

ITEM #:	<u>24</u>
DATE:	<u>06-25-24</u>
DEPT:	<u>HR</u>

COUNCIL ACTION FORM

SUBJECT: **LIABILITY BROKERAGE AGREEMENT FOR FY 2024/25**

BACKGROUND:

The City utilizes the services of a broker to procure liability coverage. This year, City staff issued an RFP for liability insurance brokerage services for a three-year initial term with two additional one-year options possible upon the agreement of both parties. A team of City staff evaluated the proposals based on thoroughness of the response, demonstration of successful prior performance, organization and management practices, adequacy and breadth of services available, history of collaboration with insurance markets to create innovative coverage solutions, and cost.

Proposals were received from two firms: Knapp Tedesco and Willis Towers Watson. **Following a review according to the RFP criteria, Knapp Tedesco was the unanimous choice to provide liability insurance brokerage services for the City.** Under Knapp Tedesco's guidance, the City's insurance program has been taken to market three times. Each time this effort has resulted in better renewal quotes from the incumbent liability insurance provider. Additionally, Knapp-Tedesco has provided valuable coverage analysis and guidance regarding receiving improved service from the City's insurance providers. The City seeks Knapp Tedesco's advice on a regular basis regarding insurance coverage strategies.

Knapp Tedesco's proposal for the year one (July 1, 2024 through June 30, 2025) is \$28,000. The fee increases to \$29,000 in year two and \$30,000 in year three. The adopted FY 2024/25 budget contains \$40,000 for liability insurance professional services.

ALTERNATIVES:

1. Approve the liability brokerage agreement with Knapp Tedesco in the amount of \$28,000 for the period of July 1, 2024 through June 30, 2025.
2. Approve the liability brokerage agreement with Willis Towers Watson.

CITY MANAGER'S RECOMMENDED ACTION:

Knapp Tedesco continues to provide excellent service to the City by working closely with the City's liability insurer to ensure that the City realizes the best renewal rates possible. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1.

ATTACHMENT(S):

[CONTRACT FOR CITY OF AMES \(2\).docx](#)