CITY OF WASILLA
290 E. HERNING AVE.
WASILLA, ALASKA 99654-7091
PHONE: (907) 373-9050
FAX: (907) 373-9085

COUNCIL MEMORANDUM
NO. 94-08

DATE: February 8, 1994

FROM: Finance Director

SUBJECT: Insurance Brokerage Services

In mid December, 1993 a R F P for Insurance Brokerage Services was sent to all insurance agencies/brokers holding a City of Wasilla business license. Also the R F P was advertised for 4 weeks in the Frontiersman and Anchorage Daily News.

At the closing date of January 21, 1994, we received only one proposal from Combs Insurance Agency, Inc. One other firm, located in Anchorage, was interested and talked to me over the phone about the account but did not submit a proposal. A copy of the R F P is enclosed for your perusal to determine the kinds of services the City has asked for.

Mr. Combs has estimated that two-thirds (2/3) of his effort will be in obtaining coverages, analyzing the provided coverage to identify gaps and secure amendments or other coverage to fill those gaps. One-third (1/3) of his effort will be the administration of the coverages which include the handling of claims and working with the City attorney, Police Chief, Librarian, and Finance Department on insurance matters.

Recommend authorization for the Mayor to enter into a three (3) year contract with Combs Insurance Agency, Inc. in the amount of $33,000.00.

Erling P. Nelson

Erling P. Nelson

APPROVED
DATE: 2-14-94
BY: MH

APPROVED

DATE: _____

BY: _____

ANDERSON - BRUNTON
INSURANCE BROKERS, INC.

2550 Denali Street, Suite 1500
P.O. Box 93070
Anchorage, Alaska 99509-3070

TELEPHONE (907) 276-5424 FAX (907) 276-2582

February 8, 1994

Mr. Erling Nelson
City of Wasilla
290 E. Herning Avenue
Wasilla, AK 99654

Dear Mr. Nelson:

Thank you for discussing the City's insurance program and for your interest in Anderson-Brunton's RFP response.

We do feel that our firm has experience and relationships with Municipal markets that would be of value to the City of Wasilla. We are or have been the broker for several large Municipal entities. In that capacity we have developed a program exclusive to our office.

After reviewing your RFP, particularly the commitment to the AMLJIA through FY95, we decided to not submit a proposal. The insurance marketplace is constantly changing. If you are not satisfied with options presented for FY96, please give us a call. We would be very interested in discussing alternatives that otherwise may not be available to the City.

Thanks again for speaking with me. If we can ever be of any service, please call me. I promise a prompt and professional response.

Sincerely,

ANDERSON-BRUNTON INSURANCE BROKERS, INC.

Brandon Allen

Brandon Allen
Account Executive

BA/cc

RECEIVED
FEB 10 1994
City of Wasilla, Alaska

CITY OF WASILLA
290 E. HERNING AVE.
WASILLA, ALASKA 99654-7091
PHONE: (907) 373-9050
FAX: (907) 373-0788

CITY OF WASILLA
REQUEST FOR PROPOSAL

INSURANCE BROKERAGE SERVICES

Included within this packet is a Request for Proposal for Insurance Brokerage Services for the period March 1, 1994 through June 30,1997.

NOTICE

A PROPOSER SHALL NOT CONTACT ANY MARKET FOR THE INSURANCE PRODUCT. YOUR SUBMISSION OF A PROPOSAL WILL BE CONSIDERED A WARRANTY THAT YOU HAVE NOT CONTACTED MARKETS.

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NON-DISCRIMINATION.

Proposers, in submitting proposals, certify that if awarded a contract under this invitation, they will not discriminate against any employee or applicant for employment because of race, color, religion,, national origin, ancestry,, age or sex. The contractor will take affirmative action to insure such non-discrimination. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising; layoff or termination, rate of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees or applicants for employment, notices setting forth the provisions of their non-discrimination clause.

CIVIL RIGHTS ACT.

Proposers must comply with the Civil Rights Act. By submitting a proposal in response to this Request for Proposal the proposer indicates that he is complying with the applicable portion of the Federal Civil Rights Act of 1964 and the Equal Opportunity Employment Act and the regulations issued thereunder by the State and Federal Government. If any proposer fails to comply with the Act or the regulations issued thereunder, the City reserves the right to terminate the contract.

REQUEST FOR PROPOSAL

INSURANCE BROKERAGE SERVICES

The City of Wasilla is requesting proposals for providing Insurance Brokerage Services for the City.

