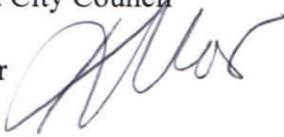




# Council Report

To: The Honorable Mayor and City Council  
From: Karen Muir, Risk Manager   
Date: September 27, 2016

**RE: A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA, AUTHORIZING THE CITY MANAGER TO EXERCISE OPTION YEAR TWO (2) TO RENEW PROFESSIONAL SERVICES AGREEMENT, IN SUBSTANTIALLY THE ATTACHED FORM, BETWEEN THE CITY OF NORTH MIAMI AND RISK MANAGEMENT ASSOCIATES, D/B/A PUBLIC RISK INSURANCE AGENCY, TO CONTINUE TO PROVIDE THE CITY WITH PUBLIC OFFICIAL AND EMPLOYMENT PRACTICES LIABILITY INSURANCE COVERAGE; PROVIDING FOR AN EFFECTIVE DATE AND FOR ALL OTHER PURPOSES AND AUTHORIZING THE ISSUANCE OF A PURCHASE ORDER IN THE AMOUNT OF \$69,644.00**

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## BACKGROUND

On August 4, 2014, the City advertised Request for Proposal No. 50-13-14 “Public Official/Employment Practices Liability Insurance Coverage” (POL/EPLI) to procure services in accordance with the terms, conditions and specifications contained in the RFP. The sole respondent, Public Risk Insurance Agency (PRIA) provided a competitive combination of enhanced coverage and premium. Consequently, on September 23, 2014 the Vice Mayor as Acting Mayor and City Council passed and adopted a resolution approving the award of Services to Risk Management Associates D/B/A Public Risk Insurance Agency with placement of coverage through its carrier, Indian Harbor Insurance Company. PRIA, the 7<sup>th</sup> largest insurance intermediary in the United States, and a subsidiary of Brown & Brown, is uniquely qualified to handle the City’s Public Official and Employment Practices Liability insurance. It currently serves the insurance needs of over 150 public entities in the State of Florida. The new carrier – Ace American Insurance Company - has successfully held a stable financial position within the insurance industry with more than \$2,000,000,000 in capital, surplus and conditional reserve funds. Additionally, it is supported by a superior AM Best rating of A++XV; this is the highest rating a carrier can have.

The initial contract provides an option to renew this line of coverage under the same terms and conditions for four (4) years on a year to year basis. Proposed coverage for FY17 with Ace American Insurance Company is as follows: \$2,000,000 policy limit for POL/EPLI (written on a claims made form, with full prior acts coverage) at \$50,000 deductible per claim. Additionally they offer an enhanced coverage “Crisis Management” \$25,000 limit. Another remarkable improvement with Ace will be \$1,000,000 coverage for non-monetary damages (on non-employment related claims) compared to \$100,000 on the expiring

**Page 2**

**Re: Resolution to Renew Public Officials and Employment Practices Liability Insurance**

policy. Renewal is being offered at \$69,644 annualized premium, which is approximately 23.4% less than the expiring policy.

**RECOMMENDATION**

It is recommended that the City Council authorize the City Manager to exercise the option to renew year two (2) of RFP#50-13-14 for Public Official and Employment Practices Liability Insurance with Ace American Insurance Company, through the broker PRIA located in Daytona Beach, Florida, for the period 10/1/16 to 10/1/17 with the issuance of a purchase order in the amount of \$69,644.00.

**Attachments**

Resolution  
Option Year 2 Pricing

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA, AUTHORIZING THE CITY MANAGER AND CITY ATTORNEY TO EXECUTE A SECOND OPTION TO RENEW PROFESSIONAL SERVICES AGREEMENT, IN SUBSTANTIALLY THE ATTACHED FORM, BETWEEN THE CITY OF NORTH MIAMI AND RISK MANAGEMENT ASSOCIATES, INC., D/B/A PUBLIC RISK INSURANCE AGENCY FOR THE CONTINUATION OF PUBLIC OFFICIAL AND EMPLOYMENT PRACTICES LIABILITY INSURANCE COVERAGE SERVICES, AT THE ANNUALIZED PREMIUM AMOUNT OF SIXTY-NINE THOUSAND SIX HUNDRED FORTY-FOUR DOLLARS (\$69,644.00) INCLUDING APPLICABLE AGENCY SERVICE FEES, AS REQUIRED BY FLORIDA LAW; PROVIDING FOR AN EFFECTIVE DATE AND FOR ALL OTHER PURPOSES.**

