Report to Mayor and City Council

Tuesday, April 07, 2020

Consent

SUBJECT:

CONSIDER APPROVAL OF AMENDMENT NO. 1 TO THE ALLIANT INSURANCE SERVICES, INC. CONTRACT FOR THE PERIOD JULY 1, 2020 THROUGH JUNE 30, 2021 (CITY COUNCIL)

I. SUMMARY

In 2017, the City Council approved a 3-year contract with two optional one-year extensions with Alliant Insurance Services to provide brokerage services and access to the global insurance markets for City's coverages. The costs for exercising each option was pre-negotiated and agreed to as part of the original contract. Alliant also provides risk management services such as claim advocacy, contract reviews and loss control, as needed. Since the inception of the contract Alliant has performed well, helping to improve the City's insurance coverages in a cost-effective manner.

The first 3-year term ends on June 30, 2020. Amendment No. 1 will exercise the City's first optional extension year for the period of July 1, 2020 through June 30, 2021, at a cost of $53,306, which is the amount pre-negotiated and specified in the original contract.

II. RECOMMENDATION

TAKE the following actions:

1. APPROVE Amendment No. 1 to the Alliant Insurance Services Inc. contract for the period of July 1, 2020 through June 30, 2021 at a cost of $53,306.
2. AUTHORIZE the Mayor to execute the contract following approval as to form by the City Attorney.

III. ALTERNATIVES

TAKE another action the City Council deems appropriate.

IV. BACKGROUND

To protect the assets of the City from accidental loss, the City purchases various lines of insurance including excess liability, auto liability, cyber liability, property, crime and excess workers' compensation.

Since 2017, Alliant has served as the City's broker of record. Alliant is well positioned to provide these services because: 1) Alliant provides access to insurance markets only available to large global brokers. This ensures that the City has broad coverage terms at competitive prices, 2) Alliant specializes in public entity insurance and pools, and 3) Alliant provides risk management services to the City, complementing in-house resources. Alliant's dedicated Public Entity Division serves over 80% of California Cities and has a 98% client retention rate.

Staff is asking the City Council to approve Amendment No. 1 to extend the contract term for the period from July 1, 2020 through June 30, 2021. The cost of the extension was pre-negotiated and specified in the original contract.

V. FISCAL IMPACT

The extension of the contract for the period of July 1, 2020 through June 30, 2021 will be at a cost of $53,306. Funds for this amendment will be included in the FY 20/21 budget.

VI. EXHIBITS

1. Contract Services Agreement By and Between City of Carson and Alliant Insurance Services, Inc. (pgs. 3-30).
2. Amendment No. 1 to Contract Services Agreement By and Between City of Carson and Alliant Insurance Services, Inc. (pgs. 31-36).

Prepared by: Faye Moseley, Director of Human Resources and Risk Management

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