



City of Culver City

Staff Report

File #: 20-190, **Version:** 1

Item #: C-14.

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.

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

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.