**WHEREAS**, on August 4, 2014, the City advertised *Request for Proposal No. 50-13-14 Public Official/Employment Practices Liability Insurance Coverage Services* (“RFP”), to procure Public Official and Employment Practices Liability Insurance Coverage Services for eligible City officials and employees, from a qualified, experienced, and licensed insurance provider (“Insurance Coverage Services”), as required by Florida law; and

**WHEREAS**, in response to the RFP, Risk Management Associates, Inc., d/b/a Public Risk Insurance Agency (“Contractor”) timely submitted its Proposal and was evaluated by City administration as the lowest responsive-responsible proposer whose Proposal, qualifications and references demonstrated to be the most advantageous to the City in the procurement of Insurance Coverage Services; and

**WHEREAS**, on September 26, 2014, the City Manager executed a Professional Services Agreement with Contractor for the provision of Insurance Coverage Services with a policy coverage period commencing October 1, 2014 through October 1, 2015, in accordance with the terms, conditions, and specifications contained in the Contract Documents (“Agreement”); and

**WHEREAS**, pursuant to Section 3.2 of the Agreement, the City reserved the right to renew the Agreement for an additional four (4) successive one-year term periods, upon the completion of the initial term; and

**WHEREAS**, on October 1, 2015, the City Manager executed a First Option to Renew Agreement to continue Insurance Coverage Services for the period commencing October 1, 2015, through October 1, 2016 (“First Option Agreement”), for an annualized premium amount of Ninety Thousand Nine Hundred Twenty-Four Dollars (\$90,924.00), including applicable agency service fees; and

**WHEREAS**, the City desires to continue Insurance Coverage Services by exercising a Second Option Agreement with a policy coverage period commencing October 1, 2016, through October 1, 2017 pursuant to Section 3.2 of the Agreement, at the annualized premium amount of Sixty-Nine Thousand Six Hundred Forty-Four Dollars (\$69,644.00) including applicable agency service fees; and

**WHEREAS**, the Mayor and City Council find the execution of a Second Option Agreement, in substantially the attached form, for the continuous provision of Insurance Coverage Services as required by Florida law, is in the best interest of the City.

**NOW THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA:**

**Section 1. Authority of City Manager and City Attorney.** The Mayor and City Council of the City of North Miami, hereby authorize the City Manager and City Attorney to execute a Second option to renew Professional Services Agreement, in substantially the attached form, between the City of North Miami and Risk Management Associates, Inc., d/b/a Public Risk Insurance Agency for the continuation of Public Official and Employment Practices Liability Insurance Coverage Services, at the annualized premium amount of Sixty-Nine Thousand Six Hundred Forty-Four Dollars (\$69,644.00) including applicable agency service fees, as required by Florida law.

**Section 2. Effective Date.** This Resolution shall become effective immediately upon adoption.

**PASSED AND ADOPTED** by a \_\_\_\_\_ vote of the Mayor and City Council of the City of North Miami, Florida, this \_\_\_\_ day of \_\_\_\_\_, 2016.

