

**CITY OF PALMER
ACTION MEMORANDUM NO. 12-018**

Subject: Authorize the City Manager to Award and Execute an Insurance Brokerage Agreement with Alaska USA Insurance Brokers

Agenda of: February 28, 2012

Council Action: _____ Authorized

Approved for presentation by:

City Manager *Douglas B. Griff*
City Attorney *[Signature]*
City Clerk *[Signature]*

Certification of Funds:

Total amount of funds listed in legislation:	\$ _____
This legislation (√):	
____ Has no fiscal impact	
Creates:	
____ A negative fiscal impact in the amount of:	\$ _____
____ A positive fiscal impact in the amount of:	\$ _____
____ Funds are budgeted from this (these) line item(s):	
➤	
√ Funds are not budgeted. Budget modification is required. Affected line item(s):	
➤ Various	
Unrestricted/undesignated fund balance (after budget modification)	\$ _____
Director of Finance signature certifying funds:	<u><i>[Signature]</i></u>

Attachment(s):

- Request for Proposals No. 11-01PS
- Bid Tabulations
- Notice of Intent to Award Letter
- Professional Services Agreement
- Anchorage Daily News advertisement

Summary statement: On December 9, 2011, the City issued Request for Proposals No. 11-01PS for Insurance Broker Services. The RFP was advertised in the Anchorage Daily News on December 11, and December 18, 2011. The two proposals that were submitted were opened and read aloud in Palmer City Hall Council Chambers on January 12, 2012. The two proposers were Combs Insurance Agency, Inc., and Alaska USA Insurance Brokers.

The proposals were evaluated by three City employees: the Director of Public Safety (Risk

Manager); the Director of Finance; and the Director of Community Development. Each evaluator was provided with a copy of the proposals, and the evaluators worked separately and independently of each other to insure the integrity of the evaluation process.

Both of the responding companies proposed the same fees--\$15,000 per year. Both companies are qualified and capable of providing brokerage services to the City. The Notice of Intent to Award was based upon the point scores in the bid tabulations.

The attached agreement provides for a wide range of brokerage services, to include updating questionnaires for submittal to underwriters, negotiation with underwriters, presentation of insurance proposals, reviews of policies, contracts, bonds and endorsements, and assistance in submitting claims. The initial contract term of one year begins March 15, 2012. The contract may be renewed for up to three years at the sole discretion of the City.

Administration recommendation: Approve action memorandum no. 12-018.

**CITY OF PALMER
RISK MANAGEMENT
231 W Evergreen Avenue
Palmer, Alaska 99645
(907) 745-3271
www.CityofPalmer.org**

December 9, 2011

**Request for Proposals No. 11-01PS
for
Insurance Broker Services**

Dear Proposer:

The City of Palmer is now accepting proposals for Insurance Broker Services. Instructions for preparation and submission of a proposal are contained in this package.

All proposals must be submitted in a sealed envelope and clearly marked in the lower left hand corner "Proposal No. 11-01PS– Insurance Broker". **All proposals must be received no later than 2:00 P.M. on Thursday January 12, 2012** in the Palmer City Hall at 231 W Evergreen Ave Palmer, Alaska 99645. All proposals will be publicly opened in City Hall at that time. One original and three copies of the proposal must be submitted. No proposals or modifications to proposals may be made by telephone or fax. A proposal may be withdrawn and resubmitted if done prior to the above deadline. Such request for withdrawal shall be in writing.

Thank you for your interest in doing business with the City of Palmer.

Sincerely,

Jonathan Owen

Risk Manager

SECTION I

INFORMATION & INSTRUCTIONS

1.0 **Submission Requirements:**

1.1 The complete original proposal must be submitted in a sealed package and received in accordance with the instructions detailed in the cover letter. All proposals shall be marked **Insurance Broker Services**. Proposers shall file all documents necessary to support their proposal and include them with their proposal. Proposers shall be responsible for the actual delivery of proposals during business hours to the address indicated in the cover letter. It shall not be sufficient to show that the proposal was mailed in time to be received before scheduled closing time.

1.2 **Proposal Format:** Proposals shall be submitted in the following format and include the following information.

- a) Detailed description of services as described within each Scope of Services as requested
- b) Fee Proposals per instructions in Section III signed by responsible party
- b) Contact names of references with phone numbers
- c) Any additional information pertinent to the proposal

1.3 It is the sole responsibility of the **PROPOSER** to assure that they have received the entire Request for Proposal (RFP).

1.4 Proposers will be notified in writing of any change in the specifications contained in this RFP.

1.5 No verbal or written information which is obtained other than through this RFP or its addenda shall be binding on the City of Palmer. No employee of the City of Palmer is authorized to interpret any portion of this RFP or give information as to the requirements of the RFP in addition to that contained in or amended to this written RFP document.

1.6 **Right of Rejection and Clarification:** The City of Palmer reserves the right to reject any and all proposals and to request clarification of information from any proposer. The City of Palmer is not obligated to enter into a contract on the basis of any proposal submitted in response to this document.

1.7 **Request for Additional Information:** Prior to the final selection, proposers may be required to submit additional information which the City may deem necessary to further evaluate the proposer's qualifications.

1.8 **Denial of Reimbursement:** The City of Palmer will not reimburse proposers for any costs associated with the preparation and submittal of any proposal, or for any travel and/or per diem costs that are incurred.

1.9 **Gratuity Prohibition:** Proposers shall not offer any gratuities, favors, or anything of monetary value to any official, employee, or agent of the City of Palmer for the purpose of influencing consideration of this proposal.

