



City of Grand Island

Tuesday, September 12, 2006

Council Session

Item G6

#2006-244 - Approving Bid Award for Boiler and Machinery Insurance - Utilities Dept.

Staff Contact: Gary R. Mader

Council Agenda Memo

From: Gary R. Mader, Utilities Director

Meeting: September 12, 2006

Subject: Approving Renewal of Boiler and Machinery Insurance –
Utilities Department

Item #'s: G-6

Presenter(s): Gary R. Mader, Utilities Director

Background

Proposals for insurance of the Utilities Department Boiler and Machinery, and Property Peril and Fire coverage were solicited in accordance with the City Purchasing code. Proposals were received until 5 p.m., Friday, August 11, 2006. The current insurance policy expires on October 1, 2006.

Discussion

The insurance of electric and, to a lesser degree, water utilities facilities is a specialized market, with a limited number of potential providers. During the solicitation period, interest in providing this insurance was received from two carriers, the present insurer, Factory Mutual Insurance Co. of St. Louis, MO, and St. Paul Travelers of Cypress, TX. Only one proposal was received, that from the current provider.

The proposal received includes the same terms and conditions as the current policy, but with valuation adjustments resulting in an increased total insured value from the present \$320,968,000 to \$330,222,703. The current annual premium is \$369,734. The proposed renewal premium is \$367,507.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee

3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council approve renewal of the Boiler and Machinery, Property Peril and Fire insurance for Utilities Department facilities to Factory Mutual Insurance Co.

Sample Motion

Motion to approve the award of the Utilities Department Boiler and Machinery, Property Peril and Fire Insurance to Factory Mutual Insurance Co. of St. Louis, Missouri.



Dale M. Shotkoski, Assistant City Attorney

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Better Tomorrow, Today*

**REQUEST FOR PROPOSAL
FOR
BOILER & MACHINERY INSURANCE**

RFP DUE DATE: August 11, 2006 at 5:00 p.m.

DEPARTMENT: Utilities

PUBLICATION DATE: July 24, 2006

NO. POTENTIAL BIDDERS: 4

SUMMARY OF PROPOSALS RECEIVED

**Factory Mutual Insurance Co.
540 Maryville Center, Suite 400
St. Louis, Mo 63141**

cc: Gary Mader, Utilities Director
Pat Gericke, Utilities Admin. Assist.
Burhl Gilpin, Utilities Dept.
Gary Greer, City Administrator
Laura Berthelsen, Legal Assistant

Bob Smith, Assistant Utilities Director
Tim Luchsinger, Utilities Dept.
David Springer, Finance Director
Dale Shotkoski, Purchasing Agent

P1103

R E S O L U T I O N 2006-244

WHEREAS, the City's Utility Department subscribes to insurance for boiler and machinery and property peril and fire coverage; and

WHEREAS, the City of Grand Island invited proposals for the renewal of the boiler and machinery insurance in accordance with the City's Purchasing Code; and

WHEREAS, the insurance of electric and water utilities facilities is a specialized market with a limited number of potential providers; and

WHEREAS, valuation adjustments resulted in an increased total insured value of property from the present amount of \$320,968,000.00 to \$330,222,703.00;

WHEREAS, only one proposal was received, that being from the current provider, Factory Mutual Insurance Co. of St. Louis, Missouri, in the amount of \$367,507.00; and

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the proposal of Factory Mutual Insurance Co. of St. Louis, Missouri, in the amount of \$367,507.00 is hereby approved.

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Adopted by the City Council of the City of Grand Island, Nebraska, September 12, 2006.

Jay Vavricek, Mayor

Attest:

RaNae Edwards, City Clerk