

To: The Honorable Mayor and City Council

From: Karen Muir, Risk Manager

Date: October 25, 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 POLICE PROFESSIONAL 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 \$171,801.00**

BACKGROUND

Staff engaged in a competitive bidding process in August, 2014 through RFP#52-13-14 for Police Professional Liability Insurance. The sole respondent, Public Risk Insurance Agency, (PRIA) was successful in delivering the most competitive coverage and premium option through its carrier "Indian Harbor Insurance"; consequently it was awarded the contract. PRIA, the 7th largest insurance intermediary in the United States, and a subsidiary of Brown & Brown, is uniquely qualified to handle the City's Police Professional Liability insurance. It currently serves the insurance needs of over 150 public entities in the State of Florida. The prior carrier, Indian Harbor Insurance, issued a non-renewal due to termination of its Program Agreement for Law Enforcement Liability insurance. The proposed new carrier – QBE Specialty Insurance Company - has successfully held an excellent financial position within the insurance industry with \$1,500,000,000 - \$2,000,000,000 in capital, surplus and conditional reserve funds. Additionally it is supported by an excellent AM Best rating of A, XIV.

PRIA's 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. To retain the existing coverage which includes: Liability limit of \$2,000,000 per claim/aggregate, written on an occurrence form (hence there is no need to purchase tail or extended reporting coverage) with \$25,000 deductible per claim and \$75,000 aggregate, QBE Specialty Insurance is offering an annualized premium of \$171,801.00. This represents an increase of approximately 5.3% over the expiring policy, primarily due to loss history. A second coverage option is

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being offered by QBE to increase the deductible to \$50,000/\$150,000 aggregate; however based on an analysis of the City's claims experience at \$25,000 deductible, it is more cost effective to retain the current coverage/deductible structure at the new cost of \$171,801.00.

RECOMMENDATION

It is recommended that the City Council authorize the City Manager to exercise year two (2) of RFP #52-13-14 to renew Police Professional Liability Insurance with QBE Specialty Insurance Company through its broker PRIA, located in Daytona Beach, Florida for the period 10/31/16 to 10/31/17.

Staff is recommending that Council authorize the issuance of a purchase order in the amount of \$171,801.00.

Attachments

Resolution
Option Year 2 Premium and coverage comparison
Insurance Market Summary
Cost Benefit Analysis for retaining \$25K deductible

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA, AUTHORIZING THE CITY MANAGER 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 POLICE PROFESSIONAL LIABILITY INSURANCE COVERAGE SERVICES AS REQUIRED BY FLORIDA LAW, AT THE ANNUALIZED PREMIUM AMOUNT OF ONE HUNDRED SEVENTY-ONE THOUSAND EIGHT HUNDRED ONE DOLLARS (\$171,801.00); PROVIDING FOR AN EFFECTIVE DATE AND FOR ALL OTHER PURPOSES.

WHEREAS, on July 30, 2014, the City advertised *Request for Proposal No. 52-13-14 Police Professional Liability Insurance Coverage Services* (“RFP”), to procure police professional insurance coverage for eligible City officials and employees (“Police Insurance Coverage”) from a qualified, experienced, and licensed insurance provider, as required by 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 sole responsive-responsible proposer whose Proposal, qualifications and references demonstrated to be the most advantageous to the City in the procurement of Police Insurance Coverage; and

WHEREAS, on October 14, 2014, the Vice Mayor as acting Mayor and City Council passed and adopted Resolution No. 2014-R-92, approving the selection of Contractor and authorized the execution of an agreement for the provision of Police Insurance Coverage in accordance with the terms, conditions, and specifications contained in the RFP; and

WHEREAS, on November 7, 2014, the City Manager executed an agreement with Contractor for the provision of Police Insurance Coverage with a policy coverage period commencing October 31, 2014, through October 31, 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 administration respectfully requests that Mayor and City Council authorize the City Manager to execute a Second Option to renew the Agreement, in substantially the attached form, to continue to provide the City with Police Insurance Coverage with a policy coverage period commencing October 31, 2016 through October 31, 2017, as required by Florida law.

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.** The Mayor and City Council of the City of North Miami hereby authorize the City Manager 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 Police Professional Liability Insurance Coverage Services as required by Florida law, at the annualized premium amount of One Hundred Seventy-One Thousand Eight Hundred One Dollars (\$171,801.00).

Section 2. **Effective Date.** This Resolution shall be effective 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:

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**
(Police Professional Liability Insurance Coverage - RFP No. 52-13-14)

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 125th 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 July 30, 2014, the City advertised *Request for Proposal No. 52-13-14 Police Professional Liability Insurance Coverage Services* (“RFP”), to procure police professional insurance coverage for eligible City officials and employees, from a qualified, experienced, and licensed insurance provider (“Police Insurance Coverage”) as required by law; and

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

WHEREAS, on October 14, 2014, the Vice Mayor as acting Mayor and City Council passed and adopted Resolution No. 2014-R-92, approving the selection of Contractor and authorized the execution of an agreement for the provision of Police Insurance Coverage in accordance with the terms, conditions, and specifications contained in the RFP; and

WHEREAS, on November 7, 2014, the City Manager executed an agreement with Contractor for the provision of Police Insurance Coverage with a policy coverage period commencing October 31, 2014, through October 31, 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 Mayor and City Council have determined that it is in the City’s best interest to exercise the second option to renew the Agreement in accordance with the terms and conditions of the Contract Documents, in order to provide uninterrupted Police Insurance Coverage.

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 Police Insurance Coverage, for the period commencing October 31, 2016, through October 31, 2017.
2. The Contractor hereby accepts the City's second option to renew the Police Insurance Coverage, for the period commencing October 31, 2016, through October 31, 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 Police Insurance Coverage 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 One Hundred Seventy One Thousand Eight Hundred One Dollars (\$171,801.00), 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

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

Principal Address220 S. Ridgewood Avenue. Suite 210
Daytona Beach, FL 32114

Changed: 04/12/2015

Mailing Address220 S. Ridgewood Avenue. Suite 210
Daytona Beach, FL 32114

Changed: 04/12/2015

Registered Agent Name & AddressC 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

Document Images

04/08/2016 -- ANNUAL REPORT	View image in PDF format
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02/28/2005 -- ANNUAL REPORT	View image in PDF format
02/10/2004 -- ANNUAL REPORT	View image in PDF format
04/15/2003 -- Name Change	View image in PDF format
03/05/2003 -- ANNUAL REPORT	View image in PDF format
02/06/2002 -- ANNUAL REPORT	View image in PDF format
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Fictitious Name Detail

Fictitious Name

PUBLIC RISK INSURANCE AGENCY

Filing Information

Registration Number G04103900454
Status ACTIVE
Filed Date 04/12/2004
Expiration Date 12/31/2019
Current Owners 1
County VOLUSIA
Total Pages 4
Events Filed 2
FEI/EIN Number 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

Document Images

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- [06/10/2014 -- Fictitious Name Renewal Filing](#)
- [06/29/2009 -- RENEWAL](#)

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