- 1.10 Right of Withdrawal:** A proposal may be withdrawn and resubmitted if done prior to the above deadline. Such request for withdrawal shall be in writing.
- 1.11 Right of Negotiation:** The City of Palmer reserves the right to negotiate with the selected proposer the exact terms and conditions of the contract.
- 1.12 Right of Rejection of Lowest Fee Proposal:** The City of Palmer is under no obligation to award this project to the proposer offering the lowest fee proposal. Evaluation criteria included in this document shall be used in evaluating proposals. Award shall be made to the person determined by the City to be the best qualified, and shall be for an amount of compensation determined to be fair and reasonable. If compensation cannot be agreed upon with the best-qualified person or firm, negotiations shall be formally terminated with that person. If more than one firm determined to be qualified submit proposals, negotiations may be conducted with the next firm, in order of their respective qualification ranking. The contract may be awarded to the person or firm then ranked as best qualified if the amount of compensation is determined to be fair and reasonable.
- 1.13 Business License:**, Palmer Municipal Code, Chapter 5.04, requires that all businesses conducting business within the boundaries of the City have a current business license issued by the City. Prior to any award as a result of this solicitation, the Contractor may be required to provide proof that they have a current City of Palmer Business License or proof that they have applied for one. Copies of this city code and instructions on obtaining a business license may be obtained at the City of Palmer Finance Department, or by calling 907-745-3271.
- 1.14 Exceptions to the RFP:** Proposers may find instances where they must take exception with certain requirements or specifications of the RFP. All exceptions shall be clearly identified, and written explanations shall include the scope of the exceptions, the ramifications of the exceptions for the City of Palmer, and a description of the advantage to be gained or disadvantages to be incurred by the City as a result of these exceptions.
- 1.15 Indemnification:** Proposer, at its own expense and without exception, shall indemnify, defend and pay all damages, costs, expenses, including attorney fees, and otherwise hold harmless the City of Palmer, its employees, and agents, from any liability of any nature or kind in regard to the delivery of these services.
- 1.16 Rights to Submitted Material:** All proposals, responses, inquiries, or correspondence relating to or in reference to this RFP, and all reports, charts, and other documentation submitted by proposers shall become the property of the City of Palmer when received.

1.17 Basis of Award: Proposals will be evaluated according to the following criteria and weight at a minimum:

- a) Understanding of Scope and ability to provide services as requested - 15pts
- b) Firm / Personnel Qualifications - 15pts
- c) References - 10pts
- d) Cost of Services - 30pts
- e) Additional information provided in response to this RFP - 10pts
- f) Municipal experience - 20pts

Proposals shall be evaluated by a Director of Finance, Risk Manager and Director of Community Development. The City administration intends to make a recommendation for contract award to the City Council in February, 2012. Selection criteria will include the fee proposal, experience and qualifications of the firm and account executive assigned to the City's account, the description of how you will handle the account, access to markets for proposed insurance, and overall clarity and responsiveness of the proposal to this RFP. The City Council will make the final selection based upon what is in the best interest of the City of Palmer.

1.18 Copies: An original and three (3) copies of the proposal and supporting documents must be submitted in response to the RFP. All responses must relate to the specifications as outlined.

1.19 Contacts: Proposers must submit proposals in accordance with the instructions contained in this RFP. All requested information must be submitted with the proposal. Instructions for preparation and submission of proposals are contained in this package. Questions regarding this request for proposal should be directed in writing (the question and response will be shared with each proposer) to:

Jonathan Owen
Risk Manager
(907) 746-9441

E-mail: jcowen@palmerpolice.com

1.20 Submittal of Qualifications: Proposers shall submit experience and qualifications as described below. Additional information may be submitted as appropriate to further describe broker capabilities.

- a) List of clients and contact names
- b) Licensed as an insurance broker or agent in the State of Alaska, with at least 5 years of experience in providing services as outlined in this RFP
- b) Insurance coverage as outlined in section 27 of the professional service agreement
- d) Access to sufficient markets to obtain quotes with an A rating from AM best rating company
- e) Ability to act as broker in procuring insurance from the City's current insurance providers

1.21 Contract: The city reserves the right to negotiate final contract terms with any proposer selected. The contract between the parties will consist of the RFP, including the

professional services agreement form, together with any modifications thereto, and the awarded proposer's proposal, together with any modifications and clarifications thereto that are submitted at the request of the city during the evaluation and negotiation process. In the event of a conflict in language between the documents referenced above, the provisions and requirements set forth and/or referenced in the RFP shall govern. However, the City of Palmer reserves the right to clarify any contractual relationship in writing with the concurrence of the contractor, and such written clarification shall govern in case of conflict with the applicable requirements stated in the RFP or the contractor's proposal. In all other matters not affected by the written clarifications, if any, the RFP shall govern.

1.22 Termination of Agreement for Cause: If, through any cause, the Consultant shall fail to fulfill in a timely and proper manner the obligations under this Agreement or if the Consultant shall violate any of the covenants, agreements, or stipulations of this Agreement, the City shall thereupon have the right to terminate this Agreement by giving written notice to the Consultant of such termination and specifying the effective date thereof, at least five (5) days before the effective date of such termination. All finished or unfinished documents, data, studies, surveys and reports or other material prepared by the Consultant under this Agreement are the property of the City and shall be delivered to the City by or upon the effective date of termination. The Consultant shall be entitled to receive compensation in accordance with the payment provisions of Section III of this Agreement only for work completed to the City's satisfaction in accordance with Section II of this Agreement and the other terms of this Agreement.

