

**SERIAL 13108 RFP INSURANCE BROKER CONTRACT SERVICES**

**DATE OF LAST REVISION: June 23, 2016**

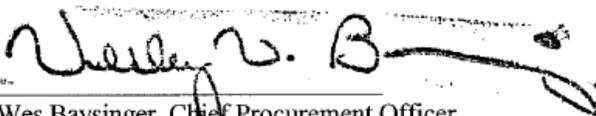
**CONTRACT END DATE: September 30, 2017**

**CONTRACT PERIOD THROUGH SEPTEMBER 30, ~~2016~~ 2017**

TO: All Departments  
FROM: Office of Procurement Services  
SUBJECT: Contract for **INSURANCE BROKER CONTRACT SERVICES**

Attached to this letter is published an effective purchasing contract for products and/or services to be supplied to Maricopa County activities as awarded by Maricopa County on **September 25, 2013**.

All purchases of products and/or services listed on the attached pages of this letter are to be obtained from the vendor holding the contract. Individuals are responsible to the vendor for purchases made outside of contracts. The contract period is indicated above.

  
Wes Baysinger, Chief Procurement Officer  
Office of Procurement Services

AS/jl  
Attach

Copy to: Office of Procurement Services  
Christine Nobles, Risk Management

(Please remove Serial 06158-S from your contract notebooks)



## CONTRACT PURSUANT TO RFP

**SERIAL 13108 -RFP**

This Contract is entered into this 25th day of September, 2013 by and between Maricopa County ("County"), a political subdivision of the State of Arizona, and Arthur J. Gallagher Risk Management Services, Inc., an Arizona corporation ("Contractor") for the purchase of Insurance Broker Contract Services.

### 1.0 CONTRACT TERM:

- 1.1 This Contract is for a term of three (3) years, beginning on the 25th day of September, 2013 and ending the 30<sup>th</sup> day of September, ~~2016~~ 2017.
- 1.2 The County may, at its option and with the agreement of the Contractor, renew the term of this Contract for additional terms up to a maximum of three (3) years, (or at the County's sole discretion, extend the contract on a month-to-month bases for a maximum of six (6) months after expiration). The County shall notify the Contractor in writing of its intent to extend the Contract term at least thirty (30) calendar days prior to the expiration of the original contract term, or any additional term thereafter.

### 2.0 FEE ADJUSTMENTS:

Any request for a reasonable price adjustment for the renewal period must be submitted sixty (60) days prior to the current Contract expiration. Requests for adjustment in cost of labor and/or materials must be supported by appropriate documentation. If County agrees to the adjusted fee, County shall issue written approval of the change. The reasonableness of the request will be determined by comparing the request with the (Consumer Price Index) or by performing a market survey.

### 3.0 PAYMENTS:

- 3.1 As consideration for performance of the duties described herein, County shall pay Contractor the sum(s) stated in Exhibit "A." The County elects to "opt out" for contractor receiving contingent or supplemental commissions.
- 3.2 Payment shall be made upon the County's receipt of a properly completed invoice.
- 3.3 INVOICES:
  - 3.3.1 The Contractor shall submit one (1) legible copy of their detailed invoice before payment(s) can be made. At a minimum, the invoice must provide the following information:

- Company name, address and contact
- County bill-to name and contact information
- Contract serial number
- County purchase order number
- Invoice number and date
- Payment terms
- Date of service or delivery
- Quantity

- Contract Item number(s)
- Description of service provided
- Pricing per unit of service
- Freight (if applicable)
- Extended price
- Mileage w/rate (if applicable)
- Total Amount Due

3.3.2 Annual Fee Payment:

3.3.2.1 Broker shall provide all services defined in the solicitation, for the compensation the bidder has offered (pricing page, Exhibit A). Fees are a lump sum amount and NO other fee/compensation is applicable. Should the broker require any supplemental or contingent commissions, they should be stated on the pricing page. Broker fee is paid on an annual basis.

