

## CITY COUNCIL REGULAR SESSION

Resolution authorizing execution of a three-year professional services agreement in the amount of \$255,000 with the option to renew for an additional two years at a rate of \$86,000 a year or \$172,000 for both years with Aon Risk Insurance Services West Inc. The total amount not to exceed \$450,000 plus any applicable taxes for the five-year period, for the purchase of the Aon Risk Insurance Services West Inc. brokerage services.

Peter Bourgeault, Risk Manager, 452-2011  
*City Attorney's Office*

## EXECUTIVE SUMMARY

This Resolution authorizes the City to enter into an agreement with Aon Risk Insurance Services West Inc. for an amount not to exceed \$424,000 for the five-year period. This includes soliciting, review, recommending and purchasing insurance coverage and public surety bonds on behalf of the City and providing additional training for City staff.

## RECOMMENDATION

Move to adopt Resolution No. 10105

## 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 last 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 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 through a complete request for proposal (RFP) that 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.

## 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 enter into a professional services agreement with Aon Risk Insurance Services West Inc. for an amount not to exceed \$424,000 plus applicable taxes. The scope of work includes soliciting, review, 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 2022-2023 operating budget.

**OPTIONS**

1. Adopt the Resolution authorizing execution of a three-year professional services agreement in the amount of \$255,000 with the option to renew for an additional two years at a rate of \$86,000 a year or \$172,000 for both years with Aon Risk Insurance Services West Inc. The total amount not to exceed \$450,000 plus any applicable taxes for the five-year period, for the purchase of the Aon Risk Insurance Services West Inc. brokerage services.
2. Do not adopt the Resolution and provide alternative direction to staff.

**ATTACHMENTS & AVAILABLE DOCUMENTS**

Proposed Resolution No. 10105

**AVAILABLE IN COUNCIL LIBRARY**

AON Risk Contract