1.22.1 Termination of Agreement for Convenience of City: The City may terminate this contract at any time by giving written notice to the Consultant of such termination and specifying the effective date of such termination. All finished or unfinished documents and other materials as described in Section 1.22 above are the property of the City and shall be delivered to the City by or upon the effective date of execution of this section. The Consultant shall be entitled to receive compensation in accordance with the payment provisions of Section III of this Agreement only for work completed to the City's satisfaction in accordance with Section III of this Agreement and the other terms of this Agreement. If this Agreement is terminated due to the fault of the Consultant, Section 1.22 of this Agreement shall govern the rights and liabilities of the parties.

1.23 Assurances: By responding to this RFP, each proposer assures the City that, if selected as the City's broker, he or she will:

- a) Make a diligent effort to place all insurance requested by the City at the lowest possible price consistent with adequate breadth of coverage and stability of insurers.
- b) Advise the City of ways in which coverages proposed or provided differ from that currently in place.
- c) Broker agrees to disclose to the City all commissions he or she is eligible to receive or has received from insurers providing coverage to the City under this contract. Whenever the broker must receive commission from an insurer such commissions must be returned to the City or reduce the fixed fee in an equal amount. If the cost of the policy is the same with or without a commission, the

broker will take the commission and return it to the City or reduce the fixed fee in an equal amount.

- d) Not assign or transfer the City's account, or any portion of the City's business, without the City's prior written approval.
- e) Fully disclose to the City all quotes received from insurers, acting in the City's best interest at all times.
- f) Comply with all provisions of this RFP and their proposal throughout the term of appointment.

1.24 Execution of Agreement: The proposer whose proposal is accepted shall execute the Agreement and furnish the required insurance within ten (10) working days after City Council approval of the award. The Agreement shall be considered executed by the successful proposer when an authorized representative of the proposer signs the Agreement and the insurance certificate(s) are received by the Risk Manager. Failure or neglect of the proposer to execute the Agreement within the time specified may result in the award of the Agreement to the next most qualified proposer.

The City will execute the Agreement within ten (10) working days after execution by the proposer as set forth above. The date the Agreement is executed by the City is the Agreement Date. The rights of the obligations provided for in the Agreement shall become effective and binding upon the parties on the Agreement Date.

1.25 Proposer's response to this RFP shall constitute an agreement to all terms and conditions specified in the RFP, including, without limitation, the Section VI professional-services-agreement form and all terms and conditions therein, except such terms and conditions that the proposer expressly excludes, which must be written in ***bold, italicized, and underscored font***. Exceptions will be taken into consideration as part of the evaluation process.

1.26 Proposer understands and acknowledges that the representations above are material and important, and will be relied on by the city in evaluation of the proposal. Any proposer misrepresentation may be treated as fraudulent concealment from the city of the true facts relating to the proposal.

1.27 All interested and qualified proposers will be considered, but not every proposer need be interviewed.

1.28 The city is an equal opportunity employer and complies with Title I of the American with Disabilities Act. Proposers who need accommodation to respond to this RFP may call the Risk Manager at (907) 746-9441.

SECTION II

SCOPE OF WORK

- 2.0 Intent:** The City of Palmer, Alaska is seeking proposals for professional insurance broker services. Such services would include, but not be limited to the review, analysis, recommendation, and placement of all insurance policies in the areas of workers compensation, safety & loss control, property, casualty and liability coverages. Broker shall respond to questions and assist with claims filing and tracking through-out the contract period.
- 2.1 General Information:** The population of the City of Palmer is approximately 5,937 with 92 municipal employees. In addition to providing traditional government services, the City also operates an extensive Water/Wastewater Utility System and Municipal Airport. The City is committed to a strong, pro-active safety and loss prevention program directed by the City's Risk manager. City-wide insurance and loss prevention activities are directed by the Director of Public Safety as Risk Manager. This RFP contains a listing of current City insurance coverages.
- 2.2 Contract Period:** Proposals should assume the initial contract term of one year with an effective date of March 15, 2012. The contract may be renewed up to three additional years at the sole discretion of the City.
- 2.3 Submittal of Qualifications:** Proposal format should follow these basic guidelines for each category of service submitted as a response to this RFP.
- 2.3.1 For each numbered item in this section, please provide a statement regarding the firm's ability to meet the criteria.
- 2.3.2 Describe in detail the qualifications of the firm and the company personnel to whom the task would be assigned as well as any back up personnel. Details should include:
- a) Familiarity and years of service to municipal and local government clients
 - b) Detail of past work performance including size of entity
 - c) Names of assigned personnel and their function with relation to this proposal
 - d) Experience, education and training of assigned personnel with particular regard to public entity experience
- 2.3.3 References with names, addresses, and phone numbers of current clients who can be contacted by the City for discussion of services provided to that client.
- 2.4** Any additional remarks/comments the company wishes to make to elaborate their proposal and qualifications.
- 2.5 Scope:** Services in advising and coordinating with the City's Risk Manager should include, but are not limited to the following:
- 2.5.1 Annual property loss control meetings with appropriate City Staff.

2.5.2 Facilitate insurance company interface and coordination in the following areas:

- a) Claims Reporting
- b) Loss Control
- c) Renewal information format and market presentation
- d) Marketing of existing coverages
- e) Bid insurance contracts to assure best possible conditions and pricing

2.5.3 Develop coverage options as agreed upon for coverages not currently in effect for the City's review. Such review should indicate a market review of coverages for both price and conditions as well as alternatives for managing the identified risk other than a traditional insurance product where such alternatives exist.

