

**Proposed Legislation for the
August 22, 2023 City Council Meeting -**

*** * Please Note * ***

**For questions regarding the proposed legislation,
call the City Clerk's Office at 585-428-7421**



FINANCE
INTRODUCTORY NO.

342

September 8, 2023

LAW 28

TO THE COUNCIL

Ladies and Gentlemen:

Re: Amendatory Agreement – Omni Underwriting
Managers LLC, General Liability Insurance Program
Administration

Council Priority: Deficit Reduction and Long Term
Financial Stability

Transmitted herewith for your approval is legislation for an amendatory professional services agreement with Omni Underwriting Managers LLC (Daniel K. Conley, Partner, Buffalo, New York) (Omni) to administer the City's general liability insurance program (Insurance Services).

Omni is providing the Insurance Services at present as the corporate successor to USI Insurance Services LLC, the company authorized by Ordinance No. 2018-257 to provide the services for a term of five years. The present legislation authorizes an amendatory agreement that will extend Omni's Insurance Services for an additional term of three years. The maximum compensation for the first year of the extended term, \$100,000, will be funded from the 2023-23 Budget of Undistributed Expenses. The maximum compensation for years, \$102,000 and \$104,000, respectively, will be funded from subsequent years' budgets of Undistributed Expenses, contingent upon approval.

The City is self-insured for most claims. That requires the City to have a general liability insurance program to review and administer claims and payments. The Insurance Services provided by Omni will support that program in several ways, including the review of liability claims, the establishment of adequate reserves for possible settlement of claims, the processing of payments, the maintenance of records and preparation of periodic management reports.

Previously, the management of the Insurance Services agreement was housed within the Finance Department. That function will now be assigned to the Law Department, because that department has significantly more day-to-day interaction with the consultant.

The City has contracted with private organizations for the administration of this program since the inception of its self-insurance program in 1979. USI Insurance Services and now its corporate successor Omni have been the provider since 2012

A no RFP justification is attached.

Respectfully submitted,

Malik D. Evans
Mayor

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NO RFP JUSTIFICATION STATEMENT

Awarding a Professional Services Agreement Without a Request for Proposals

The Procurement of Professional Services Policy (Ord. No. 2012-318) requires an RFP to be issued under most circumstances. If it is determined that an RFP will not be issued, this form must be completed, signed by the Department Head, and kept on file (electronically or hard copy). It must also be submitted:

1. To City Council as an attachment to the transmittal letter for any PSA that exceeds \$10,000, and
2. To the contract record when entered in Munis.

Department: Law **Services(s):** Administration of the City's general liability insurance.

Vendor/Consultant selected: Omni Underwriting Managers, LLC (a subsidiary of USI Insurance Services LLC)

How was the vendor selected? A request for proposals (RFP) was issued in 2015. Proposals for the provision of claims administration services were solicited through the City's website, public advertisement and direct mailings. USI Insurance Services LLC's proposal was selected by the City. This contractual relationship is now managed under Omni Underwriting Managers, LLC, which is a subsidiary of USI and is owned by USI.

Why was no RFP issued for this service? USI is a unique provider of this service. The City did go through an RFP process in 2015, which resulted in the current agreement, which expires on September 30, 2023. As a result of the existing contract and the initial agreement dating back several years, the City has a strong working relationship with the vendor. In addition, the City currently has pending claims litigation that would benefit from a continued relationship with this vendor. The City has been satisfied with the relationship to date.

- Is there **previous experience** with the vendor? Yes. It is in the City's best interest to continue to work with this vendor. During the 2015 RFP process, other vendors were evaluated extensively, and USI Insurance Services LLC was selected as a result of that process. The City has since been very satisfied with the services provided by this vendor. Further, it is in the City's best interest to continue this relationship due to pending claims litigation, and because cost effectiveness was evaluated in 2015, leading to selection of this firm.

This contract was previously housed in the Finance Department; both Finance and the Law Department believe it is in the City's best interests to continue working with USI.

USI is now managing the contractual relationship through its subsidiary, Omni Underwriting Managers LLC, but nothing about the existing relationship will change.

- Are there unique or **emergency circumstances**? No. However, a new RFP would jeopardize the success of the project as only a very slight inflationary

increase has been proposed by USI, keeping the next set of fees modest. Holding another RFP process risks for significant total fees payable by the City pursuant to a new vendor selection process.