Attached is pertinent information for use in preparing your proposal. This information will be used as a guide in the preparation of any subsequent contract.

Proposals should be submitted to the Finance Director, City of Wasilla, City Hall, 290 E. Herning Avenue, Wasilla, Alaska 99654 on or before 2:00 p.m. , January 21, 1994. Proposals received by the Finance Director after the time specified will be returned to the proposer unopened.

The proposal, if mailed, shall be addressed as follows:

Finance Director
City of Wasilla
290 E. Herning Avenue
Wasilla, Alaska 99654

Proposals must be in a sealed envelope or box with the outside clearly marked as follows:

Proposal: Insurance Service

Due 2;00 P.M.
January 21, 1994

Four copies of your proposal should be submitted to the Finance Director in accordance with the above.

The City of Wasilla reserves the right to reject any and all proposals and to waive any informalities in procedure. The determination of the City in these matters is final.

BACKGROUND INFORMATION

The City of Wasilla is a City of the First Class under the laws of the State of Alaska with a state certified population as of July 1, 1993 of 4,381. The City has 41 permanent employees and an annual payroll of approximately $1,600,000.00. The FY-94 Operating Budget, including Water and Sewer is $4,811,504.00. The City has in service buildings and utility plants valued at $23,313,117.00.

The City provides the following services: Road Maintenance, Water & Sewer, Parks and Recreation, Library, Cemetery, Public Works, Maintenance, General Administrative Services, General Aviation Airport, and Police. Animal Control and Solid Waste are contracted to the Mat-Su Borough.

The City of Wasilla has a City Police Force but no Jail Facility. Fire Protection is provided by the Wasilla-Lakes Fire Service District.

The City of Wasilla is committed to the Alaska Municipal League Joint Insurance Association (AMLJIA) through FY95. For FY96 and following years, the City would expect the broker to present alternates to the AMLJIA program for comparison. As long as the City participates in the AMLJIA, the broker would continue to examine the coverage provided for accuracy, completeness and correct rates, much as with traditional insurance markets. Also, the broker would secure coverage through traditional markets for those exposures not covered by the AMLJIA.

The proposer selected will be required to coordinate the insurance renewals or replacement with the insurance companies and AMLJIA to present the most cost effective package to the City for each year of the contract term. The utilization of retentions and/or deductibles will be encouraged insofar as it is practical and consistent with the ability of the City to accept risk without impairing its financial stability.

PROPOSAL DATE.

A. Selection Process and Time Frame (Approximate)

December 21	-	Request for Proposals distributed
January 21	-	Proposals returned to City
February 01	-	Selection of insurance firm
February 14	-	Council approval

B. Contract Period

The contract period will be approximately March 1, 1994 through June 30,1997, or that time frame sufficient to provide Insurance Services for the Fiscal Years 95-97.

C. Selection Criteria, Written Proposals

Written proposals are being requested from any firm capable of performing the required service. When returned, the City will review the written proposals to select those proposers who appear the most qualified, utilizing the selection criteria listed below.

1. Principle office located in or near The City of Wasilla.
2. Demonstrated special insurance expertise, skills and service.
3. Experience of staff and firm.
4. Adequacy of staff.
5. Completeness of written proposal.
6. Service facilities.
7. Proposed fee for service vs. value received.

The Mayor may invite the most qualified respondents to submit final oral presentations to an Advisory Selection Committee.

D. Selection Criteria, Oral Presentation

If the Advisory Selection Committee hears oral presentations to evaluate proposers, the criteria listed below in the order of importance will be used.

1. Responsiveness in total presentation (written and oral).
2. Quality and experience of assigned team: Principal or Team Support Staff.
3. Knowledge and experience with direct and consequential damage insurance.
4. Knowledge of and experience with public entity liability insurance.

5. Qualifications of other Persons in or available to firm, including special purpose subsidiaries or affiliates.
   6. Loss Prevention Engineering.
   7. Claims handling and administration (fully insured claims).
   8. Professionalism and professional ethics (including confidentiality of information).
   9. Property appraisal.
   10. Ability of team to communicate.
   11. Clarity and completeness of written materials.
   12. Willing to operate on a fee basis.

