



## Memorandum

**Memorandum No: 12-327**

**Date:** November 20, 2012

**To:** Honorable Mayor and Commissioners

**From:** Lee R. Feldman, ICMA-CM, City Manager

**Re:** November 20, 2012 – Walk-On – Motion Approving use of the Negotiation Method to Obtain Property Insurance Premium Quotes.

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### Recommendation

It is recommended by staff and the Insurance Advisory Board that the City Commission finds that the negotiation process would be more favorable to the interests of the City than the formal bid procedure, and approve the use of the negotiation process to obtain premium quotes for property insurance from all available and qualified insurers.

### Background

The City purchases property insurance to protect its buildings/structures and contents, which are valued at over \$500 million. This insurance protects the City from losses related to hazards such as fire, flood, wind, earth movement, terrorism, etc.

The City's broker and the Insurance Advisory Board have recommended marketing the property insurance through the negotiation method to obtain insurance quotes for the upcoming policy period of 2/1/2013 to 1/31/2014. Pursuant to Section 2-199, Code of Ordinance of the City of Fort Lauderdale, Florida, this recommendation is based on conditions prevailing in the insurance market: A limited number of carriers have the ability to write property insurance in the South Florida Market. The City's property program requires multiple carriers to obtain enough insurance to adequately protect the assets of the City. Additionally, it requires negotiating with all available and qualified carriers to complete the property structure. As a result, the negotiation process would be more favorable to the interests of the City.

Staff, and by recommendation from the Insurance Advisory Board, requests authorization from the City Commission to permit the City Manager's designee, Risk Management Associates, Inc., d/b/a Public Risk Insurance Agency, to conduct negotiations with all available and qualified carriers for the purchase of property insurance, as prescribed in Section 2-199(3) of the Code of Ordinances, for the policy period of February 1, 2013 through January 31, 2014.

Prior Board Action: The Insurance Advisory Board met on November 7, 2012 and unanimously (7-0) approved the recommendation to market the insurance and to use the negotiation method to obtain an insurance premium quote.

**Resource Impact**

There is no fiscal impact associated with this action.

cc: Stanley D. Hawthorne, Assistant City Manager  
Susanne M. Torriente, Assistant City Manager  
Harry A. Stewart, City Attorney  
Jonda K. Joseph, City Clerk  
John C. Herbst, City Auditor  
Chaz Adams, Public Affairs Manager  
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