



SHAKOPEE

**Request for Proposal
Insurance Agent of Record**

June 12, 2020

TABLE OF CONTENTS

I. INTRODUCTION

- A. Introduction and General Information
- B. Background Information
- C. Scope of Work
- D. Qualifications
- E. Terms of Engagement
- F. Fees
- G. Subcontracting
- H. Rights of Review

II. INSTRUCTIONS

- A. Proposal Submission
- B. Schedule

III. CONTRACT EXECUTION

- A. Negotiations and Contract Execution
- B. Contracting Ethics

I. Introduction and Background

A. Introduction and General Information

The City of Shakopee's insurance coverage for property, liability and automobiles is provided by the League of Minnesota Insurance Trust (LMCIT). LMCIT requires cities to use the services of an agent of record to assist and advise a city on their insurance coverage. The City of Shakopee is also insured for workers compensation through LMCIT. Shakopee invites written proposals from insurance brokers to act as the agent of record for the LMCIT policies that will be renewed August 1, 2020 and act as agent of record for worker's compensation policies renewing January 1, 2020. The agent of record will be determined by the fee proposed (in lieu of a commission) and the qualifications of and references for the insurance agent and their staff.

B. Background Information

The City of Shakopee was incorporated for the second time in 1870 and located approximately 25 miles southwest of Minneapolis. In recent years, the city has been one of the most rapidly growing communities in the state. The most recent Metropolitan Council estimated the population of 41,506.

Shakopee is organized in Minnesota under Plan A, which includes a City Administrator, but the City Council retains primary decision-making authority such as policy setting, adopting ordinances and budget and staffing.

The city provides typical municipal services such as police and fire protection, street and infrastructure construction, public works maintenance, parks, recreation, planning and zoning. Also provided are utilities such as sewer and storm drainage utilities, organized refuse collection and recycling. Electric and water utilities are operated by Shakopee Public Utilities Commission which is appointed by the City Council but operates independently of the City of Shakopee.

Economic development and redevelopment are controlled by the Shakopee Economic Development Authority (EDA). The EDA is comprised of the Mayor and City Council members.

C. Scope of Work

The insurance broker will be responsible for the following:

1. Advise and assist the City and the EDA in assembling and accurately reporting underwriting data, including updating property values, for rating

purposes and completing the LMCIT renewal forms based on the data supplied by the City and the EDA.

2. Advise and assist the City and the EDA in evaluating and selecting among coverage alternatives such as deductibles, limits, optional coverage, alternative coverage forms, etc. Advise the City and the EDA on potential gaps or overlaps in coverage.
3. Review the LMCIT insurance policies for completeness and accuracy. Confirm that the policies have been updated with the new data supplied during the renewal process.
4. Provide explanations of insurance coverage, coverage options and make recommendations as requested.
5. Conduct quarterly review of open claims. Review claim reserves for appropriateness.
6. Assist the City in identifying risk exposures and developing appropriate strategies to address those exposures.
7. Issue certificates of insurance as needed.
8. Assist as requested with safety and loss control activities.
9. Perform other duties customarily handled by an insurance agent and agreed upon by both the City and agent.

D. Qualifications

The proposer shall demonstrate their experience and qualifications by including in their proposal the following information. Please assemble the proposal with responses in the same order as listed below to facilitate review comparison.

1. Provide a general profile of the proposer.
2. Number of years the proposer has been in business.
3. Names of governmental entities insured by the proposer through the LMCIT during the last five years and brief description of services provided.
4. Detail the name(s), qualifications, experience, and professional designations of the staff proposed to service the City's account.

5. Proposer premium volume excluding personal lines of coverage (health, life, etc.).
6. Present limit of errors and omissions coverage in place for the proposer.
7. Describe any other resources or special qualifications of the proposer that would be advantageous to the City.
8. Identify the proposer's fee for services.
9. List three (3) to five (5) references, including names, addresses and phone numbers for contact purposes.

E. Terms of Engagement

A three-year contract is contemplated with an additional three one-year options to renew, subject to review and the annual availability of an appropriation.

F. Fees

The insurance broker shall indicate in its proposal the fee required to service the City's LMCIT insurance coverage for the policy periods of:

August 1, 2020 – July 31, 2021
August 1, 2021 – July 31, 2022
August 1, 2022 – July 31, 2023

The fee proposed is in lieu of a commission.

Additionally, the proposal must incorporate any limits to the hours of service for all activities listed in Section C of this RFP.

G. Subcontracting

No subcontracting will be allowed without the express prior written consent of the City.

H. Rights of Review

The City of Shakopee reserves the right to reject any or all proposals, to request additional information from any or all applicants as determined to be in the best interest of the City.

II. Instructions

A. Proposal Submission

One (1) electronic (PDF) version of its proposal shall be submitted to the Finance Department of the City no later than 3:00pm on Monday, June 29, 2020.

Submittals shall be addressed to:

Nathan Reinhardt, Finance Director
City of Shakopee
485 Gorman Street
Shakopee, MN 55379

Nathan Reinhardt, Finance Director
nreinhardt@shakopeemn.gov

All responses, questions, and correspondence should be directed to Nathan Reinhardt, Finance Director at nreinhardt@shakopeemn.gov or (952) 233-9326.

B. Schedule

The City has developed the following schedule of events for this process:

- 1. Request for Proposals issued June 12, 2020
- 2. Proposal due date June 29, 2020
- 3. Selection of Finalists July 2, 2020
- 4. Interviews (as necessary) completed by July 10, 2020
- 5. Final decision/contract negotiation completed by July 24, 2020

III. Contract Execution

The information below is being provided as part of this Request for Proposal to give responders an understanding of the City’s expectations with respect to contract execution.

A. Negotiations and Contract Execution

The City reserves the right to negotiate the final terms and conditions of the contract to be executed. Should the City and agent be unable to agree upon the entire contract, the City reserves the right to discontinue negotiations, select another agent, or reject all of the proposals. Upon completion of negotiations agreeable to the City and the agent a contract shall be executed.

B. Contracting Ethics

1. No elected official or employee of the City of Shakopee who exercises any responsibilities in the review, approval, or implementation of the proposal shall participate in any decision, which affects his or her direct or indirect financial interests.
2. It is a breach of ethical standards for any person to offer, give, or agree to give any City of Shakopee employee or Council person, or for any City of Shakopee employee or Council person to solicit, demand, accept, or agree to accept from another person or firm, a gratuity or an offer of employment whenever a reasonable prudent person would conclude that such consideration was motivated by an individual, group or corporate desire to obtain special, preferential, or more favorable treatment than is normally accorded the general public.
3. The agent shall not assign any interest in this contract and shall not transfer any interest in the same without the prior written consent of the City.
4. The agent shall not accept any private client or project which, by nature, places it in ethical conflict during its representation of the City of Shakopee.