3.3.3 Policy payments shall be due upon binding of said service.

3.3.4 Problems regarding billing or invoicing shall be directed to the County as listed on the Purchase Order.

3.3.5 Payment shall be made to the Contractor by Accounts Payable through the Maricopa County Vendor Express Payment Program. This is an Electronic Funds Transfer (EFT) process. After Contract Award the Contractor shall complete the Vendor Registration Form located on the County Department of Finance Vendor Registration Web Site (<http://www.maricopa.gov/Finance/Vendors.aspx>).

3.3.6 EFT payments to the routing and account numbers designated by the Contractor will include the details on the specific invoices that the payment covers. The Contractor is required to discuss remittance delivery capabilities with their designated financial institution for access to those details.

3.4 TAX: (SERVICES)

No tax shall be levied against labor. It is the responsibility of the Contractor to determine any and all taxes and include the same in proposal price.

3.5 STRATEGIC ALLIANCE for VOLUME EXPENDITURES (\$AVE):

3.5.1 The County is a member of the \$AVE cooperative purchasing group. \$AVE includes the State of Arizona, many Phoenix metropolitan area municipalities, and many K-12 unified school districts. Under the \$AVE Cooperative Purchasing Agreement, and with the concurrence of the successful Respondent under this solicitation, a member of \$AVE may access a contract resulting from a solicitation issued by the County. If you **do not** want to grant such access to a member of \$AVE, **please so state** in your proposal. In the absence of a statement to the contrary, the County will assume that you do wish to grant access to any contract that may result from this Request for Proposal.

3.6 INTERGOVERNMENTAL COOPERATIVE PURCHASING AGREEMENTS (ICPA's)

3.6.1 County currently holds ICPA's with numerous governmental entities throughout the State of Arizona. These agreements allow those entities, with the approval of the Contractor, to purchase their requirements under the terms and conditions of the County Contract. Please indicate on Attachment A, your acceptance or rejection regarding such participation of other governmental entities. Your response will not be considered as an evaluation factor in awarding a contract

**4.0 AVAILABILITY OF FUNDS:**

- 4.1 The provisions of this Contract relating to payment for services shall become effective when funds assigned for the purpose of compensating the Contractor as herein provided are actually available to County for disbursement. The County shall be the sole judge and authority in determining the availability of funds under this Contract. County shall keep the Contractor fully informed as to the availability of funds.
- 4.2 If any action is taken by any state agency, Federal department or any other agency or instrumentality to suspend, decrease, or terminate its fiscal obligations under, or in connection with, this Contract, County may amend, suspend, decrease, or terminate its obligations under, or in connection with, this Contract. In the event of termination, County shall be liable for payment only for services rendered prior to the effective date of the termination, provided that such services are performed in accordance with the provisions of this Contract. County shall give written notice of the effective date of any suspension, amendment, or termination under this Section, at least ten (10) days in advance.

**5.0 DUTIES:**

- 5.1 The Contractor shall perform all duties stated in Exhibit "B", or as otherwise directed in writing by the Procurement Officer.
- 5.2 During the Contract term, County shall provide Contractor's personnel with adequate workspace for consultants and such other related facilities as may be required by Contractor to carry out its contractual obligations.

**6.0 TERMS and CONDITIONS:**

**6.1 INDEMNIFICATION:**

- 6.1.1 To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless County, its agents, representatives, officers, directors, officials, and employees from and against all claims, damages, losses and expenses, including, but not limited to, attorney fees, court costs, expert witness fees, and the cost of appellate proceedings, relating to, arising out of, or alleged to have resulted from the negligent acts, errors, omissions, mistakes or malfeasance relating to the performance of this Contract. Contractor's duty to defend, indemnify and hold harmless County, its agents, representatives, officers, directors, officials, and employees shall arise in connection with any claim, damage, loss or expense that is caused by any negligent acts, errors, omissions or mistakes in the performance of this Contract by the Contractor, as well as any person or entity for whose acts, errors, omissions, mistakes or malfeasance Contractor may be legally liable.
- 6.1.2 The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.
- 6.1.3 The scope of this indemnification does not extend to the sole negligence of County.

