



**CITY OF PLANO
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY					
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory					
Council Meeting Date:		3-6-2012			
Department:		Purchasing			
Department Head		Diane Palmer-Boeck			
Agenda Coordinator (include phone #): Nancy Corwin 972-941-7137					
CAPTION					
Award of RFP No. 2011-257-C-R for a one (1) year contract with four (4) City optional renewals for Broker of Record and Supplemental Services to Arthur J. Gallagher Risk Management Services, Inc. in the estimated amount of \$139,500, to be utilized by Risk Management, and authorizing the City Manager or his authorized donee to execute all necessary documents.					
FINANCIAL SUMMARY					
<input type="checkbox"/> NOT APPLICABLE <input checked="" type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP					
FISCAL YEAR:	2011-12, 2012-13, 2013-14, 2014-2015 & 2015-16	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget		0	1,085,810	562,750	1,648,560
Encumbered/Expended Amount		0	-853,004	0	-853,004
This Item		0	-139,500	-562,750	-702,250
BALANCE		0	93,306	0	93,306
FUND(s): PROPERTY/LIABILITY LOSS					
<p>COMMENTS: This item approves price quotes. Expenditures will be made in the Risk Management Department based on need within the approved budget appropriations for each year of the contract. The estimated annual amount to be spent in FY 2011-12 is \$139,500. The estimated future amount, if all renewal years are exercised is \$562,750, which will be made within approved budget appropriations. Remaining balance will be used for other Risk Management services.</p> <p>STRATEGIC PLAN GOAL: Providing Risk Management with Broker of Records and Supplemental Services relates to the City's Goal of a Financially Strong City with Service Excellence.</p>					
SUMMARY OF ITEM					
Staff recommends the Request for Proposal of Arthur J. Gallagher Risk Management Services, Inc. for the 2011-257-C-R, RFP for Broker of Record and Supplemental Services in the estimated amount of \$139,500 be accepted as the best value proposal, establish an annual contract with four (4) City optional renewals to be utilized by Risk Management, and conditioned upon timely execution of any necessary contract documents.					
List of Supporting Documents: Recommendation Memo, Bid Recap			Other Departments, Boards, Commissions or Agencies		



Division of Risk Management
7501-A Independence Parkway
Plano, TX 75025
972.208.8250

MEMORANDUM

DATE: 1/12/2012

TO: Diane Palmer-Boeck, Chief Purchasing Officer

FROM: Darrell Edwards, Risk Manager

CC: LaShon Ross, Deputy City Manager – Community Services
Jim Parrish, Director of Human Resources
Jim Miller, Assistant Risk Manager

SUBJECT: Broker of Record and Supplemental Services Contract Award, RFP No. 2011-257-C-R

The RFP encompassed the following services:

- Broker of Record Services
- Consulting Services
- Claims Auditing Services
- Claims Actuarial Services

The Evaluation Committee consisting of Lashon Ross, Jim Parrish, Jim Miller and myself evaluated proposals from Arthur J. Gallagher Risk Management Services, Incorporated and Holmes Murphy & Associates. The Evaluation Committee, collectively, recommends award of subject services to Arthur J. Gallagher Risk Management Services, Incorporated.

Arthur J. Gallagher Risk Management Services, Incorporated was the most responsive bidder and demonstrated the ability to provide the services requested by the RFP. Holmes Murphy & Associates failed to demonstrate service delivery at the level required by the City and to provide pricing for Claims Actuarial Services. Holmes Murphy & Associates indicated that pricing could not be provided for Claims Actuarial Services until after a discussion with the City.

The evaluation criteria consisted of the following criteria and weight:

- Firm and staff experience (35%)
- Work-plan submittals describing how provider intends to provide requested services (Broker of Record Services, Consulting Services, Claims Auditing



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Services, and Claims Actuarial Services) as described in detail in the RFP document (25%)

- Cost (40%)

After applying the weight factors to the technical scores assigned by the Evaluation Committee, Arthur J. Gallagher Risk Management Services, Incorporated's weighted average was calculated to be 4.01 and Holmes Murphy & Associates' weighted average was calculated to be 1.96.

The impact on the City if this contract was not accepted would be significant. It would take a considerable amount of time and effort to replicate the benefits of having a Broker of Record. In addition, we would not have the benefit of being able to leverage Arthur J. Gallagher Risk Management Services, Incorporated's relationships with major carriers. The consulting and claims auditing portions could be accomplished, but without the advantage of having another set of eyes and expertise brought to the table. The actuarial study would need to be outsourced because performing an actuarial study requires a very specific set of skills. If all of these functions were required to be performed using existing staff, other mission critical activities would suffer, and our ability to serve the organization would be diminished.

CITY OF PLANO

RFP No. 2011-257-C-R

RFP FOR BROKER OF RECORD AND SUPPLEMENTAL SERVICES

RFP RECAP

RFP opening Date/Time: November 21, 2011 @ 3:30 PM

Number of Vendors Notified: 4246

Vendors Submitting "No Bids": 3

Number of Proposals Considered: 2

Arthur J. Gallagher Risk Management Services, Inc.

Holmes Murphy

Proposals Received – Not Considered: 0

Recommended Vendor(s):

Arthur J. Gallagher Risk Management Services, Inc. \$139,500.00

Nancy Corwin

November 21, 2011

Nancy Corwin, Buyer II

Date