

CITY COUNCIL MEMORANDUM

AGENDA ITEM

Professional Services Agreement with Texas Municipal League - Intergovernmental Risk Pool (RFP 16-20 Liability; Worker's Compensation; Property, Fidelity and Crime; and Public Officials Bonds Insurances Coverages)

ORIGINATING DEPARTMENT **Human Resources**

BACKGROUND INFORMATION

The City has received insurance coverage from the same carrier, Texas Municipal League - Intergovernmental Risk Pool, since the early 1980's. A second RFP for these same lines of coverage was completed several year later, resulting in the City selecting the same vendor). The staff felt that a review was in order to ensure that the City is receiving the best coverage for the best price and to ensure that these insurances are administered in compliance with state and federal regulations which continue to evolve. Both purposes can be accomplished most effectively through the selection and support of experts who specialize in these areas.

DISCUSSION/CONCLUSION

To secure the "best value" in insurance coverages, City staff has utilized the RFP process to identify the provider with whom to partner. This RFP was designed to select a qualified, insurance carrier who has a proven track record of providing effective services in all aspects of insurance, particularly workers' compensation, underwriting, and loss prevention.

Purchasing staff distributed the RFP to interested entities; posted the RFP on the City website, IonWave, DemandStar, and the State of Texas ESBD (Electronic State Business Daily); and advertised in the Killeen Daily Herald. Two (2) entities submitted proposals: Texas Municipal League - Intergovernmental Risk Pool (TML-IRP) and Bigham Kliewer Chapman & Watts (BKCW). As part of the RFP process, entities were asked to describe their scope of services including, but not limited to, workers' compensation; liability; auto liability and physical damage; real and personal property; compliance; legal consulting; loss prevention; claims administration; and training.

A four-member task force utilized the following criteria to evaluate proposals submitted by these two (2) entities:

Services Provided (40%)

Price (40%)

Completeness of Proposal (20%)

After a thorough analysis of the proposals received, it is recommended that the City Council authorize the City of Killeen to enter into an agreement with Texas Municipal League -

Intergovernmental Risk Pool to continue to serve as the insurance provider, renewable at the concurrence of both parties.

FISCAL IMPACT

Funding for these services (approximately \$2,000,000) is allocated among the various City departments, is included in the preliminary FY 17 budget to be presented to City Council in July, and will be available upon Council approval of the FY 17 budget.

RECOMMENDATION

It is recommended that City Council approve the selection of Texas Municipal League - Intergovernmental Risk Pool as the continued provider for the aforementioned lines of insurance, effective October 1, 2016, and authorize the City Manager to execute any and all necessary change orders in accordance with state and local law.