

REQUEST FOR LEGISLATIVE ACTION

Completed by County Counselor's Office:

Res/~~Ord~~ No.: 18610

Sponsor(s): Theresa Garza Ruiz

Date: September 15, 2014

SUBJECT	<p>Action Requested <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance</p> <p>Project/Title: <u>Awarding a Thirty Six Month Term and Supply Contract with Three Twelve Month Option to Extend for the furnishing of Worker's Compensation and Employer's Liability Excess Insurance Coverage for the Finance and Purchasing Department to IMA, Inc. of Overland Park, Kansas as Agent/Broker for Midwest Employers Casualty Company; under the terms and conditions of Invitation to Bid No. 58-14.</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 style="text-align: right;">\$</td> </tr> <tr> <td>Amount previously authorized this fiscal year:</td> <td style="text-align: right;">\$</td> </tr> <tr> <td>Total amount authorized after this legislative action:</td> <td style="text-align: right;">\$</td> </tr> <tr> <td>Amount budgeted for this item * (including transfers):</td> <td style="text-align: right;">\$</td> </tr> <tr> <td>Source of funding (name of fund) and account code number; FROM / TO</td> <td>FROM ACCT</td> </tr> <tr> <td></td> <td>TO ACCT</td> </tr> </table> <p>* If account includes additional funds for other expenses, total budgeted in the account is: \$</p>	Amount authorized by this legislation this fiscal year:	\$	Amount previously authorized this fiscal year:	\$	Total amount authorized after this legislative action:	\$	Amount budgeted for this item * (including transfers):	\$	Source of funding (name of fund) and account code number; FROM / TO	FROM ACCT		TO ACCT
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	TO ACCT												
	<p>OTHER FINANCIAL INFORMATION:</p> <p><input type="checkbox"/> No budget impact (no fiscal note required) <input checked="" type="checkbox"/> Term and Supply Contract (funds approved in the annual budget); estimated value and use of contract: Department: Finance and Purchasing Estimated Use: \$260,507.00</p> <p>Requesting approval by the Legislature of the Term and Supply Contract; the funds were already appropriated through the annual budget adoption. Estimated use figures are for informational purposes only.</p> <p>Prior Year Budget (if applicable): \$121,349.00 Prior Year Actual Amount Spent (if applicable): \$121,349.00</p> <p>*The premium paid today is a direct result of Actuarial projections of rate to cover Jackson County's current experience for worker's compensation injuries (both reported and not reported). The premium charged for each policy period insures the growth of the worker's compensation claims for that policy period. From 10/1/2003 to 4/1/2014, Total Paid Claims: \$3,072,053.87; Total Outstanding Reserves: \$310,818.04; Total Incurred Claims: \$3,382,871.91; Total Claim Count: 1,392; and Average Per Year: 126.</p>												
PRIOR LEGISLATION	<p>Prior ordinances and (date): Prior resolutions and (date): 17013, September 28, 2009</p>												
CONTACT INFORMATION	<p>RLA drafted by (name, title, & phone): Anessa Culbertson, Senior Buyer, 881-3465</p>												
REQUEST SUMMARY	<p>The Finance and Purchasing Department requires a bid for Worker's Compensation & Employer's Liability Excess Insurance Coverage due to the current contract expiring. Purchasing issued Invitation to Bid No. 58-14 in response to those requirements.</p> <p>A total of 51 notifications were distributed with two responses received and evaluated; of those one was considered non-responsive.</p> <table> <tr> <td>BIDDER</td> <td>Rate per \$100 of Payroll</td> <td>Annual Premium</td> </tr> <tr> <td>IMA, Inc., Overland Park, KS</td> <td>\$4679</td> <td>\$260,507</td> </tr> </table>	BIDDER	Rate per \$100 of Payroll	Annual Premium	IMA, Inc., Overland Park, KS	\$4679	\$260,507						
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IMA, Inc., Overland Park, KS	\$4679	\$260,507											

