



City of Tacoma

PUB Resolution No.: \_\_\_\_\_

City Council Resolution No.: \_\_\_\_\_

**Contract and Award Letter  
Purchase Resolution —Exhibit "A"**

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**TO:** Board of Contracts and Awards  
**FROM:** Andy Cherullo, Director, Finance  
Luis Fragoso, Risk Manager, Risk Management  
**COPY:** Public Utility Board, Director of Utilities, Board Clerk, City Council, City Manager,  
City Clerk, EIC Coordinator, LEAP Coordinator, and Carly Fowler, Senior Buyer,  
Finance/Purchasing  
**SUBJECT:** Insurance Brokerage Services  
Request for Proposals Specification No. FI24-0065F, Contract No. CW2266585 –  
July 24, 2024 Public Utility Board and July 30, 2024 City Council  
**DATE:** July 16, 2024

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**RECOMMENDATION SUMMARY:** The Finance Department recommends a contract be awarded to Alliant Insurance Services, Inc., Seattle, WA, in the amount of \$717,500, plus applicable taxes, budgeted from the 4800 Self Insurance Claim fund and 5550 GG Self Insurance fund, for an initial contract term of five years, for a projected contract amount of \$717,500, plus applicable taxes, for insurance brokerage services.

**STRATEGIC POLICY PRIORITY:**

- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

**BACKGROUND:** The City's existing insurance broker service contract is expiring on July 31, 2024 and it has over 20 insurance policies that renew at different times throughout the year. The existing insurance broker has been assisting the City to procure these policies for over 20 years. To ensure that the City is receiving the best service at a reasonable price it was decided that it made economic sense to go out to bid and find a broker to assist in procuring insurance and bonds, advising on self-insurance and risk management matters, and soliciting and obtaining quotations for insurance, bonds, as well as other insurance related matters.

**ISSUE:** The City's existing contract with its current insurance broker is expiring July 31, 2024. To enable the City to continue working with an insurance broker to obtain the insurance coverages the City needs, a contract with the newly selected broker needs to be in place prior to August 1, 2024.

**ALTERNATIVES:** An alternative would be to extend the contract with the current broker for another year. However, this is not fiscally prudent.

**COMPETITIVE SOLICITATION:** Request for Proposals Specification No. FI24-0065F was opened March 18, 2024. One hundred eighty-five (185) companies were invited to bid in addition to normal advertising of the project. Three responsive submittals were received, and all three firms were interviewed, including the City's current broker.



<u>Respondent</u>	<u>Location</u>	<u>Score</u>
<b>Alliant Insurance Services, Inc.</b>	<b>Seattle, WA</b>	<b>84.0</b>
Gallagher	Tacoma, WA	71.9
Brown & Brown	Portland, OR	44.0

Pre-bid Estimate: \$900,000  
 The recommended award is 20.3 percent below the pre-bid estimate.

CONTRACT HISTORY: New contract.

SUSTAINABILITY: Purchasing adequate levels of insurance coverage to protect the City’s assets and human resources will help the City maintain its goals to achieve exceptional quality of life for every generation and lasting and equitable prosperity as outlined in Resolution No. 37631.

EQUITY IN CONTRACTING (EIC) COMPLIANCE: **Not applicable - Service contract - EIC Regulations are not yet established**

LOCAL EMPLOYMENT AND APPRENTICESHIP TRAINING PROGRAM (LEAP) COMPLIANCE: Not applicable to this contract.

**FISCAL IMPACT:**

**EXPENDITURES:**

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
5550 GG Self Insurance Fund	80009061	5310010	\$394,625
4800 TPU Self Ins Claim	599000	5310100	\$322,875
<b>TOTAL</b>			<b>Up to \$717,500</b>

**REVENUES:**

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
5550 GG Self Insurance Fund	822000	4342980	(\$394,625)
4800 TPU Self Ins Claim	599000	4360005	(\$322,875)
<b>TOTAL</b>			<b>Up to (\$717,500)</b>

**FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$717,500**

**ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes**

**IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED. N/A**