

REQUEST FOR LEGISLATIVE ACTION

Completed by County Counselor's Office:

Res/Ord No.: 18954

Sponsor(s): Scott Burnett

Date: October 5, 2015

SUBJECT	<p>Action Requested <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance</p> <p>Project/Title: <u>Awarding a Contract for Broker to Provide Property Insurance for the Finance and Purchasing Department to Lockton Companies of Kansas City, Missouri under the terms and conditions of Request for Proposal No. 53-15.</u></p>										
<p>BUDGET INFORMATION <i>To be completed By Requesting Department and Finance</i></p>	<table border="1"> <tr> <td>Amount authorized by this legislation this fiscal year:</td> <td>\$495,586.00</td> </tr> <tr> <td>Amount previously authorized this fiscal year:</td> <td></td> </tr> <tr> <td>Total amount authorized after this legislative action:</td> <td>\$495,586.00</td> </tr> <tr> <td>Amount budgeted for this item * (including transfers):</td> <td>\$495,586.00</td> </tr> <tr> <td>Source of funding (name of fund) and account code number: 060-5160-56310 Self-Insurance Fund, Non-Departmental, Property Damage</td> <td>\$495,586.00</td> </tr> </table> <p>* If account includes additional funds for other expenses, total budgeted in the account is: \$</p> <p>OTHER FINANCIAL INFORMATION:</p> <p><input type="checkbox"/> No budget impact (no fiscal note required) <input type="checkbox"/> Term and Supply Contract (funds approved in the annual budget); estimated value and use of contract: Department: Estimated Use: \$</p> <p>Prior Year Budget (if applicable): \$552,191.00 Prior Year Actual Amount Spent (if applicable): \$552,191.00</p>	Amount authorized by this legislation this fiscal year:	\$495,586.00	Amount previously authorized this fiscal year:		Total amount authorized after this legislative action:	\$495,586.00	Amount budgeted for this item * (including transfers):	\$495,586.00	Source of funding (name of fund) and account code number: 060-5160-56310 Self-Insurance Fund, Non-Departmental, Property Damage	\$495,586.00
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PRIOR LEGISLATION	<p>Prior ordinances and (date): Prior resolutions and (date): 18608, September 15, 2014</p>										
CONTACT INFORMATION	<p>RLA drafted by (name, title, & phone): Barbara Casamento, Purchasing Supervisor, 881-3253</p>										
REQUEST SUMMARY	<p>The Finance and Purchasing Department requires a Broker to Provide Property Insurance for Jackson County, Missouri properties.</p> <p>A total of twenty-four notifications were distributed and two responses were received and evaluated as follows:</p> <table border="1"> <thead> <tr> <th>Respondent</th> <th>Amount</th> <th>Points Awarded</th> </tr> </thead> <tbody> <tr> <td>Lockton Companies, Kansas City, Missouri</td> <td>\$495,586.00</td> <td>92 Points</td> </tr> <tr> <td>Arthur J. Gallagher, Kansas City, Missouri</td> <td>\$482,002.00</td> <td>83.5 Points</td> </tr> </tbody> </table> <p>Points awarded were based on Respondent's Responsiveness to Proposal; Qualifications and Experience; References and Pricing. Although Lockton was not the lowest proposal received, the insurance coverages they offered made them the best overall proposal received. Lockton offered \$500,000,000.00 in Terrorism Coverage versus Arthur J. Gallagher's \$100,000,000.00.</p> <p>Pursuant to Section 1054.6 of the Jackson County Code, the Director of Finance and Purchasing recommends the award of a Contract for Broker to Provide Property Insurance for the Finance and Purchasing Department to Lockton Companies of Kansas City, Missouri as the lowest and best proposal received</p>	Respondent	Amount	Points Awarded	Lockton Companies, Kansas City, Missouri	\$495,586.00	92 Points	Arthur J. Gallagher, Kansas City, Missouri	\$482,002.00	83.5 Points	
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Lockton Companies, Kansas City, Missouri	\$495,586.00	92 Points									
Arthur J. Gallagher, Kansas City, Missouri	\$482,002.00	83.5 Points									
CLEARANCE	<p><input checked="" type="checkbox"/> Tax Clearance Completed (Purchasing & Department) <input checked="" type="checkbox"/> Business License Verified (Purchasing & Department) <input checked="" type="checkbox"/> Chapter 6 Compliance - Affirmative Action/Prevailing Wage (County Auditor's Office)</p>										
ATTACHMENTS	<p>Bid Abstract, an Award Recommendation Memorandum from Ms. Celestine Williams, Risk Manager and the pertinent pages of Lockton's proposal.</p>										

REVIEW	Department Director: <i>[Signature]</i>	Date: <i>9/25/15</i>
	Finance (Budget Approval): <i>If applicable</i> <i>Mary Rasmussen</i>	Date: <i>9/25/15</i>
	Division Manager: <i>Mary Lou Brown</i>	Date: <i>9/25/15</i>
	County Counselor's Office	Date:

Fiscal Information (to be verified by Budget Office in Finance Department)

- This expenditure was included in the annual budget.
- Funds for this were encumbered from the _____ Fund in _____.
- There is a balance otherwise unencumbered to the credit of the appropriation to which the expenditure is chargeable and there is a cash balance otherwise unencumbered in the treasury to the credit of the fund from which payment is to be made each sufficient to provide for the obligation herein authorized.
- Funds sufficient for this expenditure will be/were appropriated by Ordinance # _____
- Funds sufficient for this appropriation are available from the source indicated below.

Account Number:	Account Title:	Amount Not to Exceed:

- This award is made on a need basis and does not obligate Jackson County to pay any specific amount. The availability of funds for specific purchases will, of necessity, be determined as each using agency places its order.
- This legislative action does not impact the County financially and does not require Finance/Budget approval.