	<p>Pursuant to Section 1054.6 of the Jackson County Code, the Director of Finance and Purchasing recommends the award of a Twelve Month Term and Supply Contract for the furnishing of Worker's Compensation and Employer's Liability Excess Insurance Coverage to IMA, Inc. of Overland Park, Kansas; under the terms and conditions of Invitation to Bid No. 58-14 and to the lowest and best bidder meeting specifications for each item.</p> <p>This award is made on an "as needed" basis and does not obligate Jackson County to pay any specific amount. The availability of funds for specific purchases is subject to annual appropriations.</p>	
CLEARANCE	<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)	
ATTACHMENTS	Abstract of Bids, Recap of Unit Prices and Memo from Celestine Williams, Risk Manager and pertinent bid documents from IMA.	
REVIEW	Department Director:	Date: 9/10/2014
	Finance (Budget Approval) If applicable	Date: 9-10-14
	Division Manager:	Date: 9/10/2014
	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	IMA AMOUNT	Marsh AMOUNT	AMOUNT	AMOUNT	AMOUNT
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BID NO: 58-14

DATE: 9/2/14

COMMODITY: Worker's Compensation Insurance
& Excess Liability Insurance

Minimum Deposit Premium \$350,000 - Statutory
Rate per \$100 of Payroll
Annual Premium

Part 2 - \$1,000,000
Minimum Deposit Premium
Rate per \$100 of Payroll
Annual Premium

\$400,000 - Statutory
Minimum Deposit Premium
Rate per \$100 of Payroll
Annual Premium

Part 2 - \$1,000,000
Minimum Deposit Premium
Rate per \$100 of Payroll
Annual Premium

\$450,000 - Statutory
Minimum Deposit Premium
Rate per \$100 of Payroll
Annual Premium

Part 2 - \$1,000,000
Minimum Deposit Premium
Rate per \$100 of Payroll
Annual Premium

CERTIFICATION OF BID OPENING
BIDS WERE PUBLICLY
OPENED AND RECORDED

ON:

September 2, 2014

CLERK OF THE LEGISLATURE

No bid

See bid

No bid

No bid

No bid

260,507.00

*4679
260,507.00*

*included
included
included
included*

Bid No. 58-14

Worker's Compensation and Employer's Liability Excess Insurance Coverage

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	Rate per \$100 of Payroll	Annual Premium
IMA, Inc.	\$0.47	\$260,507.00
Marsh	No value	No value

Anessa Culbertson

From: Celestine I. Williams
Sent: Thursday, September 04, 2014 11:47 AM
To: Anessa Culbertson
Subject: Bid No. 58-14

Anessa,

After review of the two proposals for Excess Workers Compensation, IMA was selected based on their capabilities to provide insurance for Jackson County. Midwest Employers Casualty Company is the carrier of choice.

Thanks.

Celestine I. Williams
Audit Procedures Analyst/Risk Manager
Jackson County
415 East 12th Street
Kansas City, MO 64106
816-881-3202-Telephone
816-881-3877-Fax

A TERM AND SUPPLY CONTRACT for the furnishing of WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY EXCESS INSURANCE COVERAGE for use by Finance Department.

A Contract between Jackson County Missouri ("County") and the undersigned ("Contractor"), collectively referred to as the "parties". The term "offer" as used herein refers to Contractor's offer made in response to this Bid Number. The parties agree as follows in consideration of the mutual covenants contained herein.

This Contract shall be binding when it is signed by the County's Purchasing Officer and shall run from such date until the end of the 36th consecutive month from the month during which it first took effect unless it is sooner terminated in accord herewith.

This Contract consists of: (1) Contractor's offer, including those papers which Contractor submitted with or expressly incorporated in its offer as a part thereof, to the extent the terms of such papers were expressly or impliedly accepted by the County, or were modified in writing with the express or implied consent of the parties; (2) written modification to this Contract signed by the County's Purchasing Officer and consented to expressly or impliedly by Contractor. This Contract represents the entire agreement between the parties in regard to this Bid Number. All modifications to this Contract must be in writing signed by the County's Purchasing Officer.

The laws of the State of Missouri and Jackson County, Missouri govern this Contract. This Contract shall be binding upon and to the benefit of the successor and assignees of the parties. The Contractor shall not assign this Contract or any monies payable hereunder without the prior written consent of the County. Contractor is an independent contractor of the County and shall indemnify the County for loss, damage or liability which the County incurs to the extent that such results proximately from the negligence or violation of Contractor or its employees, agents or subcontractors.

