



Legislation Text

File #: 19-380, Version: 1

..Title

Personal Services Agreement for Insurance Agent of Record Services

RECOMMENDED ACTION (Motion):

Authorize the City Manager to execute a five-year insurance agent of record service contract with Propel Insurance Agency, LLC. for a total amount of \$103,813.00.

BACKGROUND:

The City of Oregon City insurance program includes General and Automobile Liability and Property Insurance (property/liability) and worker's compensation insurance. The City has a need for an agent of record for several risk management components, such as administering insurance policies, including review and analysis of policy terms and coverage, identifying risk exposures and developing solutions; and consulting in the area of insurance requirements in contracts and agreements. The City's comprehensive property/liability is provided by Citycounty Insurance Services (CIS) with agent of record services currently provided by Brown & Brown Northwest. Workers' compensation insurance is provided by SAIF with agent of record services provided by Propel Insurance Agency, LLC (Propel).

The City's existing property/liability insurance agent of record contract expires June 30, 2019. The City determined it would be a good time to present a Request for Proposal (RFP) and consolidate agent services for workers' compensation with general and automobile liability and property insurance; which are currently managed separately. The City solicited proposals from qualified risk management agents of record (proposers) beginning in March 2019. A total of three proposals were received. Following review by staff and interviews of the proposers, staff recommends hiring Propel as the risk management agent of record for both property/liability and workers' compensation. The ranking results are attached.

The new contract will run for a five-year term with a total cost of \$103,810.00 for property/liability insurance services only. Worker's compensation services are compensated through commission payable by SAIF and are specifically excluded from the Personal Services Agreement in Section 2, Compensation. This new fee structure represents property/liability services savings of approximately \$40,000 over the next five years compared to the rate of the current contract. See attached fee structure for a breakdown of cost per year.

BUDGET IMPACT:

Amount: \$103,813.00

FY(s): 2019-2020, 2020-2021, 2021-2022, 2022-2023, and 2023-2024

Funding Source: General Fund

