



## Request for City Council Committee Action From the Finance Department

Date: March 21, 2005  
To: Ways and Means Committee  
Referral to: None

**Subject: Release of a Request for Proposal (RFP) for an Insurance Broker**

**Recommendation:** Authorize a release of an RFP for an Insurance Broker to provide services as of June 24, 2005.

Prepared or Submitted by: Ellen Velasco-Thompson, Director, 612 673-3994

Approved by: Patrick Born, City Finance Officer \_\_\_\_\_

John Moir, City Coordinator \_\_\_\_\_

Presenters in Committee: Ellen Velasco-Thompson, Director, Risk Mgmt. & Claims

**Financial Impact** (Check those that apply)

No financial impact - or - Action is within current department budget.  
(If checked, go directly to Background/Supporting Information)

- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain):

Request provided to the Budget Office when provided to the Committee Coordinator

**Community Impact** (use any categories that apply)

- Neighborhood Notification
- City Goals
- Comprehensive Plan
- Zoning Code
- Other

Not applicable

**Background/Supporting Information Attached:**

The present contract for insurance broker services will expire May 1, 2005.

Our present provider has been working under a current standard agreement contract with the City for the last several years. In the past, the current provider has served as the insurance broker for the OCIPs (Owners Controlled Insurance Program) with the Minneapolis Convention Center Expansion, as well as the New Central Library Project. Our projects have been audited and no irregularities have been found.

Most of the City's insurance needs are self-insured. But with the addition of CPED and the property needs for the Mpls. Convention Center, the City still requires the assistance of an insurance broker to get the best placement for insurance coverage.

In light of current events questioning "contingent fees" in this industry, PRC and City Attorneys have advised more stringent language clarifying the City's requirement that any payment/fees/commissions received for these services other than that provided by this contract would be returned to the City and credited against our fee due that calendar year. Contingent commission contract language has been included in the RFP, so that Proposers are very aware of the City's standard expectation.

With this standard in place, our RFP is open to an independent commission, the Municipal Building Commission and the Greater Minneapolis Convention and Visitors' Association (GMCVA) to participate in the selection. After the RFP process, it would be their choice to have a separate contract with the final vendor or not. Combining our efforts creates a better value and option for their needs.

It is our recommendation that the City Finance Officer be allowed to release the Request for Proposal and return before Council to request authorization to negotiate and enter into an agreement with a final candidate.