



**PURCHASING ITEM
FOR
COUNCIL AGENDA**

1. Agenda Item Number:

9

2. Council Meeting Date:
June 9, 2016

TO: MAYOR AND COUNCIL

3. Date Prepared: May 18, 2016

THROUGH: CITY MANAGER

4. Requesting Department: Law

5. SUBJECT: Amendment No. 2 to Agreement No. RM2-953-3096 for broker services

6. RECOMMENDATION: Staff recommends City Council approve Amendment No. 2 to Agreement No. RM2-953-3096, with Arthur J. Gallagher Risk Management Services for broker services for the term of July 1, 2016, through June 30, 2017, in an amount not to exceed \$37,000 for one year.

7. BACKGROUND/DISCUSSION: The City requires the services of an insurance broker for purchase of the City's liability and excess workers' compensation coverages. Broker services include: meeting with the City Attorney staff and the Human Resources staff tri-annually to discuss loss control issues, changes in exposure, and general administrative issues; developing action plans on behalf of the City for each year of service; and submitting them for review and approval by the City Attorney and Human Resources no later than January 30th of each year.

8. EVALUATION PROCESS: On April 12, 2012, City Council approved an agreement with Arthur J. Gallagher Risk Management Services for Broker Services for a three year period with the option of up to two one-year extensions. Arthur J. Gallagher Risk Management Services has agreed to extend for one additional year at the same terms, conditions and pricing. This is the second and final extension.

9. FINANCIAL IMPLICATIONS: Funds for this agreement have been appropriated as part of the Risk Management Insured Liability Self Insurance Fund and will be paid out of the following account: 737-1310-5219.

10. PROPOSED MOTION: Move that City Council approve Amendment No. 2 to Agreement No. RM2-953-3096 with Arthur J. Gallagher Risk Management Services for broker services for the term of July 1, 2016, through June 30, 2017, in an amount not to exceed \$37,000 for one year.

Attachments: Amendment No. 2

APPROVALS

11. Requesting Department

Claudia Rohrs, Risk Services Coordinator

13. Department Head

Kay Bigelow, City Attorney – Risk Manager

12. Procurement Officer

Juan Martinez

14. City Manager

Marsha Reed

**AMENDMENT NUMBER TWO
TO AGREEMENT BETWEEN THE CITY OF CHANDLER
AND
ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES, INC.
FOR BROKER SERVICES
AGREEMENT NO. RM2-953-3096**

This Amendment Number Two to that certain Agreement Between the City of Chandler (CITY) and Arthur J. Gallagher Risk Management Services, Inc. (CONTRACTOR) for Broker Services dated April 17, 2012, and is entered into this ____ day of _____, 2016.

WHEREAS, a three year AGREEMENT with two (2) additional one year renewal options was awarded to Arthur J. Gallagher Risk Management Services, Inc for Broker Services and was amended by Amendment No. 1 to extend the agreement from July 1, 2015 through June 30, 2016. This is the second renewal option.

NOW THEREFORE, the parties agree as follows:

1. Section 4.1, The City shall pay to the Contractor an amount not to exceed \$37,000 for this Agreement, for the completion of all services described herein, payable as set forth in Exhibit C attached to the original agreement as amended and incorporated herein by reference.
2. Section 5, Term of the AGREEMENT is hereby amended to extend the AGREEMENT for a one-year period, July 1, 2016 through June 30, 2017.
3. All other terms and conditions of the above referenced Agreement, as amended by Amendment #1, shall remain unchanged and in full force and effect. All terms and conditions in the Agreement, as amended by Amendment #1, not specifically amended herein shall be incorporated by reference in its entirety and shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names this ____ day of _____, 2016.

CITY OF CHANDLER:

By: _____
Mayor

CONTRACTOR:

By: Jerry R. Kassel
Title: JERRY R. KASSAL

APPROVED AS TO FORM:

City Attorney (kb)

ATTEST: (If corporation)

ATTEST:

City Clerk

Secretary

WITNESS: (If individual or Partnership)
