

Portland, Oregon
FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT
For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Ronda Hollis		2. Telephone No. 503-823-5387	3. Bureau/Office/Dept. OMF/Risk Management
4a. To be filed (hearing date): February 9, 2012	4b. Calendar (Check One) Regular <input type="checkbox"/> Consent <input checked="" type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to Commissioner's office and FPD Budget Analyst: February 9, 2011
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

1) Legislation Title: *Authorize contract with Arthur J. Gallagher Risk Management Services, Inc. for Insurance Broker Services for a total not-to-exceed amount of \$311,644. (Ordinance: Contract No. 30002520)

2) Purpose of the Proposed Legislation:

This contract will market and administer the City's commercial insurance portfolio, perform a maximum probable loss analysis and calculation on city property, and provide other services related to insurance and risk management.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|--|------------------------------------|------------------------------------|--------------------------------|
| <input checked="" type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input type="checkbox"/> Central City | | | |

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

This legislation will have no impact on City revenue.

5) Expense: What are the costs to the City as a result of this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the *level of confidence*.)

Cost to the City for the current three year contract period will not exceed \$192,836. Risk Management has reserved the right to extend the contract for an additional two years at a cost of \$118,808. Therefore,

the maximum contract amount, if the additional two year extension is granted, will be \$311,644. The source of funding is the OMF Risk Management Fund, Account #521000, when demand is presented and approved by the proper authorities. In fiscal year 10/11, the cost of Insurance Broker Services was \$66,502.81.

6) Staffing Requirements:

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)*

No.

- **Will positions be created or eliminated in future years as a result of this legislation?**

No.

(Complete the following section only if an amendment to the budget is proposed.)

7) Change in Appropriations *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

Funding for services over the life of the contract has already been budgeted and allocated to OMF Risk Management Fund Account #521000.

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

YES: Please proceed to Question #9.

NO: Please, explain why below; and proceed to Question #10.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item? None.

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved? A Minority representative for an Emerging Small Businesses was included on the Evaluation Panel..

c) How did public involvement shape the outcome of this Council item? A Member of the RFP Evaluation Panel represented a small insurance business. This panel member provided the perspective of the minority community regarding the services being procured, evaluated proposals based on the criteria provided, and scored the proposals submitted.

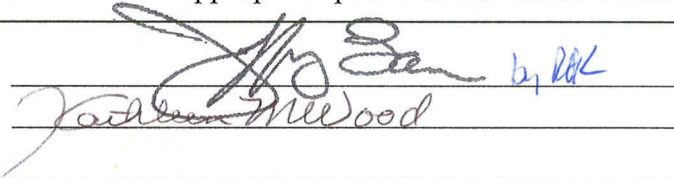
d) Who designed and implemented the public involvement related to this Council item? OMF Procurement Services

e) Primary contact for more information on this public involvement process (name, title, phone, email): Tiffani Penson, Procurement Services, (503) 823-7785, e-mail: tiffani.penson@portlandoregon.gov.

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

No future public involvement is anticipated or necessary at this time. Approval by City Council of this Ordinance will authorize the award of this contract for at, at a minimum, the next three years. When solicitation for these services occurs again, OMF Risk Management will coordinate with OMF Procurement Services to ensure appropriate public involvement occurs.

Jeff Baer, Director, BIBS
Kate Wood, Risk Manager

 by RJK