



City of San Antonio

Agenda Memorandum

File Number:20-5318

Agenda Item Number: 37.

Agenda Date: 10/29/2020

In Control: City Council A Session

DEPARTMENT: Office of Risk Management

DEPARTMENT HEAD: Debra M. Ojo, MPA, Director

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Insurance Appraisal Services

SUMMARY:

This ordinance authorizes City Manager or his designee to enter into a contract for property insurance appraisal services for the City of San Antonio with Specialty Property Appraisals, LLC. The term of this contract is three (3) years, beginning October 29, 2020 and ending October 28, 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 \$140,500. The estimated annual expense is approximately \$28,100, which is composed of the base contract, optional roof evaluation and optional Federal Emergency Management Agency (FEMA) special flood hazard identification.

BACKGROUND INFORMATION:

The City of San Antonio owns and/or leases approximately 975 facilities valued at more than \$3.5B and furnishes its offices to house and support its many operations and services to residents of the City. Commercial Insurance is acquired in accordance with Chapter 252, of the Local Government Code with the assistance of a Broker of Record. The City desires to engage Specialty Property Appraisals, LLC to perform property insurance appraisal services to ensure appropriate valuation of City-owned facilities for insurance purposes. Specialty Property Appraisals, LLC will create a schedule to conduct the appraisals over a 5-year period.

A Request for Proposal (RFP 20-061) was issued on June 2, 2020 to select a respondent to provide all necessary services including, but not limited to the following: property inspection and appraisal for cost of replacement new, optional roof evaluation and optional FEMA special flood hazard identification. 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 July 2, 2020 and a total of four (4) firms responded to the RFP and were deemed eligible for review.

The proposals were reviewed by the selection committee on July 30, 2020, which included representatives from the Office of Risk Management, Center City Development and Operations Department and Building Equipment Services Department. Proposals were evaluated and scored based on a total of 100 points: 30 points allotted for Experience, Background and Qualifications; 25 points allotted for Proposed Plan; and 15 points for Price. Fifteen (15) 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. The highest ranked respondent was CBIZ Valuation Group, LLC; however, during contract negotiations, CBIZ Valuation Group, LLC and the City were unable to reach mutually agreeable contract terms in regards to the indemnification and damages language contained in the RFP. Specialty Property Appraisals, LLC received the second highest ranking and is recommended for award.

Memo revised on October 23, 2020, to add the following:

The Goal Setting Committee applied the Small Business Enterprise Prime Contract (SBEDA) Program with fifteen (15) SBE Prime Contract Program evaluation preference points awarded to a vendor if they are certified as SBE located within the San Antonio Metropolitan Statistical Area. However, Specialty Property Appraisals, LLC was not eligible to receive any preference points.

ISSUE:

Award of this contract will allow for the continuation of professional insurance appraisal services to accurately insure City facilities and contents.

This contract is within the scope of the Small Business Economic Development Advocacy (SBEDA) Program. However, due to the lack of availability of small, minority, and/or women-owned businesses to perform the services being procured and value of the contract, no SBEDA tool was applied to this solicitation.

The Local Preference Program was applied in the evaluation of responses received for this contract; however, the recommended firm is not a local business.

There were no proposals submitted from 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 would not have accurate property and content values for its commercial property insurance. This could lead to facilities being underinsured and financial risk if loss were to occur to an underinsured facility. The City could also re-engage in the RFP process to select a 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 Specialty Property Appraisals, LLC to provide Insurance Appraisal services to the City for a 3-year term beginning October 29, 2020, and ending

October 28, 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 \$140,500. The estimated annual expense is approximately \$28,100. Funding for the first year of the contract is available in the Liability Insurance Fund Fiscal Year 2021 budget. Funding for subsequent years is subject to and contingent upon future City Council appropriations.

RECOMMENDATION:

Staff recommends approving a Professional Services Agreement with Specialty Property Appraisals, LLC to provide Insurance Appraisal services to the City for a 3-year term beginning October 29, 2020, and ending October 28, 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 \$140,500.

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