



# City of Culver City

## Staff Report Details (With Text)

**File #:** 20-190      **Version:** 1      **Name:**  
**Type:** Minute Order      **Status:** Consent Agenda  
**File created:** 8/19/2019      **In control:** City Council Meeting Agenda  
**On agenda:** 8/26/2019      **Final action:**  
**Title:** CC - Ratification of Amendment to an Existing Professional Services Agreement with AON Risk Insurance Services West, Inc to Continue Providing Broker Services for the City's Insurance Programs through June 30, 2020

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. 19-08-26\_\_ATT\_Contract and Amendments with AON Risk Insurance Services West, Inc.

Date	Ver.	Action By	Action	Result
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**CC - Ratification of Amendment to an Existing Professional Services Agreement with AON Risk Insurance Services West, Inc to Continue Providing Broker Services for the City's Insurance Programs through June 30, 2020**

**Meeting Date:** August 26, 2019

**Contact Person/Dept:** Serena Wright-Black/Administrative Services

**Phone Number:** (310) 253-5640

**Fiscal Impact:** Yes  No

**General Fund:** Yes  No

**Public Hearing:**

**Action Item:**

**Attachments:** Yes  No

**Commission Action Required:** Yes  No  **Date:**

**Commission Name:**

**Public Notification:** (E-Mail) Meetings and Agendas - City Council (08/21/19)

**Department Approval:** Serena Wright-Black, Assistant City Manager (08/19/19)

### **RECOMMENDATION**

Staff recommends the City Council ratify the amendment to an existing professional services agreement with AON Risk Insurance Services West, Inc to continue providing broker services for the City's insurance programs through June 30, 2020.

**BACKGROUND/DISCUSSION**

For over 25 years the City of Culver City was a member of the Independent Cities Risk Management Authority (ICRMA) for the purpose of participating in pooled programs for liability, workers compensation, auto physical damage, crime, and cyber insurance. City Council approved withdrawal from ICRMA and authorized the execution of an insurance binder for one year with AON Risk Insurance Services West, Inc (AON) effective July 1, 2016. A second one-year amendment was approved by City Council on June 26, 2017.

As indicated below, over the past three years since leaving ICRMA, AON has been able to save the City a significant amount of money on insurance, while also increasing the amount and various lines of coverage.

<b><u>2015 Program (ICRMA)</u></b>	<b><u>2016-2017 (AON)</u></b>	<b><u>2018-2019 (AON)</u></b>	<b><u>2019-2020 (AON)</u></b>
<b>\$2,186,307</b>	<b>\$1,319,658</b>	<b>\$1,317,638</b>	<b>\$1,390,775</b>

AON has continued to be a helpful resource to the City, assisting on various insurance issues and questions. Based on a lapse in the contract agreement with AON, the City Manager recently needed to execute the contract amendment to ensure that the City’s insurance policies were renewed timely. This amendment also clarifies that AON shall remit City premiums to the appropriate insurers following receipt of said premiums from the City in an amount not-to-exceed \$1,400,000 annually.

Staff is recommending that City Council ratify the amendment approved by the City Manager to continue using AON for insurance broker services.

**FISCAL ANALYSIS**

Funding for the City’s insurance premiums, as well as the administrative fees, are included in the FY 2019/2020 adopted budget. The invoice amount of \$1,390,774.94 was paid from Account #'s 309.222200.650100 (\$586,355), 309.222200.650200 (\$562,462.94) and 309.222200.650400 (\$241,957).

**ATTACHMENT**

1. Contract and Amendments with AON Risk Insurance Services West, Inc.

**MOTION:**

That the City Council:

Ratify the amendment to an existing professional services agreement with AON Risk Insurance Services West, Inc to continue providing broker services for the City’s insurance programs through June 30, 2020.

