



City of San Antonio

Agenda Memorandum

File Number: 15-3792

Agenda Item Number: 22.

Agenda Date: 8/6/2015

In Control: City Council A Session

DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

Risk Management Consulting Services and Insurance Broker of Record

SUMMARY:

This ordinance authorizes a contract for Risk Management Consulting and Insurance Broker of Record Services for the City of San Antonio with SOGO Wealth & Risk Management ("SOGO"). The proposed contract is for a period of three (3) years, beginning August 20, 2015 and ending August 19, 2018 at an annual cost of \$154,000.00, with two, one-year renewal options.

BACKGROUND INFORMATION:

The City has utilized Risk Management Consulting and Insurance Broker of Record services since at least 1983 to advise the City concerning its comprehensive risk management strategy, continuing evaluation of the City's efforts to minimize necessary risks, and to maximize transfer of risks where possible. As the Broker of Record for The City of San Antonio, SOGO assumes professional responsibility for marketing of the City's insurance requirements to qualified insurance carriers, placement of insurance coverage for the City on terms and at costs favorable to the City and representation of the City's interests when conflicts with insurance carriers develop.

The Risk Management and Purchasing Divisions of the Department of Finance developed a Request for Proposals ("RFP") for Risk Management Consulting Services and Insurance Broker of Record which was issued March 9, 2015. Proposals from two companies were submitted within the published timeline and were evaluated in conformance with the criteria contained in the RFP.

The evaluation of each proposal response was based on a total of 100 points: 30 points allotted for experience, background, qualifications; 25 points allotted for proposed plan; and 10 points allotted for respondent's price schedule. Twenty (20) points were allotted for Small Business Economic Development Advocacy (SBEDA) Program; 15 points for the M/WBE Prime Contract Program and 5 points as a mentorship incentive. Ten (10) points were allotted for the Local Preference Program and 5 points for the Veteran-Owned Small Business Preference Program.

The Evaluation Committee met on May 7, 2015 to evaluate the two (2) responsive proposals received. After committee review and discussion, individual technical scores were submitted and the aggregate scores were presented. SOGO Wealth & Risk Management received the highest ranking and was recommended for award by the Evaluation Committee.

ISSUE:

This recommendation is for a three-year contract for professional insurance consulting and brokerage services necessary for the City to maintain its comprehensive risk management program.

In accordance with Local Preference Program, the recommended Respondent received 10 points for being headquartered within the incorporated San Antonio City Limits. In addition, the recommended Respondent received 15 points in accordance with the SBEDA Program, as it is a small, minority and women-owned business.

There were no proposals submitted by veteran-owned small business respondents for this contract; therefore, the Veteran-Owned Small Business Preference Program was not applied.

ALTERNATIVES:

The City could attempt to market and place its insurance coverage directly, and to assess and consider alternatives to its present program for risk transfer and management. This would require additional specialized and experienced personnel and associated staffing costs.

FISCAL IMPACT:

This Ordinance will authorize the payment of \$154,000.00 in the FY 2016 budget. All expenditures will be in accordance with the Department's adopted budget approved by City Council. Sufficient funds are appropriated in the Liability Self-Insurance Fund and Workers' Compensation Self-Insurance Fund upon approval of the FY 2016 budget.

RECOMMENDATION:

The Risk Management Division of the Department of Finance recommends execution of a contract for Risk Management Consulting Services and Insurance Broker of Record with SOGO Wealth & Risk Management, at an annual cost of \$154,000.00.

This contract is procured by means of Request for Proposals and the Discretionary Contracts Disclosure Form is attached.