





To: Honorable Mayor and City Council Members

From: John McDonough

Date: For Submission onto the June 19, 2012 City Council Meeting Agenda

Item: Award Recommendation for Insurance Procurement for the City of Sandy Springs ("City")

---

***City Manager's Recommendation:***

The City Manager's Office recommends that City Council approve the attached resolution awarding contracts for the City's general liability, property and casualty, and workers' compensation insurance requirements, as recommended by the independent consultant hired by the City to undergo an assessment of the City needs, conduct a solicitation, and evaluate proposals.

***Background:***

The City selected McNeary, Inc. ("McNeary"), independent insurance consultants in Charlotte, North Carolina, to conduct a review and analysis of the City's general liability, property and casualty, and workers' compensation insurance needs, pursuant to the City's Request for Qualifications for Risk Management Consulting Services, due September 30, 2011 ("RFQ"). As the successful consultant on the RFQ, McNeary conducted its review and analysis of risk management for the City and issued specifications ("Specifications") for proposals to place the insurance on April 5, 2012. Proposals received in response to the Specifications were evaluated by McNeary, and the recommendations made to City Council for contract awards are based on McNeary's comprehensive evaluation and recommendation.

***Discussion:***

See attached Evaluation Memorandum.

***Financial Impact:***

See attached Evaluation Memorandum.

***Attachment:***

1. Evaluation Memorandum.
2. Resolution.

## EVALUATION MEMORANDUM

Insurance Procurement  
City of Sandy Springs, Georgia

1. This procurement was conducted by McNeary, Inc. ("McNeary"), the successful consultant submitting a proposal in response to the City of Sandy Springs ("City") Request for Qualifications for Risk Management Consulting Services, due September 30, 2011 ("RFQ"). The City's intent in issuing the RFQ was to contract with a qualified consultant to assist the City in performing an assessment and analysis of the City's current liability insurance coverage and cost and to develop alternate methods of risk management.
2. As the successful consultant on the RFQ, McNeary entered into a contract with the City ("Contract") to perform the following services, among others:
  - a. review current liability coverage
  - b. review historic loss data
  - c. determine appropriate exposure bases
  - d. issued Property and Casualty Insurance
  - e. determine loss forecasts at all practical levels
  - f. draft specifications for alternative proposals
  - g. evaluate and compare proposals by using premiums and projected retained losses
  - h. make recommendation based on comparisons
3. McNeary conducted its review and analysis of risk management for the City as provided in the Contract and issued specifications for proposals on April 5, 2012 ("Specifications"). Two (2) proposals were received in response to the Specifications on or before May 25, 2012, the due date for proposals. The proposals were submitted by McCart Group ("McCart") and Georgia Interlocal Risk Management Agency ("GIRMA").
4. McNeary undertook a comprehensive review and analysis of the proposals received in response to the Specifications and presented its results to City representatives at a meeting on June 11, 2012. Attached to this Evaluation Memorandum is a summary of the results of McNeary's comprehensive analysis, created by the City's Finance Director. The summary compares the proposals of McCart and GIRMA against the City's current lines of coverage.
5. Based on its assessment of the proposals received from McCart and GIRMA, McNeary has advised that the proposal submitted by McCart represents the best value to the City for all lines of coverage shown on the attached summary, other than workers' compensation, and recommends award to McCart for those lines of coverage.
6. Based on its assessment of the proposals received from McCart and GIRMA, McNeary has advised that the proposal submitted by GIRMA represents the best value to the City for its workers' compensation coverage, and recommends award to GIRMA for workers' compensation.

7. Having had an opportunity to review McNeary's evaluation results as presented to the City and having had an opportunity to discuss with representatives of McNeary the analysis and recommendations presented, I recommend awards for the City's insurance needs based on McNeary's recommendation.

