



# BOARD OF COMMISSIONERS

1 S. Main St., 9th Floor  
Mount Clemens, Michigan 48043  
586-469-5125 FAX 586-469-5993  
macombcountymi.gov/boardofcommissioners

## ADMINISTRATIVE SERVICES COMMITTEE

WEDNESDAY, JUNE 10, 2009

### AGENDA

1. Call to Order
2. Pledge of Allegiance
3. Adoption of Agenda
4. Approval of Minutes dated 4-22 and 5-13-09 (previously distributed)
5. Public Participation
6. Award Bid for County's Property & Casualty Insurance Agent of Record (mailed)
7. New Business
8. Public Participation
9. Adjournment

**MEMBERS:** Vosburg-Chair, Sauger-Vice-Chair, Brown, J. Flynn, Mijac, Szczepanski, Camphous-Peterson, Accavitti, Lampar and Gielegghem (ex-officio)

### MACOMB COUNTY BOARD OF COMMISSIONERS

Andrey Duzjy - District 1  
Marvin E. Sauger - District 2  
Phillip A. DiMaria - District 3  
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Chairman

Ed Bruley - District 17  
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Irene M. Kepler - District 21  
Frank Accavitti Jr. - District 22

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Vice Chair

Joan Flynn  
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Sergeant-At-Arms

William A. Crouchman - District 23  
Michael A. Boyle - District 24  
Kathy D. Vosburg - District 25  
Jeffery S. Sprys - District 26

RESOLUTION NO. \_\_\_\_\_

FULL BOARD MEETING DATE: \_\_\_\_\_

AGENDA ITEM: \_\_\_\_\_

**MACOMB COUNTY, MICHIGAN**

**RESOLUTION TO:** concur with the recommendation of John Anderson – Director of Risk Management, John Foster – Assistant Director, Finance, and Frank Krycia – Assistant Corporation Counsel, (the Review Panel) in selecting the lowest priced bidder, Nickel & Saph Inc., as Macomb County’s Property & Casualty Insurance Agent of Record for a 2-year period, 8-1-2009 through 7-31-2011.

**INTRODUCED BY:** Commissioner Kathy Vosburg – Administrative Services Committee

See attached memorandum

COMMITTEE/MEETING DATE:

Administrative Services

6-10-2009



# RISK MANAGEMENT & SAFETY

1 S. Main St., 8th Floor  
Mount Clemens, Michigan 48043  
586-469-6349 Fax 586-469-7902

## MEMORANDUM

John P. Anderson, Esq.  
Director

TO: Kathy Vosburg – Administrative Services Committee,  
Chairperson

FROM: John P. Anderson, Esq. *JA*  
Director, Risk Management & Safety

DATE: June 2, 2009

SUBJECT: **Property & Casualty Insurance Agent of Record RFP**

Macomb County received 10 bid proposals for the Property & Casualty Insurance Agent of Record RFP. Our review panel recommends Nickel & Saph Inc., a company capable of meeting the County's insurance needs and the lowest priced bid proposal. Below are the pricing tabulations from all of the proposals.

	<u>2 Yr Policy Renewal &amp; Technical Support</u>	<u>3 Yr Policy Renewal &amp; Technical Support</u>
1) Nickel & Saph Inc. 44 Macomb Place Mt. Clemens, MI 48043	\$75,000	\$110,000
2) IBEX Insurance Agency 30600 Northern Hwy Suite 250 Farmington Hills, MI 48333	\$95,159*	\$142,739*
3) Lyman & Sheets Insurance Agency 2213 E. Grand Rive Ave PO Box 15127 Lansing, MI 48901	\$96,000	\$144,000
4) Berends Hendricks Stuit Insurance Agency Inc. 2822 Westshore Drive Holland, MI 49424	\$96,000	\$144,000

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Director

5) Arthur J. Gallagher 22930 E. Nine Mile Rd. St. Clair Shores, MI 48080	\$97,000	\$147,000
6) Alliant 101 Southfield Rd. Birmingham, MI 48009	\$100,000	\$150,000
7) AON 3000 Town Center Ste 3100 Southfield, MI 48075	\$102,500	\$157,500
8) Kapnick Insurance Group 26100 American Drive Suite 300 Southfield, MI 48034	\$106,334	\$164,334
9) Marsh USA Inc. 600 Renaissance Center Detroit, MI 48243	\$127,500	\$195,500
10) Meadowbrook Insurance 26255 American Drive Southfield, MI 48034	\$140,000	\$210,000

JA/ml

cc: John Foster – Assistant Director, Finance  
Frank Krycia – Assistant Corporation Counsel

\*Based on an 8.25% commission schedule on 2008-2009 insurance premiums.

