



Dakota County

Legislation Text

File #: DC-1720, Version: 2

DEPARTMENT: Office Of Risk Management

FILE TYPE: Consent Action

TITLE

Authorization To Execute Contract With Arthur J. Gallagher For Insurance Brokerage Services

PURPOSE/ACTION REQUESTED

Authorize the execution of a contract with Arthur J. Gallagher for Insurance Brokerage Services.

SUMMARY

Dakota County Risk Management has addressed coverage needs through programs of conventional insurance placement and self-insuring. Dakota County is self-insured for general and professional liability claims, worker's compensation and claims arising under federal law. Insurance coverage is currently in place for auto, property, cyber security and crime (including employee fidelity exposures). The Dakota County Liability/Loss Reserve Fund provides funding for claim payments and insurance premiums.

Since 2015, Dakota County has employed the services of North Risk Partners (NRP) to broker the county's insurance policy needs and provide risk management consultation. The County's risk profile has continued to change with increases in cyber security risks and new risks such as the operation of the Lake Byllesby Dam. Risk Management concluded a direct test of the marketplace was needed given the time that had passed since the last request for proposal and a more challenging insurance marketplace.

Risk Management completed a survey of similarly sized self-insured entities to identify vendors to solicit for broker services. Four brokers that support public entity insurance placement were encouraged to send proposals: North Risk Partners, Arthur J. Gallagher & Co. (Gallagher), Willis Towers Watson (WTW), and Brown and Brown. All responders were asked to submit proposals for a 5-year term. Brown and Brown's total cost was \$325,000 and the estimated cost for Alliant, who responded to the web posting of RFP, was \$304,619. Based on the total costs as compared to the other responders they were excluded from further evaluation. Interviews and reference checks were conducted with the remaining three brokers. The contract costs for the remaining candidates were as follows: NRP (\$165,073), WTW (\$169,114) and Gallagher (\$209,000).

Interviews were conducted with the remaining candidates that included meeting the team of employees at each agency. Reference checks were also conducted with current customers. Gallagher was identified as the best broker to support the long-range needs of the county. They provide a local team for brokerage services and access to a national team of experts that support public entities. They also provide several value-added services as part of their proposal that includes safety training and consulting, enterprise risk management, cyber security, and fleet safety.

Dakota County also has first-hand experience in working with Gallagher as our broker for special events in Parks and in exploring coverage options for the Byllesby Dam. This direct experience has demonstrated responsive and effective customer service. Gallagher serves other public entity clients in Minnesota including both Ramsey and Anoka County. They place insurance for more than 5,400 public entity clients nationwide.

RECOMMENDATION

Based on the results of the request for proposal process, staff recommends executing a contract with Gallagher for the term of January 1, 2023 through December 31, 2027 in the total amount of \$209,000.

EXPLANATION OF FISCAL/FTE IMPACTS

Costs for brokerage services are incorporated into the budgeted premium charges for insurance. The contract includes a 90-day termination clause that can be invoked by either party.

- None
- Current budget
- Other
- Amendment Requested
- New FTE(s) requested

RESOLUTION

WHEREAS, Dakota County purchases insurance brokerage services; and

WHEREAS, staff evaluated available services through a review of the marketplace for brokerage services; and

WHEREAS, the results of the review and a request for proposal process showed that Arthur J. Gallagher & Co. offers the best value for brokerage services; and

WHEREAS, the Risk and Homeland Security Manager recommends Arthur J. Gallagher & Co. as the Dakota County’s provider of brokerage services for insurance placement and risk management services.

NOW, THEREFORE, BE IT RESOLVED, That the Dakota County Board of Commissioners hereby authorizes the Enterprise Finance and Information Systems Director to execute a contract with Arthur J. Gallagher & Co., for a five-year term, January 1, 2023 through December 31, 2027, in the amount of \$209,000, subject to approval by the County Attorney's Office as to form.

PREVIOUS BOARD ACTION

None.

ATTACHMENTS

Attachment: None.

BOARD GOALS

- A Great Place to Live
- A Successful Place for Business and Jobs
- A Healthy Environment
- Excellence in Public Service

PUBLIC ENGAGEMENT LEVEL

Inform and Listen

Discuss

Involve

N/A

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