The City currently holds the following policies:

- Property with a \$10,000 Deductible
- Boiler & Machinery with a \$10,000.00 Deductible
- General Liability with no Deductible
- Automobile with a \$500.00 Deductible \$25,000 Deductible on Large Equipment
- Public Official Liability with a \$10,000.00 Deductible
- Law Enforcement Liability with no Deductible
- Radios and Guns with a 10% deductible
- Airport Premises with no Deductible
- Workers' Compensation with no Deductible

Current insurance policies are available for review.

2.5.4 Analyze, at least annually, the City's exposure to loss and review adequacy of coverage and provide a written report of such.

2.5.5 Assist the City in reviewing all insurance policies, contracts, leases, bonds as necessary.

2.5.6 Provide service for day to day contact on insurance matters.

2.5.7 Other services as are normally and customarily required of a municipal insurance broker.

2.6 Compensation: Each proposal must include the Fee Proposal enclosed as section III. Compensation will be in the form of a fixed fee. The broker agrees to return all commissions received to the City of Palmer or make other arrangements with the carriers to reduce the premium by the amount of the commission. The City will pay the fee prior to April 30 of each contract year.

2.7 The broker will on an annual basis provide documentation of the companies solicited and their bids.

SECTION III
FEE PROPOSAL

I have read and understood the requirements set forth in this RFP and agree to comply except as noted. The fee proposal includes all fees for work as described in Section II, Scope of Work. Additional pages may be used to show detail of unit costs and options.

INSURANCE BROKER SERVICES:

Annual Fixed fee for Broker Services: \$ _____

If we terminate this agreement for convenience prior to the expiration of the Term, we will be deemed to have fully earned and be entitled to a *pro rata* portion of the Fee, calculated from the start of the Fee period through the date of termination. If you terminate this agreement for convenience prior to the expiration of the Term, we will be deemed to have fully earned and be entitled to a portion of the fee as set forth in the following schedule:

During the first six months:	75%
After six months	100%

SECTION IV

SUBMITTAL PAGE

By signing below, the Proposer hereby certifies to the following –

1. The individual signing below, or the firm associated or corporation of which they are a member, has not, either directly or indirectly, entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of a free competitive process in connection with this solicitation.
2. The individual signed below is authorized by the firm association or corporation to bind such association or corporation to a legal contract.
3. The individual signing below, or the firm association or corporation of which they are a member, is not debarred or suspended from doing business with the City of Palmer.
4. They are acknowledging receipt of the following Addenda Numbers (if no addenda have been issued, either leave blank or write “N/A” or “None”).

_____ (List Addenda numbers that you are acknowledging receipt of)

_____	_____
Company Name	Date
_____	_____
Mailing Address	Signature
_____	_____
City, State and Zip Code	Printed (or typed) Name
_____	_____
Contact Person (printed or typed)	Title (printed or typed)
_____	_____
Phone Number	Email Address (optional)
_____	_____
Facsimile Number	

It shall be the responsibility of the Proposer to that their proposal is received at or before the date and time fixed for closing.	Proposers should include the following with their proposal. <ul style="list-style-type: none"> ✓ Signed Submittal Page (acknowledging Addenda if applicable) ✓ One (1) original and three (3) copies of your signed proposal. ✓ Copy of Professional License ✓ Instructions to Proposers & Specifications/Scope of Services
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SECTION V

NON-DISCRIMINATION STATEMENT

The proposer certifies that:

- (1) No person shall be excluded from participation in, denied the benefit of, or otherwise discriminated against on the basis of race, color, national origin, gender, or sexual orientation in connection with any bid submitted to the City of Palmer or the performance of any contract resulting there from;
- (2) That it is and shall be the policy of this Company to provide equal opportunity to all business persons seeking to contract or otherwise interested in contracting with this Company, including those companies owned and controlled by racial minorities, cultural minorities, and women;
- (3) In connection herewith, we acknowledge and warrant that this Company has been made aware of, understands and agrees to take affirmative action to provide such companies with the maximum practicable opportunities to do business with this Company;
- (4) That this promise of non-discrimination as made and set forth herein shall be continuing in nature and shall remain in full force and effect without interruption;
- (5) That the promises of non-discrimination as made and set forth herein shall be and are hereby deemed to be made as part of and incorporated by reference into any contract or portion thereof which this Company may hereafter obtain and;
- (6) That the failure of this Company to satisfactorily discharge any of the promises of nondiscrimination as made and set forth herein shall constitute a material breach of contract entitling the City of Palmer to declare the contract in default and to exercise any and all applicable rights and remedies including but not limited to cancellation of the contract, termination of the contract, suspension and debarment from future contracting opportunities, and withholding and or forfeiture of compensation due and owing on a contract.