In regard to any goods which are included in the sale hereunder, Contractor makes to the County the warranties provided in Article Two of the Uniform Commercial Code of the State of Missouri to the extent that they apply by the terms thereof.

The County gives each of its employees an employee identification card having thereon a photograph of the employee. The County will not pay for any goods and/or services delivered by Contractor to any persons who did not present to Contractor at the time of delivery their County Identification Cards and who were not in fact authorized to receive delivery.

The County reserves the right to terminate this Contract for any reason upon at least 14 days written notice to Contractor.


The parties may annually extend this Contract beyond its original term for a time, not to exceed 36 month extensions, from the last day of the original term provided that the County's consent to such an extension and the extension does not involve changes in the specifications, terms and conditions, or increase in prices unless such changes or increases are provided for in said specifications, terms or conditions in effect at the expiration of the original term has been approved by the County Legislature.

The County will pay to Contractor the applicable pricing quoted by Contractor in its offer for any goods and/or services whose purchase was ordered by the County's Purchasing Officer in consequence of the County's acceptance of Contractor's offer. The County will make good faith effort to make payment within thirty (30) days after the latest of: (1) the date of proper delivery to the County; (2) the date of acceptance by the County; (3) the date when the receiving department has received from the Contractor a correct and complete invoice showing the pertinent County Purchase Order Number(s). Payment may be withheld by the County to protect itself from actual or potential loss which has resulted or may result from the Contractor's non-performance of any of its duties required hereunder.

Contractor warrants that no officer or employee of the County, whether elected or appointed, shall in any manner whatsoever be interested in or receive any benefit from the profits or emoluments of this contract.

If the County awarded this Contract, would the Contractor sell under the prices and terms of this Contract to any Municipal, County, Public Utility, Hospital, or Educational Institution having membership in the Mid-America Council of Public Purchasing and located within the greater Kansas City Metropolitan Trade Area? (All deliveries are to be F.O.B. Destination and there shall be no obligation on the part of any member of such Council to utilize this Contract).

(Check one) Yes No Initials _____ Minimum order, if applicable \$ Not Applicable
ALL PAGES OF THIS INVITATION TO BID ARE EXPRESSLY MADE A PART OF THIS CONTRACT. The format of this Contract has been approved by the County Counselor's Office. Signature of vendor as indicated below MUST BE COMPLETED before contract can be awarded:

CONTRACTOR'S NAME: IMA, Inc. PHONE NO: (913) 982-3650
ADDRESS: 9393 W. 110th Street, Suite 600, Overland Park, KS 66210 FAX NO: (913) 982-3495
NAME OF AUTHORIZED AGENT (print or type): Patrick Lanning DATE: 9/26/14
SIGNATURE OF AUTHORIZED AGENT:  TITLE: Vice President/Commercial Lines Division Manager
EMAIL ADDRESS OF AUTHORIZED AGENT: patrick.lanning@imacorp.com
FEDERAL ID NO: 20-2557329 and/or SOCIAL SECURITY NO: Not Applicable
SPECIFY: MINORITY OWNED (MBE): N/A WOMAN OWNED (WBE): N/A (Check If Applicable)

JACKSON COUNTY MISSOURI BY Q. TROY THOMAS, DIRECTOR OF FINANCE AND PURCHASING

SIGNATURE OF Q. TROY THOMAS: _____ DATE: _____

7.0 QUOTATIONS

Please provide bids for specific excess insurance with the following limits and retention:

Estimated Annual Payroll for 2013 is \$55,508,634

RETENTION	LIMIT	MINIMUM DEPOSIT PREMIUM	RATE PER \$100 OF PAYROLL	ANNUAL PREMIUM
\$350,000	Statutory	\$	\$	\$
Part 2	\$1,000,000	\$	\$	\$
\$400,000	Statutory	\$	\$	\$
Part 2	\$1,000,000	\$	\$	\$
\$450,000	Statutory	\$ 260,507	\$.4679	\$ 260,507
Part 2	\$1,000,000	\$ Included	\$ Included	\$ Included

Name of Carrier quoted: Midwest Employers Casualty Company

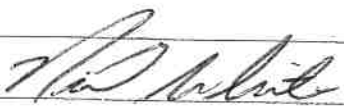
A.M. Best Rating: A+XV

Is Employer Liability quoted at same limit? Yes No

If not, what is the limit? _____

NOTE: Attach additional sheets if submitting more than one bid.