E. Existing Insurance Coverage

The proposer would be responsible for the renewal of the following types of insurance policies (or their replacement policies):

Type of Coverage	Effective Date		Premium
General Liability	7/1/93	AMLJIA	$52,821.00
Excess Liability	7/1/93		incld.in gen.
Auto Liability	7/1/93	AMLJIA	10,615.00
Workers Compensation	7/1/93	AMLJIA	38,938.00
Public Officials Liability	7/1/93	Continental	1,102.39
Property Insurance	7/1/93	AMLJIA	10,282.00
Boiler and Machine	7/1/93	To 96 Contnl	750.00
Public Employees Liability	7/1/93		incld.in gen.
Position Bond	7/1/93	Continental	1,473.00
Depositor Forgery Bond	7/1/93		incld.in gen.
Airport Liability	7/1/93	Aig Aviation	6,750.00
Police Liability	7/1/93	AMLJIA	15,000.00

F. Transfer of Responsibility

Upon the final determination of the Agency, the City will execute an Agent of Record letter on all existing business, execute a contract between the City and the Agent, and submit a recommendation to the City Council for approval.

G. Minimum Proposal Requirements

The written proposal will include the following information:

1. Firm name, address, phone, and date established.

2. Name of office principal, their experience and professional qualifications.

3. The name of the principal accounts person or account team who will be assigned to the City, including professional qualifications and educational background.

4. Based upon your current knowledge of the City, what is an estimate of the person-days to be used by your principal and staff in servicing the City account. (see Section H)

5. Describe specific techniques and/or procedures which would be used to assist the City in identifying current or anticipated exposures to loss.

6. Describe how property values would be adjusted annually for inflation and the proposed method of recording same.

7. Indicate Compensation:

   Monthly fee for service based on requirements of this RFP.

8. Discuss your firm's marketing philosophy and the procedures that will be used to market the City account, paying specific attention to the property insurance.

9. Indicate the firms major insurance markets for governmental casualty and property insurance.

10. Describe routine services provided in the handling of claims on primary insurance policies and give the qualifications, experience and education of the principals involved if not previously submitted.

11. List the firms three (3) largest governmental accounts and approximate annual casualty premium (if not confidential).

12. Provide names, addresses and phone numbers of at least three (3) references from current Alaskan accounts, or provide three (3) letters of references attesting to the firm's capabilities and expertise in handling accounts of this nature.

13. Describe any other aspect of the risk and insurance capabilities of your firm which distinguishes it from others.

14. Provide copies of several annual risk management reports that were prepared by your firm for other clients.

H. <u>Duties to be Established by Contract</u>

The City will require a written agreement with the selected agent. The following will be utilized as a guide in preparing this agreement, subject to appropriate review by both parties and their legal counsel.

The responsibilities of the selected firm shall include but not be limited to the following:

1. Review with the City exposures to accidental loss and existing or proposed insurance coverage at least ninety (90) days prior to each renewal.

2. Provide recommendations to enhance the risk management and insurance program based on this review;

3. On the basis of instructions from the City, solicit bids for required insurance and submit bids to the City at least thirty (30) days prior to expiration, specifying markets contacted, price, comparative analysis and recommendation;

4. Provide annual adjustment of City property values;

5. Submit to the City an Annual Report including the following:

   Schedule of all insurance in force, showing company and expiration dates.

   Full accounting of fees and/or other compensation earned for services performed and actual time incurred on the account for the past year;

   Recommend philosophy on risk retention for various policies, based on market conditions;

6. Send notice of claims and/or losses to underwriters, with copy to the Finance Director;

7. Prepare insurance certificates and endorsements requested by the City;

8. Obtain answers from underwriters to policy coverage questions as requested;

9. Prepare and submit <u>special</u> reports, as requested;

10. Review certain contracts, leases and agreements for insurance requirements, assumption of liability and other risk management issues as requested;

11. Receive and process with appropriate carrier all first party claims.

12. Follow-up for timely issuance of all policies and endorsements and submit originals to the Finance Director;

13. Where market conditions allow, all premiums will be paid upon receipt of original policies and required endorsements;

14. When requested, provide premium estimates for budgeting purposes;

15. Attend meetings with the Finance Director,Administration, Council, or others as requested;

16. Provide policy loss runs at the close of each year and for one year thereafter.

I. Minimum Insurance Requirements

The successful proposer will be required to furnish Certificate of Insurance evidencing Alaska Worker's Compensation and Public Liability Insurance covering both general and professional negligence in an amount not less than $1,000,000.00.