

CITY COUNCIL REGULAR SESSION

Resolution authorizing the execution of Amendment No. 3 to the Aon Risk Insurance Services West Inc. Professional Service Agreement to increase the total not to exceed amount of \$400,000, plus all applicable taxes to a not to exceed amount of \$480,000, plus all applicable taxes and to extend the term of the Agreement from September 1, 2021 to March 31, 2022.

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City Attorney's Office

EXECUTIVE SUMMARY

This Resolution seeks Council approval to amend the agreement with Aon Risk Insurance Services West Inc. to a not to exceed amount of \$480,000, plus all applicable taxes and to extend the term through March 31, 2022.

RECOMMENDATION

Move to adopt Resolution No. 10049.

BACKGROUND/ANALYSIS

The City's access to global commercial insurance markets to purchase insurance including, but not limited to, property, excess general liability, cyber and excess workers' compensation insurance is restricted to licensed brokers. In the last three years insurance premiums have been increasing due to an overall hardening of the market, the increased frequency of high-cost litigation and market contraction.

The City of Bellevue's risk profile has grown in complexity. Consequently, the services required to meet the City's needs have changed as well. The City's general liability carrier left the market this year and finding a new insurer in the municipal market has become more difficult. Our incumbent broker, Aon, has a significant public entity presence, and they are ideally equipped to continue to serve the City of Bellevue due to their global reach, specialized consultants, and their existing knowledge of the City's portfolio and business processes. The Risk Management Division determined Aon will foster more efficient and effective access to insurance markets, improve pricing leverage, and provide stronger benchmarking data to the City during this time. Therefore the City seeks to extend this effective agreement through March 31, 2022.

POLICY & FISCAL IMPACTS

Policy Impact

City Contracting Policies

- Bellevue City Code 4.28.030: The City's procurement policy supports open, fair, and transparent procurement of services in accordance with the City Code and State law. Because of the amount of this contract, Council approval is required.

Fiscal Impact

This Resolution authorizes the City to amend the professional services agreement with Aon Risk Insurance Services West Inc. for an amount not to exceed \$480,000 plus applicable taxes and to extend this agreement through March 31, 2022 . The scope of work includes soliciting, reviewing, recommending and purchasing insurance coverage and public surety bonds on behalf of the City and providing additional training for City staff. Sufficient funds have been budgeted in the 2021-2022 operating budget.

OPTIONS

1. Adopt the Resolution authorizing the execution of Amendment No. 3 to the Aon Risk Insurance Services West Inc. Professional Service Agreement to increase the total not to exceed amount of \$400,000, plus all applicable taxes to a not to exceed amount of \$480,000, plus all applicable taxes and to extend the term of the Agreement from September 1, 2021 to March 31, 2022.
2. Do not adopt the Resolution and provide alternative direction to staff.

ATTACHMENTS & AVAILABLE DOCUMENTS

Proposed Resolution No. 10049

AVAILABLE IN COUNCIL LIBRARY

Contract Aon Risk Insurance Services 1750014_000
Aon Amendment No. 3