



# City of San Antonio

## Agenda Memorandum

**File Number:**20-3569

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**Agenda Item Number:** 19.

**Agenda Date:** 8/6/2020

**In Control:** City Council A Session

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**DEPARTMENT:** Office of Risk Management

**DEPARTMENT HEAD:** Debra M. Ojo, MPA, Director

**COUNCIL DISTRICTS IMPACTED:** Citywide

### **SUBJECT:**

Risk Management Consulting Services and Insurance Broker of Record

### **SUMMARY:**

This ordinance authorizes the City Manager or his designee to enter into a contract with SOGO Wealth & Risk Management to provide professional services of an Insurance Broker of Record, which will include risk management consulting loss control services and an option for damage assessments for an additional fee, for the City of San Antonio, Office of Risk Management. The term of this contract is three (3) years, beginning August 20, 2020 and ending August 19, 2023, with an option to extend the contract for up to two (2) one-year extensions, subject to and contingent upon funding by City Council, with total compensation not to exceed \$825,000.00. The estimated annual expense is approximately \$165,000.00, which includes the cost of damage assessments estimated at approximately \$15,000.00.

### **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 Wealth & Risk Management 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.

A Request for Proposal (RFP 20-059) was issued on March 19, 2020 to select a respondent to provide all

necessary services including, but not limited to the following: Broker of Record Services, Consultant Services, Loss Control Services, and Market Trend Reports. The RFP was advertised in the San Antonio Express News; TVSA channel, San Antonio eProcurement system, the City's Bidding & Contracting Opportunities website and an email notification was released to a list of potential Respondents. Responses were due on April 20, 2020 and a total of two firms responded to the RFP and were deemed eligible for review.

The proposals were reviewed by the selection committee on June 10, 2020 which included representatives from the Office of Risk Management, Pre-K 4 SA and Human Resources. Proposals were evaluated and scored 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) preference points were allotted for the Small Business Economic Development Advocacy (SBEDA) Program, in addition to 10 points allotted for the Local Preference Program and 5 points for the Veteran-Owned Small Business Preference Program.

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:**

Award of this contract will allow for the continuation of professional insurance consulting and brokerage services necessary for the City to maintain its comprehensive risk management program.

This contract is within the scope of the Small Business Economic Development Advocacy (SBEDA) Program. SBEDA tool was applied to this solicitation (SBE 5 points prime contractor; MWBE 15 points prime contractor) and the recommended vendor did receive the total points.

In accordance with Local Preference Program, the recommended respondent received 10 points for being headquartered within the incorporated San Antonio city limits.

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:**

Should this agreement not be approved, 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.

The City could also re-engage in the RFP process to select an alternative vendor, but this course of action would require a significant amount of time and could result in a possible disruption of services.

### **FISCAL IMPACT:**

This ordinance approves a Professional Services Agreement with SOGO Wealth & Risk Management to provide Risk Management Consulting and Insurance Broker of Record services to the City for a 3-year term beginning August 20, 2020, and ending August 19, 2023, with an option to extend the contract for up to two (2) one-year extensions, subject to and contingent upon funding by City Council, with total compensation not to exceed \$825,000.00. The estimated annual expense is approximately \$165,000.00, which includes the cost of damage assessments estimated at approximately \$15,000.00. Funding for this expense is included in the

Liability Self-Insurance Fund.

**RECOMMENDATION:**

Staff recommends approving a Professional Services Agreement with SOGO Wealth & Risk Management to provide Risk Management Consulting and Insurance Broker of Record services to the City for a 3 year term beginning August 20, 2020, and ending August 19, 2023, with an option to extend the contract for up to two (2) one-year extensions, subject to and contingent upon funding by City Council, with total compensation not to exceed \$825,000.00.

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