SUMMARY

I. Description of Item

RESOLUTION APPROVING THE PURCHASE OF PROPERTY INSURANCE FOR SHELBY COUNTY GOVERNMENT FROM MID SOUTH INSURANCE OFFICE, INC. THROUGH TRAVELERS INDEMNITY COMPANY FOR FOUR CONSECUTIVE PERIODS OF ONE YEAR EACH BEGINNING SEPTEMBER 1, 2009. SPONSORED BY COMMISSIONER J. W. GIBSON.

II. Source and Amount of Funding

A. Amount Expended/Budget Line Item
Funds are available in FY 09/10 Operating Budget from account 010-201201-6436 in a total amount not to exceed $407,146.00.

B. All Costs (Direct/Indirect)
Premium is subject to change as properties are added, deleted, values increased or decreased.

C. Additional or Subsequent Obligations or Expenses of Shelby County
Premium for each of the three further consecutive annual periods beginning September 1, 2010 is approved contingent upon availability of funds in the County Operating Budgets of the fiscal years affected.

III. Contract Items

A. Type of Contract – Insurance policy providing property insurance for Shelby County Government

B. Term – September 1, 2009 through September 1, 2010; option to renew for three additional one-year terms.

IV. Additional Information Relevant to Approval of this Item

The Administration recommends approval of this Resolution.

ITEM #_____ PREPARED BY: Louise Horton

APPROVED BY: Felisa Cox

RESOLUTION APPROVING THE PURCHASE OF PROPERTY INSURANCE FOR SHELBY COUNTY GOVERNMENT FROM MID SOUTH INSURANCE OFFICE, INC. THROUGH TRAVELERS INDEMNITY COMPANY FOR FOUR CONSECUTIVE PERIODS OF ONE YEAR EACH BEGINNING SEPTEMBER 1, 2009. SPONSORED BY COMMISSIONER J. W. GIBSON.

WHEREAS, Shelby County Government issued a Request for Proposal to obtain the County's property insurance for a one year period with option for three additional one year renewal periods beginning September 1, 2009, and

WHEREAS, The current policy will expire at 12:01AM on September 1, 2009; and

WHEREAS, After proper notice, proposals were received on June 19, 2009 and the best proposal was submitted by Mid South Insurance Office, Inc. through Travelers Indemnity Company; and

WHEREAS, The proposal submitted is for a period of one year from September 1, 2009 to September 1, 2010 with an option to renew for three additional one year periods; and

WHEREAS, The premium is subject to change as properties are added or deleted from the schedule or values increased or decreased.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF SHELBY COUNTY, TENNESSEE, That the purchase of property insurance for Shelby County Government from Mid South Insurance Office, Inc. through Travelers Indemnity Company is hereby approved.

BE IT FURTHER RESOLVED, That funds in the amount of $407,146.00 are hereby appropriated from the Fiscal Year 2009-2010 Operating Budget account 010-201201-6436.

BE IT FURTHER RESOLVED, That the purchase of property insurance pursuant to the hereinaforesaid policies for three further consecutive annual periods beginning September 1, 2010 is hereby approved, said approval contingent upon availability of funds in the County Operating Budgets of the fiscal years affected.

BE IT FURTHER RESOLVED, That the County Mayor is hereby authorized to execute any and all documents necessary for this resolution, executed copies of which are to be placed on file in the Purchasing Department.

BE IT FURTHER RESOLVED, That the County Mayor and the Director of Administration and Finance are authorized to issue their warrant or warrants in an amount not to exceed $407,146.00 to Mid South Insurance Office, Inc. and to take proper credit in their accounting therefor.

_____
A C WHARTON, JR.
Shelby County Mayor

Date: _____

ATTEST:

_____
Clerk of County Commission

ADOPTED: _____

SHELBY COUNTY GOVERNMENT
DEPARTMENTAL COMMUNICATION
MEMORANDUM

TO: Nelson Fowler, Manager
Department of Purchasing

FROM: Louise Horton, Insurance Specialist
Department of Finance

DATE: July 23, 2009

SUBJECT: Shelby County Property Insurance
RFP #09-005-87

We have reviewed the proposals received for the property insurance coverage very carefully and recommend acceptance of the proposal from Mid South Insurance Office, Inc. through Traveler's Indemnity Company.

We received a total of five proposals from four brokers/agents. Arthur J. Gallagher presented two with Allianz as the insurance carrier for a lower premium but we excluded them from consideration due to lower policy limits of coverage and deductibles that did not meet our requirements. The proposal from Hylant was through a public entity purchasing group program with Alliant at a higher estimated premium than the Traveler's proposal.

We then evaluated the Travelers proposal from Mid South Insurance Office, Inc. and the incumbent FM Global proposal from Pete Mitchell & Associates, Inc. The Travelers proposal is considerably lower than the FM proposal.

We recommend accepting the Mid South proposal through Traveler's Indemnity Company with an increase in the Extra Expense coverage for a premium of $407,146. This is $146,161 less than the proposal provided by Pete Mitchell & Associates at $553,307.

Please let me know if I can provide any additional information.

LH/me
Attachments
cc: Raymond Pipkin
Brian Harder

SHELBY COUNTY GOVERNMENT
PROPERTY INSURANCE
RFP #09-005-87

		EOC-VS-1109-13700	Pending	Pending	LOSB-VS-1109-13748	LOSB-V-0709-13221
		Hylant	AJG	AJG	PMA	Mid South
Insurance Company		Alliant PEPIP	Allianz	Allianz	FM Global	Travelers Indemnity Company
Best's Rating		Purchasing Group - multiple compnaies - see their executive summary	A+ XV	A+ XV	A+ XV	A+ XV
Premium Quoted (Including fee/commission)		440,497	332,773	352,773	553,307	397,146; add $10,000 for increased Extra Expense
Premium Quoted (Including fee/commission)		391,553+48,944 fee=440,497	300,273+ 7,500 engineering+25,000 fee=332,773	320,273+ 7,500 engineering+25,000 fee=352,773	541,307+12,000 fee =553,307	397,146 (includes 4% commission) plus $10,000 for increased extra expense= 407,146