

ITEM #: 22
DATE: 06-13-23
DEPT: HR

COUNCIL ACTION FORM

SUBJECT: LIABILITY BROKERAGE AGREEMENT RENEWAL FOR FY 2022/23

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 as follows:

FY 2018/19:	\$36,000
FY 2019/20:	\$37,000
FY 2020/21:	\$38,000
FY 2021/22:	\$38,000

The current agreement ends on June 30, 2023. **Knapp Tedesco has agreed to extend this agreement through June 30, 2024 at the cost of \$38,000 (no increase).** The FY 2023/24 budget includes \$38,000 for liability brokerage services.

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.

During the next renewal period, it is City staff's intent to take this brokerage agreement to market for FY 2024/25. Seeking proposals for these services from time to time ensures the City is receiving the best possible service and pricing for liability brokerage services.

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, 2023 through June 30, 2024.
2. Do not approve an extension of the property brokerage agreement and seek proposals from other companies.

CITY MANAGER'S RECOMMENDED ACTION:

The City has extended Knapp Tedesco's brokerage contract multiple times because of the quality of service that it has received. The proposed extension contains no cost increase compared to the expiring contract period. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1.