ONE CITY. ONE JACKSONVILLE.

City of Jacksonville, Florida

Lenny Curry, Mayor

Division of Insurance and Risk Management
117 West Duval Street
Suite 335
Jacksonville, FL 32202
(904) 630-7521
www.coj.net

MEMORANDUM

TO: Greg Pease, Chairperson, Professional Services Evaluation Committee

COPY: Alex Baker, PSEC Specialist

FROM: Twane Duckworth, Chief of Risk Management
Ann Willis, Property & Casualty Compliance Administrator

DATE: March 7, 2019

RE: 8518-03 Property Insurance Broker Services
PSEC AMD # 5 –Rescind and Restate

The current contract No. 8518-03 Property Broker Services in the Scope of Services allows for placement of property, boiler & machinery and terrorism coverage as well as appraisal services as required by the City by Arthur J. Gallagher Risk Management Services, Inc. with a maximum indebtedness of $18,210,415.65 per record.

The PSEC AMD # 5, (the last amendment and for FY18), the PSEC requested maximum indebtedness number was off by $381,270.62. That is because we have $381,270.62 of maximum indebtedness on the contract rollover from the prior year. The total maximum indebtedness was off by much in PSEC AMD # 5 from last year ($18,210,415.65 - 381,270.62 = $17,829,145.03)

The correct maximum indebtedness should be adjusted from $18,210,415.65 to $17,829,145.03. All other contract terms and conditions shall remain the same (nothing contained herein shall be amended, modified, or otherwise revised without prior PSEC and Mayor's approval).

Exhibits for your review:
Exhibit Contract Amd. # 4
Exhibit Maximum Indebtedness data
Thank you for your consideration.

ARTHUR J. GALLAGHER RISK MANAGEMENT
Per Contract & PSEC Amendment

FY	Actual Maximum Indebtedness Amount	Payments	Balance	Maximum Indebtedness Amount Remaining	Contract #	Contract Amendment #	PSEC Amendment #	
FY 15	5,000,000.00	4,610,078.97	389,921.03	389,921.03	CTAF15000005	Orig	Orig	
FY 15					Term Extension		1st	From Oct 1,2015 to March 1, 2015
FY 16	4,117,720.00	4,096,928.50	20,791.50	410,712.53	CTAF16000010	1st	2nd	
FY 17	4,200,000.00	4,266,941.91	(66,941.91)	343,770.62	CTAF15000005	2nd	3rd	
FY 18	71,000.00	33,500.00	37,500.00	381,270.62	CTAF15000005	3rd	4th	
FY18	4,821,695.65	4,821,504.40	191.25	381,461.87	CTAF15000005	4th	**5th**	
Total	**18,210,415.65**	**17,828,953.78**	**381,461.87**					
FY 19	(381,270.62)		(381,270.62)					
Correct Amount	**17,829,145.03**		191.25	191.25			**5th**	FAMIS Balance
FY 19	77,450.00							
	4,980,533.00							
Increase by	**5,057,983.00**						**6th**	
Total Max	**22,887,128.03**							

PSEC #5
8518-03
Amd 4

AMENDMENT NUMBER FOUR TO
CONTRACT
BETWEEN
THE CITY OF JACKSONVILLE
AND
ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES, INC.
FOR
CASUALTY INSURANCE BROKER SERVICES

THIS FOURTH AMENDMENT to Agreement (the "Fourth Amendment") is made and entered into in duplicate this 12 day of April, 2018, but made effective as of March 1, 2018 (hereinafter the "Effective Date"), by and between the CITY OF JACKSONVILLE, FLORIDA (hereinafter sometimes the "Owner" or the "City"), a municipal corporation in Duval County, Florida, and ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES, INC. (the "SERVICE BROKER"), an Illinois corporation authorized to transact business in Florida and with its principal offices at Two Pierce Place, Itasca, Illinois 60143.

