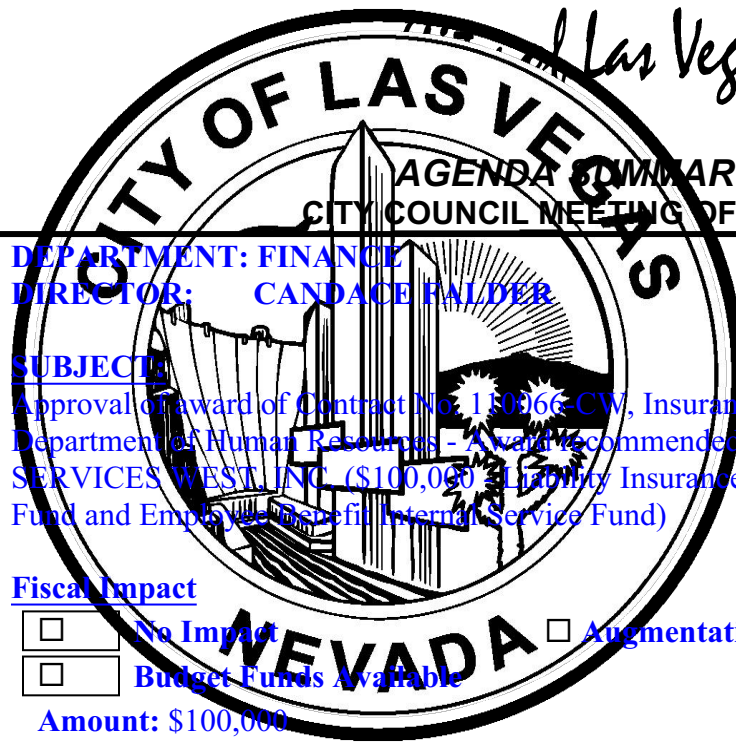




Las Vegas

Agenda Item No.: 25.

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: APRIL 6, 2011

DEPARTMENT: FINANCE
DIRECTOR: CANDACE HALDER

☒ **Consent** ☐ **Discussion**

SUBJECT:

Approval of award of Contract No. 110066-CW, Insurance Broker and Consulting Services - Department of Human Resources - Award recommended to: AON RISK INSURANCE SERVICES WEST, INC. (\$100,000 - Liability Insurance and Property Damage Internal Service Fund and Employee Benefit Internal Service Fund)

Fiscal Impact

☐ **No Impact** ☐ **Augmentation Required**
☐ **Budget Funds Available**

Amount: \$100,000

Funding Source: Liability Insurance and Property Damage ISF and Employee Benefit ISF

Dept./Division: Human Resources/Insurance Services

PURPOSE/BACKGROUND:

This contract provides for insurance broker and consulting services for the City's liability, property, excess workers' compensation and other insurance requirements. AON Risk Insurance Services was selected by a competitive Request for Proposals process.

PCC: C. White

POC: Billy Deeb - (213) 630-3210

RECOMMENDATION:

That City Council approve award of Contract No. 110066-CW, Insurance Broker and Consulting Services to AON Risk Insurance Services West, Inc. in the annual estimated amount of \$100,000 from date of award through June 30, 2014 with two one-year renewal options. Authority to execute the Contract is given to the Purchasing Manager per R-48-2006.

BACKUP DOCUMENTATION:

1. Contract No. 110066-CW
2. Certificate - Disclosure of Ownership/Principals
3. Evaluation Summary

Motion made by GARY REESE to Approve

Passed For: 7; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0

RICKI Y. BARLOW, LOIS TARKANIAN, STEVE WOLFSON, OSCAR B. GOODMAN,
GARY REESE, STEVEN D. ROSS, STAVROS S. ANTHONY; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-None)

NOTE: A previous motion for Approval by REESE was reconsidered by REESE; both motions carried unanimously.

CITY COUNCIL MEETING OF: APRIL 6, 2011

Minutes:

MAYOR GOODMAN explained that ALLEN KAERCHER, President of Kaercher Campbell and Associates, did not file a formal protest but asked that he be heard. The Mayor did not want to set a precedent regarding hearing a protest without a formal request to be heard was made. However, in this case he made an exception.

KATHY RAINEY, Manager of Purchasing and Contracting, stated that the bid award to AON Risk Insurance Services is for broker services for the City of Las Vegas' liability, worker's compensation and other insurance requirements. The compensation is based on commission not to exceed \$100,000 with a three year contract and two one year options to renew. Kaercher Campbell and Associates was not selected because of lack of experience with Nevada Municipalities and were non-responsive to the RFP (Request for Proposal) in one complete section; thus were disqualified. MR. KAERCHER was provided with an evaluation summary prepared by an independent evaluation team. Issues were indicated by MR. KAERCHER that local companies should be given a preference; even if allowed, his firm is not local. Statistics show that the City of Las Vegas local bid awards have increased since 2009. Her staff has worked diligently to spend dollars locally and in Nevada. MR. KAERCHER attempts to discredit the RFP process, implying there is a relationship between the Risk Manager and AON and indicates that this is contingent on commission.

MR. KAERCHER read an article from [redacted] stating that a negative rating was given to Kaercher Campbell and Associates based on the low volume of local entity business. His company merged with PENNY CAMPBELL, who has extensively handled various municipalities. He alleged that there are many weaknesses in the evaluation, which will not hold up. He raised issues with billings for legal fees. He stated that various staff members handle business in cities throughout California, and other states, and have been involved with many charities and organizations in the Las Vegas Valley. The City should create a program through which minority contractors are not required to post a bond.

MAYOR GOODMAN suggested protests be filed if any company feels treated unfairly or if the process is not fair.

COUNCILWOMAN TARKANIAN requested a briefing on RFP versus bids process.