



Recommendation for Action

File #: 23-2573, **Agenda Item #:** 44.

9/14/2023

Posting Language

Authorize negotiation and execution of a contract for commercial crime insurance coverage with Alliant Insurance Services Inc. d/b/a Alliant Insurance Services, for up to five years for a total contract amount not to exceed \$450,000.

[Note: This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C (Minority Owned and Women Owned Business Enterprise Procurement Program). For the services required for this solicitation, there were no subcontracting opportunities; therefore, no subcontracting goals were established].

Lead Department

Financial Services Department.

Client Department(s)

Human Resources Department.

Fiscal Note

Funding in the amount of \$67,197 is available in the Fiscal Year 2023-2024 Operating Budget of the Human Resources Department. Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

The Financial Services Department issued a Request for Proposals (RFP) 5800 BYS3026 for these services. The solicitation was issued on March 29, 2023, and closed on June 1, 2023. Of the four offers received, the recommended contractor submitted the best evaluated responsive offer. A complete solicitation package, including a log of offers received, is available for viewing on the City's Financial Services website, Austin Finance Online. Link: [Solicitation Documents](https://financeonline.austintexas.gov/afo/account_services/solicitation/solicitation_details.cfm?sid=138084)
<https://financeonline.austintexas.gov/afo/account_services/solicitation/solicitation_details.cfm?sid=138084>.

For More Information:

Direct questions regarding this Recommendation for Council Action to the Financial Services Department - Central Procurement at: FSDCentralProcurementRCAs@austintexas.gov
<<mailto:FSDCentralProcurementRCAs@austintexas.gov>> or 512-974-2500. Respondents to the solicitation and their Agents should direct all questions to the Authorized Contact Person identified in the solicitation.

Additional Backup Information:

The contract will provide a Broker of Record for commercial crime insurance coverage for all City departments. The insurance will provide coverage for the most common types of commercial crime events, including employee theft, forgery, or alteration, inside the premise robbery and safe burglary, computer fraud, and funds transfer fraud. Coverage is also provided for the faithful performance of duty for government employees and fraudulent impersonation.

This contract replaces a contract that expires October 16, 2023. There is a significant increase in premiums over the previous contract due to large theft losses in 2014, 2016, and 2020, resulting in claim pay outs totaling \$1,576,227. The authorization requested is based on contractor quotes and departmental estimates of future needs. The recommended contractor is not the current provider for these services.

An evaluation team with expertise in this area evaluated the offers and scored Alliant Insurance Services Inc. d/b/a Alliant Insurance Services as the best to provide these services based on price, service-disabled veteran business enterprise, local preference, coverage provisions and exclusions, proposer qualifications, and claims handling and advocacy services.

If a contract is not secured, the City will have no potential for financial recovery from insurance protection for commercial crime loss events and the total costs of any commercial crime loss events that arise would need to be funded by the impacted department's budget.

Contract Detail:

<u>Contract Term</u>	<u>Length of Term</u>	<u>Contract Authorization</u>
Initial Term	3 yrs.	\$244,680
Optional Extension 1	1 yr.	\$102,659
Optional Extension 2	1 yr.	\$102,661
TOTAL	5 yrs.	\$450,000

Note: Contract Authorization amounts are based on the City's estimated annual usage.