



Legislation Text

File #: 150209., **Version:** 1

Selection of Marsh & McLennan Companies/Marsh USA, Inc as the City of Gainesville's Property and Casualty Broker/Agent and Risk Management Consultant (B)

This item involves a request for the City Commission to approve the rankings of the competitive bid process selecting Marsh & McLennan Companies/Marsh USA, Inc as the City's property and casualty broker/agent and risk management consultant.

The City of Gainesville recently requested qualifications from property, liability and workers compensation insurance agents for marketing and placement of its property, liability and workers compensation insurance/self-insurance program. Additional services requested included loss control and risk management consulting. The City received two qualified responses to the Request for Proposals and the committee made up of staff evaluated the proposals based on several factors, including but not limited to: price, agent and key person qualifications and experience, agency premium volume, range of services available, experience with accounts of similar complexity, including public entities, commitment to service the City's account, agent/agency remuneration, insurance market preferences, agency clout, negotiation experience and references. Based on the criteria specified in the RFP staff scored and ranked the responders as follows:

1. Marsh and McLennan/Marsh USA, Inc.
2. Arthur J. Gallagher & Co.

In addition to the providing the best response to the RFP, Marsh has provided the City and Gainesville Regional Utilities with superior service since October 2005. Of particular value to the City has been the active engagement in loss control visits and reporting with our property insurance carriers. Utilizing a more interactive and partner-based approach to the inspection process, Gainesville Regional Utilities has improved its risk profile with the property market, last year's renewal resulting in a 9.1% rate decrease which amounted to approximately \$265,000 reduction in the City's property insurance premiums.

Funds in the amount of \$198,500 are included in the Fiscal Year 2015-2016 General Insurance Fund budget and represent the fee associated with the Risk Management Consulting and Insurance Marketing and Placement services requested by the City.

The City Commission: 1) Approve the ranking of the responders; and 2) Authorize the City Manager or his designee to negotiate an agreement with the top ranked firm for a period of three years with two annual extensions, subject to approval of the City Attorney as to form and legality. If an agreement cannot be reached with the top ranked firm, authorize the City Manager or his designee to initiate negotiations with the next ranked firm, continuing through the rankings until an agreement is reached.