- Is the service **specialized and unique**? Is the number of **qualified providers limited**? Yes. The company is expected to administer and assist the city in settlement of New York State and Federal litigation matters working with the Law Department. The vendor manages insurance claims for the City and compliance with applicable Federal, State and local laws, as well as City regulations. These considerations and proven track record of the City and USI Insurance Services LLC's working relationship demonstrates that USI is the best fit for the City of Rochester and its needs related to claims administration.

The City has years of experience and knowledge of the market as we have been contracting with private organizations for the administration of this program since its inception in 1979. Going out to RFP would not produce additional qualified consultants, as the pool of qualified providers is limited.

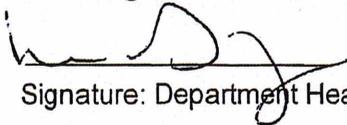
- Does the project include **multi-year State or Federal funding**? No.

Compensation

Amount: \$100,000 for the first year, \$102,000 for the second year, and \$104,000 for the third year.

This amount was determined by comparison to other providers; the relatively low cost for claims administration provided by USI/Omni Underwriting Managers LLC is of great value to the City. During the 2015 RFP process, the other providers who submitted proposals were at least twice the cost of USI/Omni. The costs for extra time and services as agreed to by USI is very low compared to other providers, and a modest 2% annual increase over the three year term of this contract is very competitive.

The MWBE Officer has reviewed the proposed Agreement for MWBE and Workforce goals. MWBE Officer Initials: SMD Fr SSS Date: 8/7/2023


Signature: Department Head

8/7/23
Date

342

Ordinance No.

Authorizing amendatory agreement to administer the general liability insurance program

BE IT ORDAINED, by the Council of the City of Rochester as follows:

Section 1. The Mayor is hereby authorized to enter into an amendatory professional services agreement with Omni Underwriting Managers LLC (Omni) to administer the City's general liability insurance program. The amendatory agreement shall amend the existing agreement authorized by Ordinance No. 2018-257 to acknowledge that Omni is the corporate successor to the obligations of USI Insurance Services LLC, to extend the term for an additional three years, and to set the maximum compensation for each of the three years as follows. The maximum compensation for the first year, \$100,000, shall be funded from the 2023-24 Budget of Undistributed Expenses and the maximum compensation for the second and third years, \$102,000 and \$104,000, respectively, shall be funded from subsequent years' budgets of Undistributed Expenses, contingent upon approval.

Section 2. The amendatory agreement shall contain such additional terms and conditions as the Mayor deems to be appropriate.

Section 3. This ordinance shall take effect immediately.



INTRODUCTORY NO.

343

DES 22

August 14, 2023

TO THE COUNCIL

Ladies and Gentlemen:

Re: Statement of Necessity—
Amending Ord. No. 2023-245 – United
States Marshals Service – Fueling of
Vehicles

I am submitting this Statement of Necessity so that action may be taken on the attached ordinance at the August 22nd Meeting of the City Council on less than 12 days' notice and without being discharged from a standing committee.

The prompt consideration and approval of this legislation is necessary to allow the refueling arrangement, which dates back to 2013 as approved in previous ordinances, to continue uninterrupted and at the service charge rate intended by the parties.

Respectfully submitted,

Malik D. Evans
Mayor

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2023 AUG 14 A 9:34





INTRODUCTORY NO.

343

DES 22

August 14, 2023

TO THE COUNCIL

Ladies and Gentlemen:

Re: Statement of Necessity—
Amending Ord. No. 2023-245 – United
States Marshals Service – Fueling of
Vehicles

The legislation amends Ordinance No. 2023-245, which was approved in July, to correct a typographical error in the service charge for refueling vehicles for the United States Marshals Service. It changes the charge from a rate of \$0.15 per gallon to \$0.18 per gallon, as specified in the transmittal that accompanied the original ordinance.

The prompt consideration and approval of this legislation is necessary to allow the refueling

Respectfully submitted,

Malik D. Evans
Mayor



INTRODUCTORY NO.

343

Ordinance No.

Amending Ordinance No. 2023-245 regarding an agreement for the fueling of vehicles

BE IT ORDAINED, by the Council of the City of Rochester as follows:

Section 1. Section 1 of Ordinance No. 2023-245, Authorizing an agreement for the fueling of vehicles, is hereby amended as follows:

Section 1. The Mayor is hereby authorized to enter into an agreement with the United States Marshals Service for the fueling of its vehicles. The agreement shall have a term of five years. The agreement shall obligate the Marshals Service to reimburse the City for the actual cost of the fuel and pay an administrative and service charge of ~~-\$0.15~~ \$0.18 per gallon.

Section 2. This ordinance shall take effect immediately.

Strikeout indicates deleted text, new text is underlined