Signature

Title

Insurance Brokerage Services

	Criteria	Weight		
Evaluator 1			<u>Combs</u>	<u>AKUSA</u>
	Understanding of scope and ability to provide services as requested	15	15	15
	Firm / Personnel Qualifications	15	10	15
	References	10		
	Cost of Services	30	30	30
	Additional information provided in response to this RFP	10	8	10
	Municipal experience	20	18	18
			<hr/>	<hr/>
	Subtotal		81	88
			<hr/>	<hr/>
Evaluator 2			<u>Combs</u>	<u>AKUSA</u>
	Understanding of scope and ability to provide services as requested	15	15	15
	Firm / Personnel Qualifications	15	14	15
	References	10	9	10
	Cost of Services	30	30	30
	Additional information provided in response to this RFP	10	8	8
	Municipal experience	20	20	20
			<hr/>	<hr/>
	Subtotal		96	98
			<hr/>	<hr/>
Evaluator 3			<u>Combs</u>	<u>AKUSA</u>
	Understanding of scope and ability to provide services as requested	15	15	14
	Firm / Personnel Qualifications	15	15	13
	References	10		
	Cost of Services	30	30	30
	Additional information provided in response to this RFP	10	9	8
	Municipal experience	20	20	19
			<hr/>	<hr/>
	Subtotal		89	84
			<hr/>	<hr/>
	Totals		266	270



DEPARTMENT OF PUBLIC SAFETY
Police ... Fire ... Rescue ... Dispatch
Risk Management
Palmer Municipal Airport

Jonathan C. Owen
Director
City of Palmer
Mail: 231 W. Evergreen Ave.
Palmer, Alaska 99645
www.cityofpalmer.org

George R. Boatright
Chief of Police
Location: 423 S. Valley Way
Phone (907) 745-4811
Fax (907) 746-2314

John D. McNutt
Fire Chief
Location: 645 E. Cope Industrial Way
Phone: 907-745-3854
Fax: 907-745-5443

27 January 2012

TO: Combs Insurance Agency
Alaska USA Insurance Brokers

TRANSMITTED VIA EMAIL

**RE: NOTICE OF INTENT TO AWARD
Request for Proposal No. 11-01PS
Insurance Broker Services
City of Palmer**

This is the City of Palmer's Notice of Intent to Award the contract for Insurance Broker Services to Alaska USA Insurance Brokers at the Palmer Council meeting scheduled for 7:00 p.m., February 28, 2012, in the Council Chambers at Palmer City Hall, 231 W. Evergreen Avenue, in Palmer.

The costs presented by both proposers were identical (\$15,000 per year). The proposals were evaluated by a three member panel, working independently of each other. The close scores reflect the high quality and qualifications of both respondents. The City Administration will recommend that the contract be awarded to Alaska USA Insurance Brokers based upon the overall higher score. The bid tabulations are posted at www.cityofpalmer.org/bids.

In accordance with Palmer Municipal Code 3.21.290 B., a protest based upon alleged improprieties in an intended award of a contract must be filed with the Palmer City Manager (with a copy previously served upon the intended awardee) within two business days after the issuance of this Notice of Intent to Award—in this case, by 4:00 PM, Tuesday, January 31, 2012. Failure to meet this time line shall constitute a waiver of the protesting party's rights and a bar on any further action regarding this matter.

Thank you for your interest in doing business with the City of Palmer.

Sincerely,

Jonathan C. Owen

City of Palmer

Professional Services Agreement for Insurance Brokerage Services

THIS AGREEMENT made and entered into this _____ day of March 2012, by and between the **CITY OF PALMER** and **ALASKA USA INSURANCE BROKERS**.

Section 01 Definition

In this Agreement:

- A. The term "City" means the City of Palmer.
- B. The term "Consultant" means Alaska USA Insurance Brokers.
- C. The term "Manager" means the manager of the City of Palmer or his authorized representative.

Section 02 Employment of Consultant

The City hereby agrees to engage the Consultant and the Consultant hereby agrees to perform the services hereafter set forth.

Section 03 Scope of Services

The Consultant shall perform all the services provided for by this Agreement which are described with particularity in Section II of the RFP, entitled Scope of Work, attached hereto and incorporated by reference as if fully set forth herein.

Section 04 Personnel

Personnel shall be limited to employees of the consultant.

Section 05 Contract Period

The services of the Consultant shall commence upon execution of this Agreement by the Manager and shall have an initial contract term of one year with an effective date of March ____, 2012. The contract may be renewed up to two additional years at the sole discretion of the City.

Section 06 Compensation

A. Subject to the provisions of this Agreement, the City shall pay the Consultant \$15,000 per year for all services and expenses for the term of this Agreement (as set forth in Appendix A of this Agreement).

B. Except as otherwise provided in this Agreement, the City shall not provide any additional compensation, payment, use of facilities, service or other thing of value to the Consultant in connection

with performance of Agreement duties. The parties understand and agree that, except as otherwise provided in this section, administrative overhead and other indirect or direct costs the Consultant may incur in the performance of its obligations under this Agreement have already been included in computation of the Consultant's fee and may not be charged to the City.

Section 07 Method and Time of Payment

A. The City will pay to the Consultant the amount set forth in Appendix A which shall constitute the full and complete compensation for the Consultant's professional services. That sum will be paid on receipt of billings submitted pursuant to a schedule set forth in Section 2.6 of the RFP; Normal billing cycle is 30 calendar days from receipt of an approved invoice. A billing is a summary of expenditures to date by line item categories (e.g., Personal Services, Travel, Contractual, Commodities and Equipment). Documentation of expenditures need not be submitted with billings but must be retained by the Consultant in the event the City requests said documentation.

B. Payment will be disbursed in accordance with Section 2.6 of the RFP.

C. All invoices must be submitted in duplicate and addressed as follows:

City of Palmer
Attention: Director of Finance
231 W Evergreen Ave
Palmer, Alaska 99645

D. It is expressly understood and agreed that in no event shall the total compensation due the Consultant exceed compensation listed in appendix A.

