



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-441-17
DATE: September 5, 2017
SUBJECT: EX 18-026; Liability, Property and Miscellaneous Insurance Policies; HR
Department: NTE \$617,537.51

BACKGROUND:

This purchase is for insurance policy renewals. This purchase is warranted because the majority of the City's insurance policies expire at 12:01 a.m. on October 1, 2017.

The Consultant for this project is Moreton & Company. Moreton & Company was chosen by competitive bid in the spring of 2015. Among Moreton's assignments is that of searching the insurance marketplace and providing the City with recommendations as to the insurance companies best suited to meet the City's needs.

PROPOSAL RESULTS:

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

Currently the City has a liability self-insured retention (SIR) of \$500,000 and liability insurance limits of \$10,000,000. The liability insurance is currently with One Beacon. In the insurance negotiations in FY2015, the City was able to secure a three (3) year rate guarantee with One Beacon. The City's loss performance has qualified for this rate guarantee for this renewal year. One Beacon has provided the City with the service level expected. The liability insurance proposal is appropriate in regards to cost (\$197,124) and breadth of coverage. The policy form was reviewed and compared for coverage by our insurance broker, Moreton & Company, and by City Legal and Risk Management along with a legal consultant. Based on cost, service, and coverage analysis, it is recommended that the City bind with One Beacon for the FY2018 policy period.

The following property insurance companies were approached by Moreton for interest and quotes: Affiliated FM (our current insurer), Lexington, APEX, and Zurich. Our current property insurance provider, Affiliated FM, quoted a premium of \$264,115, with a flat rate compared to last year. The standard deductible remains at \$50,000. Affiliated FM maintains an A+ (Superior) rating from A.M. Best. One Beacon, Lexington, EMC and Zurich declined to provide

CITY OF BOISE

quotes as they were unable to compete with terms or pricing.

Moreton & Company’s recommendations and results summary indicates the proposed renewal premiums compared against the premiums for last year and the results of the quotes that Moreton solicited from other underwriters. The recommendations and results summary is attached as document Attachment A.

RECOMMENDATION:

Finance and Administration and Human Resources Risk and Safety Division staff recommend that insurance coverage be bound as follows:

Proposer	Coverage	Premium
One Beacon	Liability	\$197,124.00
Affiliated FM	Property	\$264,115.00
	All other coverage’s	\$104,798.51
	Broker fees	\$51,500.00
Total Base Premium		\$617,537.51

The recommendation for other insurance coverage is that the award goes to vendors as shown on Attachment A, (p.4) “Recommendations for Insurance Program October 1, 2017-2018.”

FINANCIAL IMPACT:

Department has confirmed sufficient funding is available for this obligation.

ATTACHMENTS:

- EX 18-025 Broker Exec Summary 2017-18 Attachment A (DOCX)

CITY OF BOISE

Resolution NO. RES-441-17

BY THE COUNCIL

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

A RESOLUTION APPROVING AN AGREEMENT AND AWARD FOR EX 18-026 LIABILITY, PROPERTY, AND MISCELLANEOUS INSURANCE POLICIES BETWEEN THE CITY OF BOISE CITY (HUMAN RESOURCES DEPARTMENT) AND ONE BEACON, AFFILIATED FM, TRAVELERS, AND CRUMP, THROUGH BROKER MORETON & COMPANY; AUTHORIZING THE MAYOR AND CITY CLERK TO RESPECTIVELY EXECUTE AND ATTEST SAID AGREEMENT AND AWARD; AND PROVIDING AN EFFECTIVE DATE,

WHEREAS, Finance and Administration and Human Resources Department staff recommend award of EX 18-026 Liability, Property and Miscellaneous Insurance Policies, to One Beacon, Affiliated FM, Travelers, and Crump, through broker Moreton & Company.

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

Section 1. That the Agreement and Award for EX 18-026 Liability, Property, and Miscellaneous Insurance Policies by and between the city of Boise City and One Beacon, Affiliated FM, Travelers, and Crump, through broker Moreton & Company, attached hereto and incorporated herein by reference, be, and the same is hereby, approved as to both form and content.

Section 2. That the Mayor and City Clerk be, and they hereby are, authorized to respectively execute and attest said Agreement and Award for and on behalf of the City of Boise City.

CITY OF BOISE

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.

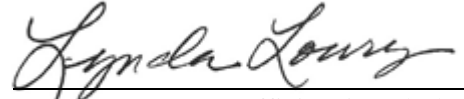
APPROVED:



David H. Bieter, Mayor



ATTEST:



Lynda Lowry, Ex-Officio City Clerk