
AGENDA ITEM

TO: Mayor McNeill, Lansing City Council
FROM: Tim Vandall, City Administrator
DATE: November 1, 2024
SUBJECT: Insurance Broker RFP

As discussed at two previous City Council meetings, with the addition of two new departments in 2025 and the rejection of a major insurance claim, staff felt it was an appropriate time to review our insurance broker services. The City's current broker is The Reilly Company. The City released a Request for Proposals (RFP) for insurance brokerage services. The RFP was advertised on the City's website for approximately three weeks.

The City received proposals from two firms: Bukaty Companies out of Leawood, and The Reilly Company out of Leavenworth. A committee composed of Finance Director Beth Sanford, City Clerk Tish Sims, and the City Administrator reviewed the proposals and what each company brought to the table. Both are reputable companies with a strong track record of knowledge in the insurance industry. Our recent claim was discussed in the evaluation, and what could have been done differently to have it be at least partially covered.

Policy Consideration: Selection for professional services is outlined in Section 4-4 of the Purchasing Policy. The policy states, "In securing professional services, it is the primary goal of the City to obtain these services from a provider who has a proven record of offering such services in a professional way and is the best suited provider for the particular project. The cost of services will not be the sole criteria."

Financial Consideration: In the past, the City had paid a commission to the insurance broker based on the total cost of insurance, which is what Bukaty is also proposing. The Bukaty commission percentage is slightly greater than the commission proposed by the Reilly company (7% to 9.5%), which would amount to approximately \$5,000 more per year with Bukaty.

Action: Staff recommends the City enter into an agreement with Bukaty Companies for insurance brokerage services.