

**CITY OF TEMECULA
AGENDA REPORT**

TO: City Manager/City Council

FROM: Isaac Garibay, Director of Human Resources and Risk Management

DATE: June 13, 2023

SUBJECT: Approve Third Amendment to the Broker Fee Agreement Between the City and Arthur J. Gallagher & Risk Management Services

PREPARED BY: Nicole Flores, Risk Manager

RECOMMENDATION: That the City Council adopt a resolution entitled:

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
TEMECULA APPROVING THE THIRD AMENDMENT TO
THE BROKER FEE AGREEMENT BETWEEN THE CITY AND
ARTHUR J. GALLAGHER & RISK MANAGEMENT
SERVICES, LLC

DISCUSSION: On February 11, 2015 the City issued a request for proposals for insurance brokerage services. Based on its Proposal, the City determined that Arthur J. Gallagher Brokers of California, Inc., was the best qualified firm with the most cost effectiveness and entered into a professional services agreement with them on July 13, 2020 (“Agreement”). Arthur J. Gallagher Brokers of California, Inc., has now become Arthur J. Gallagher & Risk Management Services, LLC.

The Proposal provides for a five-year price schedule to be implemented by yearly amendments to the Agreement.

The proposed Third Amendment extends the term of the Agreement to June 30 2024 at a cost of \$53,000 for the period of July 1, 2023 to June 30, 2024. The Third Amendment also authorizes the City Manager to enter into the final amendment to extend the Agreement and implement the final year pricing as well as ratifying the prior amendments.

FISCAL IMPACT: The cost to the City will be \$53,000 for the insurance brokerage services for July 1, 2023 to June 30, 2024 and \$54,000 for July 1 2024 to June 30. 2025.

ATTACHMENT:

1. Resolution
2. Proposed Third Amendment to the Broker Fee Agreement Between the City and Arthur J. Gallagher & Risk Management Services, LLC