uploaded with this Addendum to DemandStar.
10. Inquiry: Please confirm if the separate price proposal is applicable for this RFP response.
Response: A separate price proposal is not applicable. The pricing should be indicated on the provided response form. Any compensation in addition to fees/commissions stated in the response should be clearly identified. Any add on services, such as broker's staff attendance at plant loss control meetings or intermediary commissions require full disclosure and transparency.

ACKNOWLEDGMENT: Each Proposer shall acknowledge receipt of this Addendum No. 1 by his or her signature below, **and a copy of this Addendum to be returned with proposal.**

CERTIFICATION BY PROPOSER

The undersigned acknowledges receipt of this Addendum No. 1 and the Proposal submitted is in accordance with information, instructions, and stipulations set forth herein.

PROPOSER: Arthur J. Gallagher Risk Management Services, Inc.

BY: 

DATE: 7-23-15

Acknowledgement of Addendum 2

ADDENDUM NO. 2



Date: July 16, 2015

RFP Due Date: July 27, 2015
at 3:00 P.M. (Local Time)

Project Name: Broker/Agent Insurance and Risk Management
Consulting Services

RFP No.: RMDX-150054-DD

NOTE: This Addendum has been issued only to the holders of record of the Request for Proposal RMDX-150054-DD.

The original Specifications remain in full force and effect except as revised by the following changes which shall take precedence over anything to the contrary:

1. Any questions shall be submitted in writing to the City of Gainesville Purchasing Division by close of business day, July 16, 2015. Questions may be submitted as follows:

Email: drymonjd@cityofgainesville.org

or

Faxed (352) 334-3163

Attention: Doug Drymon

2. Please find attached:
 - a. Attachment B, "Submission Form for Qualification of Property/Casualty Insurance Agent of Record" in unlocked MS WORD format.

Following are responses to inquiries which have been received to-date from prospective proposers:

3. Inquiry: Is it possible to obtain a copy of Attachment B in an unlocked format in order for us to complete and return with our response?
Response: Please refer to the attached document uploaded with this Addendum to DemandStar.

ACKNOWLEDGMENT: Each Proposer shall acknowledge receipt of this Addendum No. 1 by his or her signature below, **and a copy of this Addendum to be returned with proposal.**

CERTIFICATION BY PROPOSER

The undersigned acknowledges receipt of this Addendum No. 2 and the Proposal submitted is in accordance with information, instructions, and stipulations set forth herein.

PROPOSER: Arthur J. Gallagher Risk Management Services, Inc.

BY: 

DATE: 7-23-15

Gallagher Orlando Business License**FLORIDA DEPARTMENT of FINANCIAL SERVICES****ARTHUR J. GALLAGHER RISK MANAGEMENT
SERVICES, INC.**

200 S ORANGE AVENUE
SUITE 1350

ORLANDO, FL 32801
Agency License Number L049973

Location Number: 172379

Issued On 07/03/2007

Pursuant To Section 626.382, Florida Statutes, This Agency's License Will
Expire On 07/03/2016

Pursuant To Section 626.747, Florida Statutes, This Agency Shall Be In The Active Full-Time
Charge Of A Licensed General Lines Agent Or Life Or Health Agent Who Is Appointed To
Represent One Or More Insurers.

Pursuant To Section 626.172, Florida Statutes, Each Agency Shall Display The License Or Registration
Prominently In A Manner That Makes It Clearly Visible To Any Customer Or Potential Customer Who
Enters The Agency.



Jeff Atwater
Chief Financial Officer
State of Florida