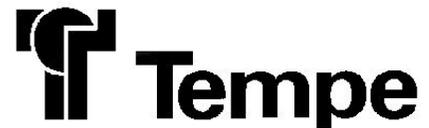


Staff Summary Report



Council Meeting Date: 5/28/2009

Agenda Item Number: _____

SUBJECT: Request approval of a one-year renewal of a contract with Marsh USA, Inc. for risk management consultation and insurance broker services for the Risk Management Division of the Financial Services Department.

DOCUMENT NAME: 20090528fsts09 **PURCHASES (1004-01)**

COMMENTS: (T05-109-01) Total amount shall not exceed \$90,000.

PREPARED BY: Ted Stallings, CPPB, Procurement Officer, 480-350-8617

REVIEWED BY: Michael Greene, CPM, Central Services Administrator, 480-350-8516
Laura Guerrero, Risk Manager, 480-350-8321

LEGAL REVIEW BY: David Park, Assistant City Attorney, 480-350-8907

DEPARTMENT REVIEW BY: Jerry Hart, CPA, Financial Services Manager, 480-350-8505

FISCAL NOTE: Sufficient funds have been appropriated in cost center 2621 for the anticipated expenditures in the current fiscal year.

RECOMMENDATION: Approve the renewal of the contract.

ADDITIONAL INFO: Background Information

The City of Tempe is a self insured public entity for worker's compensation, property and liability insurance. The City of Tempe retains and handles manageable, predictable risk within its operations, and transfers the catastrophic risk through excess insurance. Specific excess insurance provides coverage above the self insured retention, which protects the City from abnormal severity of losses and provides appropriate catastrophic coverage.

Contractor Performance

Marsh USA, Inc. has delivered satisfactory service over the past year, warranting this third renewal period of a possible four year term. Input received from Risk Management has been very positive regarding overall performance of Marsh USA, Inc. The firm has agreed to renew with no increase in rates.