---

DR. SMITH JOSEPH  
MAYOR

ATTEST:

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MICHAEL A. ETIENNE, ESQ.  
CITY CLERK

APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY:

---

JEFF P. H. CAZEAU, ESQ.  
CITY ATTORNEY

SPONSORED BY: CITY ADMINISTRATION

Moved by: \_\_\_\_\_

Seconded by: \_\_\_\_\_

**Vote:**

Mayor Smith Joseph, D.O., Pharm. D.  
Vice Mayor Alix Desulme  
Councilman Scott Galvin  
Councilwoman Carol Keys, Esq.  
Councilman Philippe Bien-Aime

\_\_\_\_\_ (Yes) \_\_\_\_\_ (No)  
\_\_\_\_\_ (Yes) \_\_\_\_\_ (No)  
\_\_\_\_\_ (Yes) \_\_\_\_\_ (No)  
\_\_\_\_\_ (Yes) \_\_\_\_\_ (No)  
\_\_\_\_\_ (Yes) \_\_\_\_\_ (No)

**CITY OF NORTH MIAMI  
SECOND OPTION TO RENEW  
PROFESSIONAL SERVICES AGREEMENT**  
(Public Official/Employee Insurance Coverage - RFP No. 50-13-14)

**THIS SECOND OPTION TO RENEW PROFESSIONAL SERVICES AGREEMENT** (“Second Option Agreement”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2016, by and between the **City of North Miami**, a Florida municipal corporation, located at 776 NE 125<sup>th</sup> Street, North Miami, FL (“City”) and **Risk Management Associates, Inc.**, d/b/a **Public Risk Insurance Agency**, a for-profit corporation organized and existing under the laws of the State of Florida, having its principal office at 220 S. Ridgewood Avenue, Daytona, FL 32114 (“Contractor”). The City and Contractor shall collectively be referred to as the “Parties”.

**RECITALS**

**WHEREAS**, on August 4, 2014, the City advertised *Request for Proposal No. 50-13-14 Public Official/Employment Practices Liability Insurance Coverage Services* (“RFP”), to procure Public Official and Employment Practices Liability Insurance Coverage Services for eligible City officials and employees, from a qualified, experienced, and licensed insurance provider (“Insurance Coverage Services”) as required by law; and

**WHEREAS**, in response to the RFP, Contractor timely submitted its Proposal and was evaluated by City administration as the lowest responsive-responsible proposer whose Proposal, qualifications and references demonstrated to be the most advantageous to the City in the procurement of Insurance Coverage Services; and

**WHEREAS**, on September 26, 2014, the City Manager executed an agreement with Contractor for the provision of Insurance Coverage Services with a policy coverage period commencing October 1, 2014 through October 1, 2015, in accordance with the terms, conditions, and specifications contained in the Contract Documents (“Agreement”); and

**WHEREAS**, pursuant to Section 3.2 of the Agreement, the City reserved the right to renew the Agreement for an additional four (4) successive one-year Term periods, upon the completion of the initial Term; and

**WHEREAS**, the City Manager has determined that it is in the City’s best interest to exercise the second option to renew in accordance with the terms and conditions of the Contract Documents, in order to provide uninterrupted Insurance Coverage Services.

**NOW THEREFORE**, in consideration of the mutual promises and covenants set forth herein and other good and valuable consideration, the Parties hereto agree as follows:

1. The City hereby exercises its second option to renew the Agreement for Insurance Coverage Services, for the period commencing October 1, 2016, through October 1, 2017.

2. The Contractor hereby accepts the City's second option to renew the Insurance Coverage Services, for the period commencing October 1, 2016, through October 1, 2017.
3. The City shall have remaining two (2) successive one-year options to renew the Agreement in writing.
4. The Contractor agrees to provide Insurance Coverage Services in accordance with the terms, conditions and specifications contained in the Contract Documents.
5. The City agrees to pay Contractor the annualized premium amount not to exceed Sixty Nine Thousand Six Hundred Forty Four (\$69,644.00), including applicable agency service fees.
6. The Parties agree that this Second Option Agreement shall be made part of the Agreement previously executed by the Parties, attached hereto by reference.
7. No modification or amendment hereto shall be valid unless in writing and executed by properly authorized representatives of the Parties.
8. This Second Option Agreement shall be binding upon the Parties hereto, their successors in interest, heirs, executors, assigns and personal representatives.
9. All other terms of the Agreement, which have not been modified by this Second Option Agreement, shall remain in full force and effect.

