

ITEM#: 19  
DATE: 05-24-22

## **COUNCIL ACTION FORM**

**SUBJECT: LIABILITY BROKERAGE AGREEMENT RENEWAL FOR FY 2022/23**

### **BACKGROUND:**

The City contracts with Knapp Tedesco to provide liability insurance brokerage services for the City. This contract stems from a three-year agreement with Knapp Tedesco initiated in 2018. After the initial three-year term, both parties agreed the agreement could be extended for optional one-year extensions.

The original three-year agreement provided for payments of \$36,000 in FY 2018/19, \$37,000 in FY 2019/20, and \$38,000 in FY 2020/21. Knapp-Tedesco agreed to the first optional one-year extension in the amount of \$38,000 for FY 2021/22. **Knapp Tedesco has now agreed to extend this agreement through June 30, 2023 at the cost of \$38,000.**

Under Knapp Tedesco's guidance, the City's insurance program has been taken to market twice. Each time this effort has resulted in better renewal quotes from our incumbent liability insurance provider. Additionally, Knapp-Tedesco has provided valuable coverage analysis and guidance regarding receiving improved service from the City's insurance providers. The City seeks Knapp Tedesco's advice on a regular basis regarding insurance coverage strategies.

### **ALTERNATIVES:**

1. Approve an extension of the liability brokerage agreement with Knapp Tedesco in the amount of \$38,000 for the period of July 1, 2022 through June 30, 2023.
2. Do not approve an extension of the property brokerage agreement and seek proposals from other companies.

### **CITY MANAGER'S RECOMMENDED ACTION:**

The services provided by Knapp-Tedesco through this agreement have been valuable to ensure the City receives the best insurance coverages at the best prices. Knapp-Tedesco has also assisted in receiving improved service from the insurance carriers. The renewal quote is for the same amount as the current year.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1.