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TO: Commissioner Kathy Vosburg, - Chair,  
Administrative Services Committee

John P. Anderson, Esq.  
Director

FROM: John P. Anderson, Esq.  
Director, Risk Management & Safety

DATE: June 4, 2009

SUBJECT: **Additional Information Request – Property & Casualty Agent of Record RFP**

Below is some additional information related to the selection of the Property & Casualty Agent of Record:

- Macomb County's current agent of record is Marsh USA Inc. Their bid was \$52,500 more than the lowest bid. Marsh USA Inc. or an affiliate has been the agent of record in Macomb County for over 10 years.
- This RFP is for Insurance Brokerage Services, not to get quotes on our current insurance policies. Once we select a broker, that broker will go to the market and obtain insurance quotes for us. The County will then select the best program and bind insurance for the 2009-2010 year. The policies that will be selected at that time are: Property, Casualty (a package of General Liability, Public Officials, Automobile, Law Enforcement, Employee Benefits Liability and Employment Practices Liability), Macomb County Employees' Retirement System Fiduciary Policy, Employee Crime Policy (employee dishonesty or theft).
- Along with major policy renewals and various bonding etc., other services that required for this contract are:

Become familiar with the Macomb County Risk Management and Safety's insurance program and individual policies through review and loss histories, current and past operating budgets, financial statements, site visits, and other evaluation methods. Develop and understanding of the past, present and future risk management issues facing Macomb County and how these affect Macomb County's insurance buying decisions.

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Work with assigned carriers to design policies most advantageous to Macomb County's needs in terms of exposure coverage, policy form, exclusions, deductibles or self-insured retention, coordination with other policies, overall costs and other important factors.

Meet with Risk Management to review all policies in force, significant brokerage changes, market conditions and other issues affecting the County's insurance program.

Review new exposures at the request of the County and make recommendations as to types, availability and extent of coverage's that should be considered.

Provide consultative services to the County regarding the insurance program including identifying additions or deletions the Agency might recommend and to provide the best balance between coverage and cost. Assist the County with "Notice to Carrier" claims.

Assist Macomb County in developing and implementing loss control and loss prevention strategies for any policies handled by the agency.

- The RFP required bidders to give a pricing/fee schedule for a two-year period. The three-year renewal quotation is for informational purposes only. All vendors except IBEX, provided pricing on a yearly fee schedule. IBEX based their compensation on a commission basis. Their yearly compensation was an estimate based on the insurance premiums the County paid for its four major policies this past year. Bidder Lyman & Sheets offered three pricing options; commission based (10% commission is their estimate or approximately \$50,000 - \$60,000 per annual renewal), \$48,000 yearly fee based on core services provided, and a "select the services" fee schedule up to \$64,500 yearly. Their core services proposal met our needs, however it was \$21,000 more than the lowest bid.
- The RFP requested at least (3) major Public Entity accounts and contact information, with Property & Casualty Insurance programs with annual premiums of \$100,000 or more.

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Below are major account references for the five lowest bidders:

- **Nickel & Saph Inc.**

**Sanilac County  
City of Dearborn  
Road Commission of Macomb County  
City of Roseville  
City of Fraser**

**IBEX**

**City of Royal Oak  
City of Grand Rapids  
County of Muskegon**

**Lyman & Sheets**

**City of Lansing Board of Water & Light  
Detroit Institute of Arts  
Flint Public Library**

**Berends Hendricks Stuit**

**County of Kent  
City of Grand Haven  
City of East Grand Rapids**

**Arthur J. Gallagher**

**State of Michigan  
Genesee County  
City of Sterling Heights**

CC: Frank Krycia – Assistant Corporation Counsel  
John Foster – Assistant Director, Finance