Section 08 Termination of Agreement for Cause

If, through any cause, the Consultant shall fail to fulfill in a timely and proper manner the obligations under this Agreement or if the Consultant shall violate any of the covenants, agreements, or stipulations of this Agreement, the City shall thereupon have the right to terminate this Agreement by giving written notice to the Consultant of such termination and specifying the effective date thereof, at least five (5) days before the effective date of such termination. All finished or unfinished documents, data, studies, surveys and reports or other material prepared by the Consultant under this Agreement are the property of the City and shall be delivered to the City by or upon the effective date of termination. The Consultant shall be entitled to receive compensation in accordance with the payment provisions of section III of the RFP only for work completed to the City's satisfaction in accordance with section II of the RFP and the other terms of this Agreement.

Section 09 Termination for Convenience of City

The City may terminate this contract at any time by giving written notice to the Consultant of such termination and specifying the effective date of such termination. All finished or unfinished documents and other materials as described in Section 8 above are the property of the City and shall be delivered to the City by or upon the effective date of execution of this section. The Consultant shall be entitled to receive compensation in accordance with the payment provisions of Section III of the RFP only for work completed to the City's satisfaction in accordance with Section II of the RFP and the other terms of this

Agreement. If this Agreement is terminated due to the fault of the Consultant, Section 8 of this Agreement shall govern the rights and liabilities of the parties.

Section 10 Causes Beyond Control

In the event the Consultant is prevented by a cause or causes beyond control of the Consultant from performing any obligation of this Agreement, non-performance resulting from such cause or causes shall not be deemed to be a breach of this Agreement which will render the Consultant liable for damages or give rights to the cancellation of the Agreement for cause. However, if and when such cause or causes cease to prevent performance, the Consultant shall exercise all reasonable diligence to resume and complete performance of the obligation with the least possible delay. The phrase "cause or causes beyond control," as used in this section, means any one or more of the following causes which are not attributable to the fault or negligence of the Consultant and which prevent the performance of the Consultant: fire, explosions, acts of God, war, orders or law of duly constituted public authorities, and other major uncontrollable and unavoidable events, all of the foregoing which must actually prevent the Consultant from performing the terms of the Agreement as set forth herein. Events which are peculiar to the Consultant and would not prevent another Consultant from performing, including, but not limited to financial difficulties, are not causes beyond the control of the Consultant. The City will determine whether the event preventing the Consultant from performing is a cause beyond the Consultant's control.

Section 11 Modifications

A. The parties may mutually agree to modify the terms of the Agreement. Modifications to the Agreement shall be incorporated into the Agreement by written amendments.

B. It is expressly understood that the City may require changes in the scope of services and an unreasonable refusal by the Consultant to agree to modification in the scope of services will be the basis for termination of the Agreement for cause. It is expressly understood that the total amount of compensation for successful performance of the Agreement will not be modified, under any circumstances, without prior written approval of the City.

Section 12 Equal Employment Opportunity

A. The Consultant will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, national origin, physical handicap, age, status as a disabled veteran, or veteran of the Vietnam War era. The Consultant shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, sex, national origin, physical handicap, age, status as a disabled veteran, or veteran of the Vietnam War era. Such actions shall include, but not be limited to the following: employment, upgrading, demotions, or transfers; recruitment or recruitment advertising; layoffs or terminations; rates of pay or other forms of compensation; selection for training, including apprenticeship; and participation in recreational and educational activities. The Consultant agrees to post in conspicuous places available for employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause. The Consultant will, in all solicitations or advertisements for employees placed by or on behalf of the Consultant, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, physical handicap, age, or status as a disabled veteran, or veteran of the Vietnam War era. The Consultant will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Agreement.

B. The Consultant shall keep such records and submit such reports concerning the equal opportunity employment provisions set forth in subsection 12 (A) for applicants for employment and employees as the City may require.

Section 13 Interest of Members of City and Others

No officer, member or employee of the City and no member of its governing body, and no other public official of the governing body shall participate in any decision relating to this Agreement which affects their personal interest or the interest of any corporation, partnership or association in which they are, directly or indirectly, interested or having any personal or pecuniary interest, direct or indirect, in this Agreement or the proceeds thereof.

Section 14 Assignability

A. The Consultant shall not assign any interest in this Agreement and shall not transfer any interest in the same (whether by assignment or novation) without the prior written consent of the City, thereto; provided, however that claims for money due or to become due to the Consultant from the City under this Agreement may be assigned by court order or to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the City, or the Consultant shall be responsible to the City for any moneys due the assignee of this Agreement which are paid directly to the Consultant.

B. The Consultant shall not delegate duties or otherwise subcontract work or services under this Agreement without the prior written approval of the City.

Section 15 Interest of Consultant

The Consultant covenants, that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. The Consultant further covenants that in the performance of this Agreement no person having any such interest shall be employed.

Section 16 Findings Confidential

To the extent permitted or required by law any reports, information, data, etc., given to or prepared or assembled by the Consultant under this Agreement which the City requests to be kept confidential shall not be made available to any individual or organization by the Consultant without the prior written approval of the City.

Section 17 Publication, Reproduction and Use of Materials

No material produced, in whole or in part, under this Agreement shall be subject to copyright in the United States or in any other country. The City shall have unrestricted authority to publish, disclose, distribute and otherwise use, in whole or in part, any reports, data or other materials prepared under this Agreement.

Section 18 Audits and Inspections

At any time during normal business hours and as often as the City or the Comptroller General of the United States may deem necessary, there shall be made available for examination all of its records with respect to all matters covered by this Agreement and will permit representatives of the City or the Comptroller General to audit, examine, and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment, and other data relating to all matters covered by this Agreement.

