



City of Boise
Resolution
Exempt

Purchasing
150 N Capitol Blvd
Boise, ID 83702
(800) 377-3529

TO: Mayor and Council
FROM: Colin Millar, Purchasing
NUMBER: RES-439-17
DATE: September 5, 2017
SUBJECT: EX 18-024; Airport Liability Insurance; Human Resources Department; NTE
\$59,467.00

BACKGROUND:

This purchase is for liability insurance for airport and aviation operations and is warranted to provide insurance coverage for exposures to loss from catastrophic events resulting from operations and activities at the Boise Airport. The Airport's insurance coverage expires at 12:01 a.m. on October 1, 2017. This recommendation is to enact an insurance policy renewal for the policy year from October 1, 2017, through October 1, 2018.

The City has a contract with Arthur J. Gallagher Risk Management Services, Inc. (Gallagher) to survey the market and to provide recommendation for underwriters for the City's Airport Liability Insurance.

PROPOSAL RESULTS:

Insurance is exempt from the competitive bidding process per Idaho Code Section 67-2803(6).

The Gallagher firm presented proposals to the Risk and Safety Division of the Department of Human Resources. In 2015, Gallagher reviewed the market and provided insurance quotes from different companies for various coverage layers. After reviewing the insurance market again in 2017, Gallagher did not identify significant market changes.

Gallagher has recommended we bind our Airport Liability Policy with AIG with the War, Hijacking and other perils endorsement for a total of \$150,000,000.00 of coverage and zero deductible. The quote remains the same as the last two years at \$46,752.00 for \$150,000,000.00 limits with War and associated perils endorsement for \$3,215.00. Subject to a zero deductible per occurrence with some sub-limits relating to specific areas of coverage. Total premium: \$49,967.00. In 2015, AIG provided a three (3) year rate guarantee to the City based on claims

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experience and FY2018 will be the last year the City can take advantage of the rate guarantee.

The broker fee is \$9,500.00 to Gallagher under their brokerage contract. The total amount due from the City will be \$59,467.00.

Gallagher's recommendation is attached as document Attachment A.

Human Resources and Airport Department staff have reviewed the proposals for accuracy, completeness, and responsiveness. The proposal was also evaluated on appropriateness of coverage, strength of the insurer, and cost. The recommended insurer, AIG, has been contacted and indicated that they would like to proceed with the project.

RECOMMENDATION:

Human Resources Risk and Safety Division in conjunction with the Airport, recommend that Airport Liability Insurance Contract, EX 18-024, be purchased through the best qualified proposer, AIG, in an annual amount, including premium, taxes and broker fee to Gallagher, not to exceed \$59,467.00. This will be for the policy year October 1, 2017, through October 1, 2018.

FINANCIAL IMPACT:

Department has confirmed sufficient funding is available for this obligation.

ATTACHMENTS:

- EX 18-024 10-1-2017 Airport Liability Proposal Attachment A (PDF)

CITY OF BOISE

Resolution NO. RES-439-17

BY THE COUNCIL

CLEGG , JORDAN, LUDWIG, MCLEAN,
QUINTANA, AND THOMSON

A RESOLUTION APPROVING AN AWARD FOR EX 18-024 AIRPORT LIABILITY INSURANCE TO AIG THROUGH BROKER ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES, INC.; AUTHORIZING THE CITY'S RISK MANAGER TO BIND THE POLICY; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, Finance and Administration and Aviation Department staff recommend award of EX 17-026, Airport Liability Insurance, to AIG through broker Arthur J. Gallagher Risk Management Services, Inc.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF BOISE CITY, IDAHO:

Section 1. That the Award for EX 17-026, Airport Liability Insurance, to AIG through broker Arthur J. Gallagher Risk Management Services, Inc., in accord with the proposal attached hereto and incorporated herein by reference, be, and the same is hereby, approved.

Section 2. That the City's Risk Manager be, and he hereby is, authorized to bind the policy for and on behalf of the City of Boise City.

ADOPTED by the Council of Boise City, Idaho, on September 12, 2017.

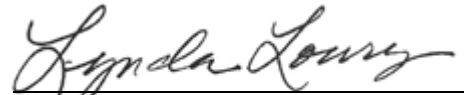
APPROVED by the Mayor of the Boise City, Idaho, on September 12, 2017.

APPROVED:

ATTEST:



David H. Bieter, Mayor



Lynda Lowry, Ex-Officio City Clerk