---

John McDonough, City Manager

Date: \_\_\_\_\_

## SUMMARY OF McNEARY'S ANALYSIS

|                                   | <u>Current Policy</u> | <u>GIRMA</u>         | <u>One Beacon</u>        |
|-----------------------------------|-----------------------|----------------------|--------------------------|
| Automobile                        | \$211,689.00          | \$220,171.00         | \$268,018.00             |
| Boiler & Machinery                | Included in Property  | Included in Property | Included in Property     |
| Crime                             | \$4,592.00            | \$4,592.00           | \$2,784.00               |
| Data Compromise / Cyber           | Included              | Included             | Included                 |
| Garage Liability / Garage Keepers | Included              | Included             | Included                 |
| General Liability                 | \$221,356.00          | \$262,495.00         | \$175,877.00             |
| Inmate Medical                    | Included              | Included             | \$9,000.00               |
| Inland Marine / Police Animals    | Included in Property  | Included in Property | \$7,717.00               |
| Law Enforcement Liability         | \$103,404.00          | \$117,036.00         | \$296,514.00             |
| Property                          | \$20,126.00           | \$22,960.00          | \$39,040.00              |
| Public Officials Liability        | \$345,921.00          | \$403,245.00         | Included In Law Enf Liab |
| GIRMA Dividend Credit             | n/a                   | (\$41,886.00)        | n/a                      |
|                                   | \$907,088.00          | \$988,613.00         | \$798,950.00             |
| Workers Compensation              | \$472,661.00          | \$374,488.00         | \$430,404.00             |
| Broker Fee                        | \$35,000.00           | n/a                  | \$35,000.00              |
|                                   | \$507,661.00          | \$374,488.00         | \$465,404.00             |
|                                   | \$1,414,749.00        | \$1,363,101.00       | \$1,264,354.00           |

COUNTY FULTON

**A RESOLUTION TO AUTHORIZE AWARD OF CONTRACTS IN CONNECTION WITH THE CITY'S SOLICITATION FOR INSURANCE PROVIDERS.**

**WHEREAS**, the City of Sandy Springs ("City") issued a Request for Qualifications for Risk Management Consulting Services, due September 30, 2011 ("RFQ"); and

**WHEREAS**, the City's intent in issuing the RFQ was to contract with a qualified consultant to assist the City in performing a comprehensive assessment and analysis of the City's current general liability, property and casualty, and workers' compensation insurance coverage and cost and to develop alternate methods of risk management; and

**WHEREAS**, the successful consultant on the RFQ was McNeary, Inc. ("McNeary"), and the City entered into a contract with McNeary to perform the comprehensive assessment of the City's insurance needs, to conduct a solicitation to select providers, to conduct an evaluation of proposals submitted, and to make a recommendation to the City for insurance to be placed effective July 1, 2012; and

**WHEREAS**, McNeary conducted a comprehensive review and analysis of risk management for the City and, on April 5, 2012, issued specifications for proposals ("Specifications") to place the insurance effective July 1, 2012; and

**WHEREAS**, two (2) proposals were received in response to the Specifications on or before May 25, 2012, the due date for proposals; and

**WHEREAS**, the proposals received were submitted by McCart Group ("McCart") and Georgia Interlocal Risk Management Agency ("GIRMA"); and

**WHEREAS**, McNeary conducted a comprehensive review and evaluation of proposals in compliance with the terms of the Specifications; and

**WHEREAS**, on June 11, 2012, McNeary met with representatives of the City, including the City Manager, the City Attorney, and the City's Finance Director, to present the results of its evaluation and to make a recommendation;

**WHEREAS**, as a result of the meeting with McNeary, the City Manager composed an evaluation memorandum ("Evaluation Memorandum"), incorporating a financial summary of the results of the evaluation prepared by the City Finance Director (see attached Evaluation Memorandum), and recommending awards; and

**WHEREAS**, the City desires to make awards based on the recommendations of McNeary and consistent with the Evaluation Memorandum;

**NOW THEREFORE, BE IT RESOLVED** by the City Council of the City of Sandy Springs while in regular session on June 19, 2012 at 6:00 p.m. as follows:

1. McCart Group is hereby awarded a contract for the City's general liability and property and casualty insurance requirements, excluding workers' compensation, in the amount of \$798,950, as shown in the Evaluation Memorandum, effective July 1, 2012. It is anticipated that this amount will be reduced by certain credits to be received by the City in connection with refinements to the coverage.
2. GIRMA is hereby awarded a contract for the City's workers' compensation insurance requirements in the amount of \$374,488, as shown in the Evaluation Memorandum, effective July 1, 2012.
3. The City Manager and appropriate City officials are hereby authorized to take any and all actions necessary to effectuate the intent of this resolution.

**APPROVED AND ADOPTED** this \_\_\_\_\_ day of June, 2012.

Approved:

\_\_\_\_\_  
Eva Galambos, Mayor

Attest:

\_\_\_\_\_  
Michael Casey, City Clerk

(Seal)