

MEMORANDUM

September 9, 2014

TO: Honorable Mayor and City Commissioners

VIA: Kenneth Fields, City Manager

FROM: Sandra D. Davis, Human Resources Director

SUBJECT: Award of Bid – Property & Casualty Insurance and Risk Management Services

SYNOPSIS: The Commission will consider awarding the bid for Property & Casualty Insurance and Risk Management Services to the Florida League of Cities/(FMIT)

RECOMMENDATION

Following a thorough analysis of all available information, including current market conditions, financial statements, and interviews with agency representatives and consultants in the market, Staff recommend that the City Commission take the following action:

1. Award the Bid for the Property & Casualty Insurance Program and Risk Management Services to the Florida League of Cities/(FMIT) Florida Municipal Insurance Trust.
2. Authorize the City Manager to execute all applicable contract documents.

BACKGROUND

In accordance with Section 2-417: Procurement of Commodities or Contractual Services of the City Code of Ordinances, staff solicited written proposals from insurance companies to provide coverage for general liability, automobile, property, public official’s errors & omissions/employment practices liability, airport, workers’ compensation and other coverage’s. In addition, notices were mailed to insurance providers, posted in local newspapers, on notice boards at the administration building and Demandstar.

The Bid opening was held on August 18, 2014 at 2:00 pm in the City Commission Chambers. We received three bids in response to the request for proposal. Currently, property and casualty insurance is contracted with Public Risk Management. The contract is effective from October 1, 2013 through September 30, 2014. The results of the bids tabulated are as follows:

Company	Location	Bid Amount
Florida League of Cities/FMIT	Orlando, FL	\$469,030
ISU Jallad/PGIT	Winter Park, FL	\$657,668
Public Risk Management	Fort Myers, FL	\$894,904

FMIT is the insurance trust administered by the Florida League of Cities has been in existence for 35 years. The trust is governed by elected officials, and is a non-assessable, non-profit, tax-exempt risk sharing pool. In addition to insurance coverage, FMIT (Florida Municipal Insurance Trust) offers the following services:

Return of Premium – For the past 7 years, FMIT has issued return of premium checks to property insurance customers in the aggregate amount of \$59,000,000.

Terrorism Coverage – The FMIT program includes property coverage for Terrorism in the amount of \$5,000,000 without any additional premium charge.

Asset Tracking Software – This proprietary software will allow the City to properly list and prioritize assets prior to a loss. We will be able to manage assets online and track them more efficiently. This data is linked directly with FMIT, and is updated monthly.

TurnKey Recovery Program – This program allows the City to pre-certify local vendors and have them paid directly by FMIT. This will speed the recovery process and improve cash flow for the City. Additionally, the program eases reporting and accounting of FEMA claims.

Arson Reward – FMIT will offer a \$5,000 reward to assist the City in the arrest and conviction for an arson incident to covered property.

Bert Harris/Inverse Condemnation – FMIT offers \$300,000 of coverage (including defense and/or damages, inverse condemnation and Bert Harris Act claims). This is coverage we did not have with PRM (Public Risk Management).

HR Helpline – Full online suite of HR support coupled with live support from a Florida based HR legal team at no cost to the city.

Safety Grants – The city will be eligible for up to \$6,000 per year in matching safety grants from FMIT.

Online Training – FMIT offers customized online training for staff to reduce travel costs and improve safety.

Special Investigations Unit – FMIT provides an SIU unit that has been recognized by the Governor for its effectiveness in reducing fraud and saving members \$6.6 million.

Fraud Reward – FMIT offers a \$5,000 reward for information leading to the arrest and conviction in fraudulent claims activity.

Risk Control Safety Training Programs – Education sessions are held in Orlando as requested by groups of members.

FISCAL IMPACT

Awarding the bid to Florida League of Cities/(FMIT) will result in a 51% reduction in cost to the City compared to the adopted 13'14 budget. The premiums for the property and casualty insurance program are included in the FY 14'15 proposed budget.

OTHER OPTIONS

None.