



Legislation Text

File #: 12-0561, **Version:** 1

Resolution to Approve a Three Year Professional Services Agreement with Hylant Group for Insurance Brokerage Services and Risk Management Consulting (\$252,000.00)

The resolution before you is to approve a professional services agreement with Hylant Group for insurance brokerage services and risk management consulting. Funding for this project is budgeted and available in the Risk Fund.

Request for Proposals (RFP) #815 was issued in February 2012. Five responses were received. One was rejected as unresponsive as it lacked a cost proposal. The four remaining respondents were asked to interview before a panel including the Treasurer, Deputy Treasurer, Employee Benefits Manager, and Senior Assistant City Attorney. Those interviewed included:

- Alliant
- Arthur J. Gallagher Risk Management
- Hub International
- Hylant Group

Following the interviews, the committee determined that Hylant Group was most qualified to address the City's insurance brokerage and risk management consulting needs.

The proposed agreement includes the fee structure for services (below), which totals \$252,000 over the three year agreement.

Initial 3-year term

July 1, 2012 - June 30, 2013: \$80,000
July 1, 2013 - June 30, 2014: \$84,000
July 1, 2014 - June 30, 2015: \$88,000

If 2 year extension is elected

July 1, 2015 - June 30, 2016: \$92,000
July 1, 2016 - June 30, 2017: \$92,000

Although the committee focused primarily on the qualifications of the consultant in its determination, the fee proposal proved to be the lowest cost proposal as well. This cost proposal represents a 36% reduction from the fees paid for similar services in fiscal years 2010, 2011 and 2012.

Hylant Group is an Ohio corporation with offices in Ann Arbor and throughout the Midwest. In 2005, Hylant Group acquired the former Dobson McOmber agency, which had been operating in Ann Arbor for over a century.

The Board of Insurance Administration has reviewed the committee's recommendation and further recommends City Council's passage of this resolution.

Prepared by: Matthew V. Horning, Treasurer

Reviewed by: Tom Crawford, Chief Financial Officer

Approved by: Steven D. Powers, City Administrator

Whereas, The City must secure adequate insurance brokerage service and risk management consulting;

Whereas, The City currently has a contract which expires June 30, 2012 to provide said services through Arthur J. Gallagher Risk Management Services, Inc.;

Whereas, The City issued RFQ #815 and determined Hylant Group to be the most qualified respondent; and

Whereas, Hylant Group received human rights and living wage approval on April 19 2012;

RESOLVED, That City Council approves the Professional Services Agreement with Hylant Group and authorizes the expenditures as outlined in the attached Fee Proposal;

RESOLVED, That the Mayor and City Clerk are authorized and directed to execute the agreement after approval as to substance by the City Administrator and approval as to form by the City Attorney; and

RESOLVED, That the City Administrator is authorized to take all necessary actions to implement this Resolution, including the execution of the option to extend the contract an additional two years.