ABSTRACT OF BIDS

NO	DESCRIPTION	UNIT	QTY	Lockton		Arthur J Gallagher		AMOUNT	
				AMOUNT	AMOUNT	AMOUNT	AMOUNT		

1 See Proposal

See bid See bid

CERTIFICATION OF BID OPENING
 BIDS WERE PUBLICLY
 OPENED AND RECORDED
 ON: 9/10/2015, BY
Nina DeSera
 CLERK OF THE LEGISLATURE
Bernardo Casanovi
 PURCHASING

To: <i>Barbara Casamento</i> <i>Purchasing Supervisor</i>	From: <i>Celestine I. Williams</i> <i>Audit Procedures Analyst/Risk Manager</i>	Date: <u>9/23/15</u>
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Recommendation for Broker for Property Insurance

RFP No.: 53-15

Bids were opened on 9/15/15 for the evaluation process and criteria as set forth in the above Bid Package. We have determined that the following bid is complete, responsive and without unacceptable qualifications. As such, *Celestine I. Williams, Audit Procedures Analyst/Risk Manager* recommends the following bidder be awarded the contract for the work associated with this Bid Package.

The Bid Results are as follows:

Recommended Bidder: Lockton Companies (Travelers) Amount of Bid: \$495,586
(All covered areas)

For your information, the following bids were also received for this Bid Package:

Arthur J. Gallagher & Co. (Fireman's Fund Insurance) & (Beazley Nat'l Ins. Co.) Amount of Bid: \$482,002
(Property Insurance Only) (Terrorism coverage)

The recommended contract award is \$ 13,584 (**higher**/lower) than the other bidder, but the experience and the overall coverage outweighed the pricing. This difference results from the items listed below:

- Newly constructed or acquired property coverage limit was what the RFP required \$25 million, unlike the lowest bidder who only quoted a \$5 million limit
- Miscellaneous Unscheduled Locations coverage was not quoted by the lowest bidder
- The Terrorism Coverage being offered has a higher policy limit of \$500 million vs. \$100 million by the lowest bidder
- Errors & Omissions, Not including Earth Movement or Flood is not included as per the RFP by lowest bidder.
- EDP Media & Equipment, Accounts Receivable, Valuable Papers & Records plus Transit coverage was not provided by the lowest bidder

Despite this difference of cost, we believe the contract should be awarded to this bidder because they provided Jackson County the best proposal.

Submitted by: *Celestine I. Williams* 9/23/15
Celestine I. Williams
Audit Procedures Analyst/Risk Manager

REQUEST FOR PROPOSAL PACKAGE

5.6.3

Property Quote Comparison

Coverages as Shown on Request for Proposal

	RFP	Travelers	Hartford
Blanket Real & Personal Property Values	1,409,174,727	1,409,174,727	1,409,174,727
Policy Loss Limit	1,000,000,000	1,000,000,000	1,000,000,000
Miscellaneous Unscheduled Locations	5,000,000	5,000,000	5,000,000
Newly Constructed or Acquired Property	25,000,000	25,000,000	25,000,000
Demolition, Increased Cost of Construction and Debris Removal	25,000,000	25,000,000	25,000,000
Ordinance or Law including Demolition and Increased Cost of Construction	25,000,000	25,000,000	25,000,000
Flood Except Zone A & V	100,000,000	100,000,000	100,000,000
Flood Zone A	1,000,000	1,000,000	1,000,000
Earth Movement	100,000,000	100,000,000	100,000,000
Errors and Omission, Not including Earth Movement or Flood	5,000,000	5,000,000	5,000,000
Extra Expense	10,000,000	10,000,000	10,000,000
Comprehensive Boiler and Machinery all Locations Include Inspections NOTE: Only the Independence Square Courthouse and Annex have boilers.	Policy Limit	500,000,000	300,000,000
Loss of Rents	10,000,000	10,000,000	10,000,000
Also Include:			
1) EDP Media and Equipment	25,000,000	25,000,000	Policy Limit
2) EDP Media and Reconstruction	Included	Included	Included
3) Accounts Receivable	10,000,000	10,000,000	10,000,000
4) Valuable Papers and Records	10,000,000	10,000,000	Policy Limit
5) Transit	1,000,000	1,000,000	1,000,000
Deductible—All Coverages	150,000	150,000	100,000
Deductible—Flood Zone A	NFIP (500,000)	NFIP (500,000)	NFIP (500,000)
Deductible—500 Year Flood	150,000	150,000	100,000
PREMIUM	552,937	\$495,586	519,500

Note: Only exception to coverage is the limit of the boiler and machinery is a at \$500,000,000 policy limit.

ADDITIONAL COVERAGES	RFP	Travelers	Hartford
Off Premise Utility Services		10,000,000	10,000,000
Fine Arts		1,000,000	1,000,000
Pollutant Cleanup		100,000	1,000,000
Data Claim Expense		25,000	250,000
Contractors Equipment		250,000	250,000
Ingress/Egress		1,000,000	5,000,000
Terrorism		500,000,000	500,000,000
Expediting Expense		250,000	250,000
Fire Brigade and Extinguishing Expenses		Included	1,000,000
Leasehold Interest		1,000,000	1,000,000
Preservation of Property		250,000	1,000,000
Personal Effects of Officers and Employees		100,000	Included
Professional Fees		25,000	500,000
Property in Course of Construction		Must be named	500,000
Trees, Shrubs, Plants and Land Improvements—Per Item		500,000	500,000
Notice of Cancellation		60 days	60 days
Business Interruption		48 hours	150,000
Ingress/Egress		30 days	30 days
Newly Acquired Property		120 days	120 days
Civil Authority		30 days	30 days
No Vacancy Clause		Yes	No