



Legislation Details (With Text)

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**Type:** CONSENT AGENDA      **Status:** Approved

**File created:** 10/31/2021      **In control:** Office of Procurement Services

**On agenda:** 12/8/2021      **Final action:**

**Title:** Authorize a three-year consultant contract for risk management and insurance consulting services for the Office of Risk Management - Arthur J. Gallagher Risk Management Services, Inc., most advantageous proposer of five - Estimated amount of \$195,000 - Financing: Risk Management Fund (subject to annual appropriations)

**Sponsors:**

**Indexes:** 300

**Code sections:**

**Attachments:** 1. Resolution

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|

**STRATEGIC PRIORITY:** Government Performance and Financial Management

**AGENDA DATE:** December 8, 2021

**COUNCIL DISTRICT(S):** N/A

**DEPARTMENT:** Office of Procurement Services

**EXECUTIVE:** Elizabeth Reich

**SUBJECT**

Authorize a three-year consultant contract for risk management and insurance consulting services for the Office of Risk Management - Arthur J. Gallagher Risk Management Services, Inc., most advantageous proposer of five - Estimated amount of \$195,000 - Financing: Risk Management Fund (subject to annual appropriations)

**BACKGROUND**

This action does not encumber funds; the purpose of a consultant contract is to establish firm pricing for services, for a specific term, which are ordered on an as needed basis according to annual budgetary appropriations. The estimated amount is intended as guidance rather than a cap on spending under the agreement, so that actual need combined with the amount budgeted will determine the amount spent under this agreement.

This consultant contract will provide for risk management and insurance consulting services for the Office of Risk Management. The contract will engage the services of a firm to provide consulting, and technical assistance which will encompass all phases of risk management services for the City's

operations. The services include the review of coverage for the property insurance program, excess workers compensation insurance, excess liability insurance, risk transfer consulting, market assistance with insurance requirements for contractors, and the review of insurance companies' financial stability.

A five-member committee from the following departments reviewed and evaluated the qualifications:

- City Controller's Office (1)
- Court and Detention Services (1)
- Office of Risk Management (2)
- Office of Procurement Services (1)\*

\*The Office of Procurement Services only evaluated the cost and local preference, if applicable.

The committee selected the successful respondent on the basis of demonstrated competence and qualifications under the following criteria:

- Experience, capability, and expertise 35 points
- Overall approach and methodology 30 points
- Cost 30 points
- Local Preference 5 points

As part of the solicitation process and in an effort to increase competition, the Office of Procurement Services used its procurement system to send out email notifications to vendors registered under relevant commodity codes. To further increase competition, the Office of Procurement Services uses historical solicitation information, the Internet, and vendor contact information obtained from user departments to contact additional vendors.

On November 10, 2015, the City Council authorized a living wage policy that requires contractors to pay their employees a "living wage" rate as established annually by the Massachusetts Institute of Technology Living Wage Calculator for Dallas County by Resolution No. 15-2141. The current calculated living wage during the solicitation process of this contract is \$12.38; the selected vendor meets this requirement.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On September 14, 2016, City Council authorized a three-year contract, with two one-year renewal options, for broker of record and the purchase of an insurance policy for commercial property/boiler and machinery insurance, from October 1, 2016 through September 30, 2019 at a guaranteed rate of 0.03064; and risk management consulting services from January 8, 2017 through January 7, 2020 with Wells Fargo Insurance Services USA, Inc.; a one-year contract, with two one-year renewal options, for the purchase of aviation, crime, fine arts, flood, media and professional liability, and general liability insurance policies from October 1, 2016 through September 30, 2017 with Wells Fargo Insurance Services, USA, Inc.; and a one-year contract, with two one-year renewal options for brokerage fees and the purchase of cyber liability and privacy insurance from October 1, 2016 through September 30, 2017 with McGriff, Seibels & Williams of Texas, Inc. by Resolution No. 16-1429.

On September 25, 2019, City Council authorized Supplemental Agreement No. 3 (1) to exercise the first of two one-year renewal options to the contract (a) to provide broker of record services from October 1, 2019 to September 30, 2020 and the purchase of an insurance policy for commercial property/boiler and machinery from October 1, 2019 to September 30, 2020 at a guaranteed rate of \$0.037886; (b) extend the contract for one year for the purchase of aviation, crime, fine arts, flood, media professional liability, and general liability insurance policies from October 1, 2019 to October 1, 2020; and (c) exercise the first of two one-year renewal options for risk management consulting services from January 8, 2020 to January 7, 2021 with USI Insurance Services, LLC fka USI Insurance Services National, Inc.; and (2) to extend the contract with McGriff, Seibels & Williams, Inc. for brokerage fees and the purchase of cyber liability and privacy insurance from October 1, 2019 to October 1, 2020, by Resolution No. 19-1520.

**FISCAL INFORMATION**

| Fund                 | FY 2022     | FY 2023     | Future Years |
|----------------------|-------------|-------------|--------------|
| Risk Management Fund | \$65,000.00 | \$65,000.00 | \$65,000.00  |

**M/WBE INFORMATION**

In accordance with the City’s Business Inclusion and Development Policy adopted on September 23, 2020, by Resolution No. 20-1430, as amended, the M/WBE participation on this contract is as follows:

| Contract Amount  | Procurement Category | M/WBE Goal | M/WBE % | M/WBE \$ |
|--|----------------------|------------|---------|----------|
| \$195,000.00   | Other Services       | N/A        | N/A     | N/A      |
| <ul style="list-style-type: none"> <li>• The Business Inclusion and Development Policy does not apply to Other Service contracts.</li> <li>• Arthur J. Gallagher Risk Management Services, Inc. - Local; Workforce - 32.63% Local</li> </ul> |                      |            |         |          |

**PROCUREMENT INFORMATION**

Method of Evaluation for Award Type:

|   |   |
|---|---|
| Request for Competitive Sealed Proposal | <ul style="list-style-type: none"> <li>• Utilized for high technology procurements, insurance procurements, and other goods and services</li> <li>• Recommended offeror whose proposal is most advantageous to the City, considering the relative importance of price, and other evaluation factors stated in the specifications</li> <li>• Always involves a team evaluation</li> <li>• Allows for negotiation on contract terms, including price</li> </ul> |
|---|---|

The Office of Procurement Services received the following proposals from solicitation number BKZ21-00016545. We opened them on August 6, 2021. This consultant contract is being awarded in its entirety to the most advantageous proposer.

\*Denotes successful proposer

| <b><u>Proposers</u></b>                             | <b><u>Address</u></b>                                   | <b><u>Score</u></b> |
|---|---|---------------------|
| *Arthur J. Gallagher Risk Management Services, Inc. | 12750 Merit Dr.<br>Suite 1000<br>Dallas, TX 75251       | 95.00               |
| USI Southwest, Inc.                                 | 14241 Dallas Pkwy.<br>Suite 700<br>Dallas, TX 75254     | 90.44               |
| Charlesworth Consulting, LLC                        | 12712 Park Central Dr.<br>Suite 100<br>Dallas, TX 75251 | 72.18               |
| Branch Benefits Consultants                         | 4584 North Rancho Dr.<br>Las Vegas, NV 89130            | 63.75               |
| Strategic Risk Frameworks, LLC                      | 6505 West Park Blvd.<br>Suite 306<br>Plano, TX 75093    | 31.64               |

**OWNER**

**Arthur J. Gallagher Risk Management Services, Inc.**

J. Patrick Gallagher, Jr., President