Section 19 Jurisdiction; Choice of Law

Any civil action arising from this Agreement shall be brought in the superior court for the third judicial district of the state of Alaska at Palmer. The law of the state of Alaska shall govern the rights and obligations of the parties.

Section 20 Non-Waiver

The failure of the City at any time to enforce a provision of this Agreement shall in no way constitute a waiver of the provisions, nor in any way affect the validity of this Agreement or any part thereof, or the right of the City thereafter to enforce each and every protection hereof.

Section 21 Permits, Laws and Taxes

The Consultant shall acquire and maintain in good standing all permits, licenses and other entitlements necessary to the performance under this Agreement. All actions taken by the Consultant under this Agreement shall comply with all applicable statutes, ordinances, rules and regulations. The Consultant shall pay all taxes pertaining to its performance under this Agreement.

Section 22 Relationship of the Parties

The Consultant shall perform its obligations hereunder as an independent Consultant of the City. The City may administer this Agreement and monitor the Consultant's compliance with this Agreement but shall not supervise or otherwise direct the Consultant except to provide recommendations and to provide approvals pursuant to this Agreement.

Section 23 Agreement Administration

A. The Director of Administration, or their designee, will be the representative of the City administering this Agreement.

B. The services to be furnished by the Consultant shall be administered, supervised, and directed by Jan Martinson, Account Executive. In the event that the individual named above or any of the individuals identified in the proposal to perform work under the Agreement is unable to serve for any reason, the Consultant shall appoint a successor in interest subject to a written approval of the City of Palmer.

Section 24 Integration

This instrument and all appendices and amendments hereto embody the entire agreement of the parties. There are no promises, terms, conditions or obligations other than those contained herein; and this Agreement shall supersede all previous communications, representations or agreements, either oral or written, between the parties. To the extent they are not inconsistent with the terms of this Agreement; the following documents are incorporated by reference into this Agreement as if fully set forth herein:

Request for Proposal Sections I-V (RFP)	City of Palmer Business License
Certificate of Insurance	State of Alaska Business License
Appendix A, Fees/Compensation	Professional License

Section 25 Defense and Indemnification

A. The Consultant shall indemnify, hold harmless, and defend the City from and against any claim of, or liability for negligent acts, errors or omissions of the Consultant under this agreement. The Consultant shall not be required to indemnify the City for a claim of, or liability for, the independent negligence of the City. If there is a claim of, or liability for, the joint negligent error or omission of the Consultant and the independent negligence of the City, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. “Consultant” and “City”, as used within this article, include the employees, agents and other consultants/contractors who are directly responsible, respectively, to each. The term “independent negligence” is negligence other than in the City’s selection, administration, monitoring, or controlling of the Consultant and in approving or accepting the Consultant’s work.

Section 26 Interpretation and Enforcement

This Agreement is being executed by the parties following negotiations between them. It shall be construed according to the fair intent of the language as a whole, not for or against any party. The titles of sections in this Agreement are not to be construed as limitations or definitions but are for identification purposes only.

Section 27 Consultant Insurance

It is specifically agreed between the parties executing this Agreement that it is not intended by any of the provisions of the Agreement to create in the public or any member thereof a third party benefit hereunder, or to authorize anyone not a party to this Agreement to maintain a suit for personal injuries or property damage pursuant to the terms or provisions of this Agreement.

It is highly recommended that Consultant confer with their respective insurance companies or brokers to determine if their insurance program complies with the City's Insurance requirements.

The Consultant shall procure and maintain the following insurances:

A. Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services office form number CG 0001 (Edition 01/96) covering Commercial General Liability.
2. Insurance Services office form number CA 0001 (Edition 6/92) covering Automobile Liability, symbol 1 "any auto".
3. Worker's Compensation insurance as required by the State of Alaska and Employers Liability Insurance.
4. Professional Liability insurance against liability arising out of the rendering or failure to render professional services under this agreement on a form acceptable to the City.

B. Minimum Limits of Insurance

Consultant shall maintain limits no less than:

1. General Liability:
\$1,000,000 combined single limit per occurrence for bodily injury, property damage, personal injury and advertising injury. The general aggregate limit shall be \$2,000,000. The general aggregate limits shall apply separately to each project.

If the general liability insurance is written on a claims made form, the Consultant shall provide insurance for a period of two years after final payment of this agreement. The policy(s) shall evidence a retroactive date, no later than the beginning of this agreement.

2. Auto Liability:
\$1,000,000 combined single limit per accident for bodily injury and property damage.

3. Worker's Compensation and Employers Liability:
Worker's Compensation shall be statutory as required by the State of Alaska. Employer's liability shall be endorsed to the following minimum limits:

Bodily injury by Accident -	\$500,000 each accident
Bodily injury by Disease -	\$500,000 each employee
Bodily injury by Disease -	\$500,000 policy limit

4. Professional Liability:

\$1,000,000 per each claim. The general aggregate limit shall be \$2,000,000. The professional liability insurance shall be maintained in effect until final acceptance by the City of the completed project.

If the professional liability insurance is written on a claims made form, the Consultant shall provide insurance for a period of two years after final payment of this agreement. The policy(s) shall evidence a retroactive date, no later than the beginning of this agreement.

5. Excess Liability:

In order to meet the required minimum limits of insurance it is permissible for the Consultant to combine an excess liability or umbrella policy with the general liability, auto liability or employer's liability. In the instance where the Consultant purchases an excess liability or umbrella policy the occurrence limit and the aggregate limit may be of the same amount.