*[The remainder of this page is intentionally left blank.]*

**IN WITNESS WHEREOF**, the Parties have executed this Agreement by their respective proper officers duly authorized the day and year first written above.

ATTEST:

Risk Management Associates, Inc., d/b/a  
Public Risk Insurance Agency, a Florida for-  
profit corporation:

Corporate Secretary or Witness:

**“Contractor”**

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

City of North Miami, a Florida municipal  
Corporation: **“City”**

By: \_\_\_\_\_  
Michael A. Etienne, Esq.  
City Clerk

By: \_\_\_\_\_  
Larry M. Spring  
City Manager

APPROVED AS TO FORM AND  
LEGAL SUFFICIENCY:

By: \_\_\_\_\_  
Jeff P. H. Cazeau, Esq.  
City Attorney

**FLORIDA DEPARTMENT OF STATE  
DIVISION OF CORPORATIONS****Detail by Entity Name****Florida Profit Corporation**

RISK MANAGEMENT ASSOCIATES, INC.

**Filing Information**

|                             |                       |
|-----------------------------|-----------------------|
| <b>Document Number</b>      | H16549                |
| <b>FEI/EIN Number</b>       | 59-2445801            |
| <b>Date Filed</b>           | 08/14/1984            |
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| <b>Status</b>               | ACTIVE                |
| <b>Last Event</b>           | NAME CHANGE AMENDMENT |
| <b>Event Date Filed</b>     | 04/15/2003            |
| <b>Event Effective Date</b> | NONE                  |

**Principal Address**220 S. Ridgewood Avenue. Suite 210  
Daytona Beach, FL 32114

Changed: 04/12/2015

**Mailing Address**220 S. Ridgewood Avenue. Suite 210  
Daytona Beach, FL 32114

Changed: 04/12/2015

**Registered Agent Name & Address**C T CORPORATION SYSTEM  
1200 SOUTH PINE ISLAND ROAD  
PLANTATION, FL 33324

Name Changed: 03/20/2012

Address Changed: 03/20/2012

**Officer/Director Detail****Name & Address**

Title President, Director

Lydecker, Charles H.  
220 S. Ridgewood Avenue  
Daytona Beach, FL 32114

Title Executive Vice President

Montgomery, Matthew  
 220 S. Ridgewood Ave., Suite 210  
 Daytona Beach, FL 32114

Title VP

Lanni, James  
 220 S. Ridgewood Avenue  
 Daytona Beach, FL 32114

Title VP

Watts, Andy  
 220 S. Ridgewood Ave.  
 Daytona Beach, FL 32114

Title VP, Secretary

Lloyd, Robert W.  
 220 S. Ridgewood Avenue  
 Daytona Beach, FL 32114

Title VP, Assistant Secretary

Robinson, Anthony  
 220 S. Ridgewood Ave.  
 Daytona Beach, FL 32114

Title Treasurer

Daly, William R.  
 220 S. Ridgewood Ave.  
 Daytona Beach, FL 32114

**Annual Reports**

| Report Year | Filed Date |
|-------------|------------|
| 2014        | 04/23/2014 |
| 2015        | 04/12/2015 |
| 2016        | 04/08/2016 |

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**Fictitious Name**  
PUBLIC RISK INSURANCE AGENCY

**Filing Information**

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| <b>Registration Number</b> | G04103900454 |
| <b>Status</b>              | ACTIVE       |
| <b>Filed Date</b>          | 04/12/2004   |
| <b>Expiration Date</b>     | 12/31/2019   |
| <b>Current Owners</b>      | 1            |
| <b>County</b>              | VOLUSIA      |
| <b>Total Pages</b>         | 4            |
| <b>Events Filed</b>        | 2            |
| <b>FEI/EIN Number</b>      | 59-2445801   |

**Mailing Address**

P.O. BOX 2416  
DAYTONA BEACH, FL 32115

**Owner Information**

RISK MANAGEMENT ASSOCIATES, INC.  
220 S RIDGEWOOD AVE SUITE 210  
DAYTONA BEACH, FL 32114  
FEI/EIN Number: 59-2445801  
Document Number: H16549

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