

NO P.O.  
KAS 8/2/17

**CITY OF NAPERVILLE  
AWARD OF CONTRACT  
PROCUREMENT NUMBER 17-040**

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<b>Requesting Department:</b>	Finance Department
<b>Procurement Name:</b>	Professional Consulting and Insurance Brokerage Services
<b>Recommended Vendor:</b>	Alliant Insurance Services, Inc.
<b>Amount of Award:</b>	\$95,000

**BACKGROUND**

The insurance broker provides risk management and broker services for the City's excess liability insurance program in conjunction and coordination with the City's Claims Administrator. Insurance procurements include, but are not limited to, crime (surety) bonds, blanket excess liability, excess workers' compensation insurance, property and boiler and machinery coverage, cyber liability, special liability insurance program (SLIP), programmatic and special event primary commercial general liability and pollution coverage. It does not include coverage administered by the City's Human Resources department as an employee benefit. The contract:

- Establishes a single experienced and highly qualified provider to address all liability and worker's compensation insurance requirements for the City;
- Secures a broker that provides skilled marketing experience in order to achieve the best premium quotes and market options for the City;
- Establishes a partnership for active engagement in the best options and management of the City insurance program.

The current broker services contract ends Sept. 31, 2017.

**DISCUSSION:**

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Advertisement Date:	06/07/2017	Notices Sent:	248
Opening Date:	06/29/2017	Planholders:	15
		Proposals Received:	2

Proposals were received from the following firms:

Alliant Insurance Services, Inc.  
Arthur J. Gallagher & Company

An evaluation team consisting of City staff from the Finance and Legal departments reviewed proposals. Proposals were scored based on criteria set forth in the RFP:

- Capability, Capacity and Qualifications of the Proposer (45%)
- Suitability and Quality of the Approach/Methodology (30%)
- Milestones and Deliverables (15%)
- Outcomes to be Achieved (15%)

The qualification scores following completion of the proposal review are provided in the table below:

Firm	Qualification Score
Alliant Insurance Services, Inc.	86.85
Arthur J. Gallagher & Company	80.15

Proposal responses demonstrated both firms were qualified to perform insurance brokerage services for the City. However, there was one area of significant difference between the two proposals: cost. Arthur J. Gallagher & Company's annual fee was \$27,000 or approximately 56-percent higher than the annual fee for Alliant Insurance Services, Inc.

The selection team decided not to conduct interviews with the two firms because they felt they had all the information needed to make a final decision. The firm with the highest qualification score, Alliant Insurance Services, Inc., is recommended for award. The term of this contract is two years beginning October 1, 2017, with three one-year options to extend the contract.

**FISCAL IMPACT:**

CIP #: N/A


Brokerage services are expensed to the insurance premiums account listed below. A total of \$185,000 is budgeted for premiums in CY2017. The requested award is within budget.

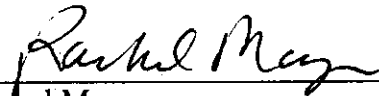
Account Number	Fund Description	Total Budget Amount
623-9710-585.50-46	Self-Insurance	\$185,000

**RECOMMENDATION**


Approve the Award of RFP 17-040, Professional Consulting and Insurance Brokerage Services, to Alliant Insurance Services, Inc. for an amount not to exceed \$95,000 and for a two-year term.

**SUBMITTED BY:**

  
 Lynn Lockwood  
 Assistant Finance Director  
 7/27/17  
 Date

  
 Rachel Mayer  
 Chief Procurement Officer  
 8/1/2017  
 Date

**APPROVED BY:**

  
 Douglas A. Krieger  
 City Manager  
 8/1/17  
 Date

KAS  
 7/27/17