C. Deductibles and Self-Insured Retention

Prior to work commencing any deductible or self-insured retention must be declared and approved by the City. The Consultant may be requested to demonstrate how the deductible or self-insured retention will be funded in the event of a claim. At the option of the City, the Consultant shall reduce or eliminate such deductibles or self-insured retention as respects the City, its officers, officials, employees and volunteers; or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

D. Other Insurance Provisions

The policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability, Automobile Liability

a. The City, its Administrator, officers, officials, employees and volunteers are to be covered as additional insured as respects: liability arising out of activities performed by or on behalf of the Consultant; products and completed operations of the Consultant premises owned, occupied or used by the Consultant or automobiles owned, leased, hired or borrowed by the Consultant. The coverage shall contain no special limitation on the scope of protection afforded to the City, its Administrator, officers, officials, employees and volunteers.

b. The Consultant's insurance coverage shall be primary insurance as respects the City, its Administrator, officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its Administrator, officers, officials, employees and volunteers shall be excess of the Consultant insurance and shall not contribute to it.

c. The Consultant insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

2. Worker's Compensation and Employer's Liability

The insurer shall agree to waive all rights of subrogation against the City, its Administrator, officers, officials, employees and volunteers for losses arising from work performed by the Consultant or any subcontractor for the City.

3. All Insurance

Each insurance policy required by this agreement shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after 30 days prior written notice for nonpayment of premium or fraud on the part of the Consultant or 60 days prior written notice for any other reason by certified mail, return receipt requested, has been given to the City. Such notice shall be mailed by the Consultant to the attention of the Director of Administration.

E. Acceptability of Insurers

Insurance is to be placed with insurers with a Best's rating of no less than A-: VII.

F. Verification of Coverage

Consultant shall furnish the City with certificates of insurance and with certified copies of all endorsements effecting coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates are to be on forms acceptable to the City. All certificates are to be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

G. Subcontractors

Consultant shall include all subcontractors as insured under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverage for subcontractors shall be subject to all requirements stated herein.

H. Lapse in Coverage

A lapse in insurance coverage is a material breach of this agreement which shall result in immediate termination of the agreement, pursuant to Section 8.

Section 28 Severability

If any section or clause of this Agreement is held invalid by a court of competent jurisdiction, or is otherwise invalid under the law, the remainder of this Agreement shall remain in full force and effect.

Section 29 Understanding

The Consultant acknowledges that the Consultant has read and understands the terms of this Agreement, has had the opportunity to review the same with counsel of their choice, and is executing this Agreement of their own free will.

Section 30 Notices

Any notice required pertaining to the subject matter of the Agreement shall be personally delivered or mailed by prepaid first-class, registered or certified mail to the following address:

City: 231 W Evergreen Avenue, Palmer, Alaska 99645

Consultant: Insert vendor's address here

Section 31 Consultants' Violations of Tax Obligations

A. Any consultant in arrears on a City obligation, including, but not limited to tax, assessment, lease, sale, or rental payments, whether as an individual, or as a representative of a business, organization, firm, corporation, or partnership, shall not be awarded the Agreement if the delinquency is not cured within ten calendar days of receipt of written notice sent by the City of the delinquency.

B. This Agreement can be terminated for cause, pursuant to Section 8, if it is determined that a Consultant whether the amounts owed are in the name of the Consultant as an individual or as a representative of a firm, business, corporation, or partnership, is in arrears of any taxation, lease or rental agreement that is due to the City that is not remedied within 10 calendar days of notification by regular mail.

C. The City reserves any right it may have to offset amounts owed by an individual, firm, corporation or business for delinquent City taxes, moneys owed on sales, assessments, leases and rental agreements, against any amount owing to the same under a Agreement between the City and the same.

Section 32 Counterparts

This Agreement may be executed in more than one counterpart, each of which shall be deemed to be an original but all of which taken together shall be deemed a single instrument.

Section 33 Survival of Representations and Warranties

The representations, warranties, covenants, and agreements of the parties under this Agreement, and the remedies of either party for the breach of such representations, warranties, covenants, and agreements by the other party shall survive the execution and termination of this Agreement.

Section 34 Fund Verification

Fund source and verification of funds for this project:

Funding Source: _____

Verified by

Date

CITY OF PALMER

ALASKA USA INSURANCE BROKERS

Douglas B. Griffin, City Manager

Title: _____

STATE OF ALASKA

Third Judicial District

On _____, 2012, _____ personally appeared before me,

- 1. [] who is personally known to me
- 2. [] whose identity I proved on the basis of _____
- 3. [] whose identity I proved on the oath/affirmation of _____, a credible witness to be the signer of the **Agreement for Insurance Brokerage Services** and he/she acknowledged that he/she signed it.

Notary Public
My Commission expires: _____

STATE OF ALASKA

Third Judicial District

On _____, 2012, Douglas B. Griffin, City Manager, personally appeared before me, who is personally known to me, to be the signer of the above document, and he acknowledged that he signed it on behalf of the City of Palmer.

Notary Public
My Commission expires: _____

Appendix A

FEES and COMPENSATION

From Page 21 in Alaska USA Insurance Brokers response to RFP.

Year 1. \$15,000

Year 2, \$15,000

Year 3, \$15,000

Alaska USA Insurance Brokers agrees to return all commissions received to the City of Palmer or make other arrangements with the carriers to reduce the premium by the amount of the commission.