Please refer to Midwest Casualty's formal proposal for optional higher SIR quotes as well as proposal detail.

SIGNATURE: 	DATE: <u>8/26/2014</u>
NAME: Nick White (Print or Type)	PHONE: (913) 982-3690
TITLE: Account Executive (Print or Type)	CELL: (913) 302-9275
COMPANY NAME: IMA, Inc. (Print or Type)	FAX: (913) 982-3495
WEB ADDRESS: www.imacorp.com (Print or Type)	
EMAIL: nick.white@imacorp.com (Print or Type)	

From: White, Nicholas <Nick.White@imacorp.com>
Sent: Wednesday, September 10, 2014 9:48 AM
To: Anessa Culbertson
Cc: G. Mac Humphries; Bruns, Timothy
Subject: 10-1-2014 Excess Work Comp Renewal
Attachments: DOC091014-09102014081121.pdf; RE: Please Advise - Bid 58-14

Anessa -

A list of all claims \$50,000 and over from 10/1/2003 thru 4/1/2014 are attached (valued as of 4/1/2014). I also included the email regarding the Self Insured Retention question.

10/01/2003 to 4/01/2014

Total Paid claims = \$3,072,053.87
Total Outstanding reserves = \$310,818.04
Total Incurred claims = \$3,382,871.91
Total Claim count = 1,392
Average Per year = 126

Most municipalities have a self-insured retention from \$500,000 to \$1,000,000. Insurance carriers are increasing self-insured retentions as a result of rising medical costs. Midwest Employers has agreed to keep Jackson County's Self Insured retention at \$450,000. Jackson County's claim frequency is a significant factor in the premium rating process. The claims for Jackson County are double the acceptable limits based on similar municipalities. Claims are migrating upwards, and while reserves may fall under the SIRs now, recent history suggests some of the insured's claims may pierce the Self Insured Retentions.

The premium paid today is a direct result of Actuarial projections of rate to cover Jackson County's current experience for Work Comp Injuries (both reported and not reported). The premium charged for each policy period insures the growth of the WC claims for that policy period.

The proposed rate increase for the 2014 -2015 renewal is up 5% from last year.

Please let us know if you have any additional questions.
Thanks.

Nick White, MBA

Diversified Division Leader
NPN 6098836

IMA, Inc.

51 Corporate Woods
9393 W. 110th Street, Suite 600
Overland Park, KS 66210
913-982-3690 direct phone
913-982-3495 direct fax
913-302-9275 mobile
913-982-3650 main
Nick.White@imacorp.com
<http://www.imacorp.com/>



Detail Claim Listing for Jackson County, Missouri
All Claims - \$50,000 and over
10/1/2003 thru 12/31/2014

As of Date:
04/01/2014

Jackson County, Missouri Totals:

Number of Claims:	43	Med/BI	Paid	Outstanding Reserve	Total Incurred	Recoveries	Deductible Net Incurred
		Indemnity/PD	1,777,294.10	111,127.41	1,888,421.51	-5,555.56	0.00
		Expense	1,056,808.03	179,630.12	1,235,438.15	0.00	
		Legal	226,799.05	21,960.51	247,759.56	0.00	
		Totals	11,242.69	0.00	11,242.69	0.00	
		Totals	3,072,053.87	310,818.04	3,382,871.91	-5,555.56	3,377,316.35



04740 Jackson County, Missouri
Workers' Compensation Claim Counts excluding closed with no payment
Accidents between: 10/1/2003 and 9/30/2014

Print Date:
4/25/2014

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10/01/2003	133
10/01/2004	149
10/01/2005	122
10/01/2006	116
10/01/2007	136
10/01/2008	146
10/01/2009	125
10/01/2010	136
10/01/2011	135
10/01/2012	124
10/01/2013	70

Account Totals

1,392