

COUNCIL ACTION FORM

SUBJECT: LIABILITY BROKERAGE AGREEMENT RENEWAL FOR FY 2021/22

BACKGROUND:

The City contracts with Knapp Tedesco to provide liability insurance brokerage services for the City. This contract stems from a three-year agreement with Knapp Tedesco initiated in 2018. After the initial three-year term, both parties agreed the agreement could be extended for optional one-year extensions.

The original three-year agreement provided for payments of \$36,000 in FY 2018/19, \$37,000 in FY 2019/20, and \$38,000 in FY 2020/21. **Knapp Tedesco has agreed to extend this agreement through June 30, 2022 at the cost of \$38,000.**

Under Knapp Tedesco's guidance, the City's insurance program has been taken to market twice. Each time this effort has resulted in better renewal quotes from our incumbent liability insurance provider. Additionally, Knapp-Tedesco has provided valuable coverage analysis and guidance regarding receiving improved service from the City's insurance providers. The City seeks Knapp Tedesco's advice on a regular basis regarding insurance coverage strategies.

ALTERNATIVES:

1. Approve an extension of the liability brokerage agreement with Knapp Tedesco in the amount of \$38,000 for the period of July 1, 2021 through June 30, 2022.
2. Do not approve an extension of the property brokerage agreement and seek proposals from other companies.

CITY MANAGER'S RECOMMENDED ACTION:

The City utilizes the services of a liability insurance broker to provide access to the liability insurance market. Without these services, a great deal of the administration of the City's liability insurance program would revert to City staff. Knapp Tedesco has provided excellent service in brokering the City's liability insurance policies.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.