



## Legislation Text

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**File #:** 130550., **Version:** 1

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### Extension of the Marsh Broker Contract an Additional Six Months to March 31, 2014 (B)

This item is a request for a one-time extension to the Marsh, Inc. Services Agreement to move the selection process out of the insurance marketing time frame.

The city uses a competitive bid process to award our broker services contract. Typically, the City renews or awards this contract in September, which is the same time frame that the City's insurance program is being marketed by the current broker. This makes transitioning to a new provider very difficult and puts our bid process in the middle of our insurance marketing efforts. Staff has been somewhat disappointed in the responses to our previous attempts to market this service. The City only received three proposals during the last attempt to market broker services. In an effort to increase competition, staff believes moving the process to January will allow more providers to prepare a response for the City to consider. Most public entities market their insurance programs during August and September which makes it difficult for vendors to devote time to a bid process which would conflict with their current client base.

Using an April 1st start date would ensure that all policies placed by the City's provider during renewal would receive a thorough review by the broker placing the insurance policies before transferring responsibility to a potentially new vendor. This will also allow for a transition period for any new vendor to get familiar with our organizational structure and insurance needs prior to the next insurance renewal process. Staff has identified six to ten potential vendors with utilities and public entity backgrounds that will be asked to provide a proposal. Staff's hope is that more competition will result in a lower annual fee. The City only accepts a fee for service pricing model and does not consider a commission based fee for this service.

March USA, Inc. has agreed to continue to provide the service on a monthly basis until the selection process has completed. This request to move the bid process is not due to poor service or performance on the part of Marsh, Inc. In fact, the opposite is true. Marsh has provided innovative solutions to our insurance needs and superior loss control support for Gainesville Regional Utilities.

Funds in the amount of \$99,230 are available in the General Insurance Fund. This is no increase over the current annualized amount.