



TO: Board of Contracts and Awards
FROM: Andy Cherullo, Finance Department
Saada Gegoux, Risk Manager, Finance Department
COPY: Public Utility Board, Director of Utilities, Board Clerk, City Council, City Manager,
City Clerk, SBE Coordinator, LEAP Coordinator, and Jessica Tonka,
Finance/Purchasing
SUBJECT: Property and Casualty Insurance Broker Services
Request for Proposals Specification No. DOC1217978510 – July 17, 2018
DATE: June 28, 2018

RECOMMENDATION SUMMARY:

Risk Management/Finance recommends a contract be awarded to Brown & Brown of Washington, Inc., Tacoma, WA, for Property and Casualty Insurance Broker Services, in the amount of \$425,000, plus any applicable taxes, for a contract term of five years.

BACKGROUND:

ISSUE: This contract will provide the marketing of property and casualty insurance and evaluation of insurers. It also covers property and casualty broker services to meet the needs of both General Government and Tacoma Public Utilities. This contract will offer risk management services in selected areas where the City currently does not provide such services internally due to lack of resources.

ALTERNATIVES: Failure to have an insurance broker will result in an increased risk of financial exposure to the City of Tacoma.

COMPETITIVE SOLICITATION:

Request for Proposals Specification No. DOC1217978510 was opened April 3, 2018. Ninety-five companies were invited to bid in addition to normal advertising of the project. Five submittals were received. A selection advisory committee (SAC) comprised of five City employees evaluated the proposals using the following categories and weights:

- Qualifications/Experience of Firm – 25%
- Proposed Services – 25%
- Proposal Rates – 35%
- Organization Structure and Key Personnel – 10%
- Small Business Enterprise (SBE) / Minority and Women’s Business Enterprise (MWBE) – 5%



The SAC scored and ranked the proposals as shown below. Brown and Brown of Washington, Inc. was ranked the highest and is recommended for award.

<u>Respondent</u>	<u>Location</u> <i>(city and state)</i>	<u>Score</u>
Brown & Brown of Washington, Inc.	Tacoma, WA	89
Arthur J Gallagher Risk Management Services, Inc.	Tacoma, WA	79.2
Bratrud Middleton Insurance Brokers, Inc.)	Tacoma, WA	69.4
Alliant Insurance Services, Inc.	Seattle, WA	42.8
Willis of Seattle, Inc.	Seattle, WA	40.7

CONTRACT HISTORY: New contract.

SUSTAINABILITY: Not applicable.

SBE/LEAP COMPLIANCE: Not applicable.

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
GG Self Insurance Fund 5550	80009061	5415000	\$233,750
TPU Self Insurance Fund 4800	599000	5415000	\$191,250
TOTAL			\$425,000

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
CG Self Insurance Fund 5550	822000	4342980	\$233,750
TPU Self Insurance Fund 4800	599000	4360005	\$191,250
TOTAL			\$425,000



City of Tacoma

Contract and Award Memorandum
Purchase Resolution – Exhibit "A"

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$42,500

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes