

COUNCIL ACTION FORM

SUBJECT: FY 2021/22 PROPERTY BROKERAGE AGREEMENT RENEWAL

BACKGROUND:

The City contracts with Willis of Greater Kansas, Inc., to provide property insurance brokerage services for the City's property insurance program. This contract stems from a three- year agreement with Willis initiated in 2011. After the initial three-year term, both parties agreed to extend the agreement for each of the optional one-year extensions.

These services were initially provided by Willis for \$45,000 per year. In FY 2019/20, Willis increased its fee to \$50,000 per year. **Willis has agreed to extend this agreement through June 30, 2022 with no fee increase, at the cost of \$50,000.**

Under Willis' guidance, the City's property program has been divided into a municipal property insurance program and a power property program. Last year City staff instructed Willis to take the City's property insurance to the marketplace. The City seeks Willis' advice on a regular basis regarding risk mitigation efforts, insurance coverage strategies, and in completing claim documentation in the event of losses.

ALTERNATIVES:

1. Approve an extension of the property brokerage agreement with Willis of Greater Kansas, Inc. in the amount of \$50,000 for a period beginning July 1, 2021.
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 property insurance broker to provide access to the property insurance market and to provide assistance in managing the property insurance portfolio. Without these services, a great deal of the administration of the City's property insurance program would revert to City staff. Willis has provided excellent service in brokering the City's property insurance policies.

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