RECITALS:

WHEREAS, effective January 16, 2015, City and Service Broker made and entered into City of Jacksonville Contract No. 8518-03 (hereinafter, the "Agreement"); and

WHEREAS, said Agreement has been amended three times previously; and

WHEREAS, said Agreement should be amended by: (i) exercising the third of four, one year renewal periods to extend the term of the Agreement to be from the Effective Date to March 1, 2019, with one (1) additional, one year renewal option remaining; (ii) placing, binding and ratification of the purchase of property, boiler and machinery, and the addition of terrorism coverage for the City and the Jacksonville Port Authority; (iii) providing an amount of $4,821,695.65 for the property insurance program, boiler and machinery and terrorism insurance, increasing the maximum indebtedness amount by a not to exceed amount of **$4,821,695.65**, for a new total maximum indebtedness of $18,210,415.65; (iv) incorporating the 2018-19 Grant Total Average Commission Percentage to the Agreement as Exhibit "B-4" and incorporating the 2018-19 renewal results information into the Agreement as Exhibit "E-3", with all other provisions, terms and conditions of said Agreement as amended remaining unchanged; now therefore

IN CONSIDERATION of this Fourth Amendment and the Agreement and of the mutual covenants and promises hereinafter contained, the parties agree as follows:

1. The above-stated recitals are accurate, true and correct and are incorporated herein and made a part hereof by this reference.

"3. **Maximum Indebtedness**. As required by Section 106.431, Ordinance Code, the CITY's maximum, indebtedness, for all products, deliverables and services under this Contract, which shall include but not be limited to all premiums, cost of state taxes and surcharges, policy fees and inspections, JSEB subcontractor, and the GTACP, shall be a fixed monetary amount not-to-exceed $18,210,415.65. For the period of March 1, 2018 through March 1, 2019, the maximum indebtedness, for all products and services under this Contract shall be a fixed monetary amount not-to-exceed and up to FOUR MILLION EIGHT HUNDRED TWENTY-ONE THOUSAND SIX HUNDRED NINETY-FIVE DOLLARS AND 65/100 ($4,821,695.65), with a new total maximum indebtedness under the Agreement of EIGHTEEN MILLION TWO HUNDRED TEN THOUSAND FOUR HUNDRED FIFTEEN AND 65/100 ($18,210,415.65) DOLLARS.

2. Paragraph 4 of the Agreement is amended, in part, by exercising the third of four, one year renewal periods to extend the term of the Agreement to be from the Effective Date to March 1, 2019, with one (1) additional, one year renewal option remaining and, as amended, shall read as follows:

"4. The initial term of this Contract shall commence on the Effective Date and shall expire on March 1, 2019, unless sooner terminated by either party in accordance with the terms and conditions of the RFP. This Contract may be renewed for up to one (1) additional one (1) year period by (i) the City, in its sole discretion, upon written notice to CONTRACTOR at least sixty (60) days prior to the end of the then-current term, or (ii) upon the mutual agreement of the parties."

3. Add, attach and incorporate by this reference Exhibits "B-4" and "E-3" on and into said Agreement.

SAVE AND EXCEPT as expressly amended in this instrument, the provisions, terms and conditions of said Agreement shall remain unchanged and shall continue in full force and effect.

IN WITNESS WHEREOF, the parties hereto have duly executed this Fourth Amendment, in duplicate, the day and year first above written.

ATTEST:

By _____
James R. McCain, Jr.
Corporation Secretary

CITY OF JACKSONVILLE, FLORIDA

By _____
Lenny Curry, Mayor

Sam E. Mousa
Chief Administrative Officer
For: Mayor Lenny Curry
Under Authority of:
Executive Order No. 2015-05

OWNER

In accordance with Section 24.103(c) of the *Ordinance Code* of the City of Jacksonville, I do hereby certify that there is an unexpended, unencumbered and unappounded balance in the appropriation sufficient to cover the foregoing agreement; and that provision has been made for the payment of monies provided therein to be paid.

_____
Director of Finance
City Contract Number: 8518-03, Am. #4, Add Ex. B-4 and Ex. E-3; increase maximum indebtedness

Form Approved:

_____
Office of General Counsel

ATTEST:

_____
Signature

Livia Oliveira
Type/Print Name

Client Service Manager
Title

ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICE, INC.

_____
Signature

Zeb Holt
Type/Print Name

Area President
Title

SERVICE BROKER

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