

COUNCIL ACTION FORM

SUBJECT: PROPERTY BROKERAGE AGREEMENT RENEWAL FOR FY 2020/21

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. From FY 2011/12 through FY 2018/19, these services were \$45,000 per year. Willis raised its fee for FY 2019/20 to \$50,000. **Willis has agreed to extend this agreement through June 30, 2021 at the same 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, 2020 and ending June 30, 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 access to the property insurance market and to assist 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.