

COUNCIL ACTION FORM

SUBJECT: PROPERTY BROKERAGE AGREEMENT RENEWAL FOR FY 2018/19

BACKGROUND:

The City contracts with Willis of Illinois, 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 2012. After the initial three-year term, both parties agreed to extend the agreement for each of the optional one-year extensions. The cost for brokerage services throughout the City's relationship with Willis has been \$45,000 per year.

Willis has agreed to extend this agreement through June 30, 2019 at the cost of \$45,000. City staff will complete an RFQ/RFP for property brokerage service prior to the 2019/20 renewal.

Under Willis's guidance, the City's property program has been divided into a municipal property insurance program (underwritten by Chubb) and a power property program (underwritten by AEGIS). This year City staff instructed Willis to take the City's property insurance to the marketplace. This strategy generated very competitive quotes from insurance carriers. The City also 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 \$45,000 for a period beginning July 1, 2018.
2. Do not approve an extension of the property brokerage agreement and seek proposals from other companies.

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, thereby approving an extension of the property brokerage agreement with Willis of Greater Kansas, Inc. in the amount of \$45,000 for a one-year period beginning July 1, 2018.