**6.2 INSURANCE:**

- 6.2.1 Contractor, at Contractor's own expense, shall purchase and maintain the herein stipulated minimum insurance from a company or companies duly licensed by the State of Arizona and possessing a current A.M. Best, Inc. rating of A-. In lieu of State of Arizona licensing, the stipulated insurance may be purchased from a company or companies, which are authorized to do business in the State of Arizona, provided that said insurance companies meet the approval of County. The form of any insurance policies and forms must be acceptable to County.

- 6.2.2 All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Contract is satisfactorily completed and formally accepted. Failure to do so may, at the sole discretion of County, constitute a material breach of this Contract..
- 6.2.3 Contractor's insurance shall be primary insurance as respects County, and any insurance or self-insurance maintained by County shall not contribute to it.
- 6.2.4 Any failure to comply with the claim reporting provisions of the insurance policies or any breach of an insurance policy warranty shall not affect the County's right to coverage afforded under the insurance policies.
- 6.2.5 The insurance policies may provide coverage that contains deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to County under such policies. Contractor shall be solely responsible for the deductible and/or self-insured retention and County, at its option, may require Contractor to secure payment of such deductibles or self-insured retentions by a surety bond or an irrevocable and unconditional letter of credit.
- 6.2.6 County reserves the right to request and to receive, within 10 working days, certified copies of any or all of the herein required insurance certificates. County shall not be obligated to review policies and/or endorsements or to advise Contractor of any deficiencies in such policies and endorsements, and such receipt shall not relieve Contractor from, or be deemed a waiver of County's right to insist on strict fulfillment of Contractor's obligations under this Contract.
- 6.2.7 The insurance policies required by this Contract, except Workers' Compensation, and Errors and Omissions, shall name County, its agents, representatives, officers, directors, officials and employees as Additional Insureds.
- 6.2.8 The policies required hereunder, except Workers' Compensation, and Errors and Omissions, shall contain a waiver of transfer of rights of recovery (subrogation) against County, its agents, representatives, officers, directors, officials and employees for any claims arising out of Contractor's work or service. The waiver of subrogation in regards to Workers' Compensation only can be a mutual waiver.
- 6.2.9 Commercial General Liability:
- Commercial General Liability insurance and, if necessary, Commercial Umbrella insurance with a limit of not less than \$2,000,000 for each occurrence, \$2,000,000 Products/Completed Operations Aggregate, and \$4,000,000 General Aggregate Limit. There shall be no endorsement or modification of the CGL limiting the scope of coverage for liability arising from explosion, collapse, or underground property damage. Indemnification is limited to losses and damages as a result of contractor's negligence and covered under the terms of the General Liability Policy.
- 6.2.10 Automobile Liability:
- Commercial/Business Automobile Liability insurance and, if necessary, Commercial Umbrella insurance with a combined single limit for bodily injury and property damage of not less than \$2,000,000 each occurrence with respect to any of the Contractor's owned, hired, and non-owned vehicles assigned to or used in performance of the Contractor's work or services under this Contract.
- 6.2.11 Workers' Compensation:
- 6.2.11.1 Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor's employees engaged in the performance of the work or services under this Contract; and Employer's

Liability insurance of not less than \$1,000,000 for each accident, \$1,000,000 disease for each employee, and \$1,000,000 disease policy limit.

6.2.11.2 Contractor waives all rights against County and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the Workers' Compensation and Employer's Liability or commercial umbrella liability insurance obtained by Contractor pursuant to this Contract. This waiver will be mutual.

6.2.12 Errors and Omissions Insurance:

Errors and Omissions insurance and, if necessary, Commercial Umbrella insurance, which will insure and provide coverage for errors or omissions of the Contractor, with limits of no less than \$1,000,000 for each claim.

6.2.13 Certificates of Insurance.

6.2.13.1 Prior to commencing work or services under this Contract, Contractor shall furnish the County with valid and complete certificates of insurance, or formal endorsements as required by the Contract in the form provided by the County, issued by Contractor's insurer(s), as evidence that policies providing the required coverage, conditions and limits required by this Contract are in full force and effect. Such certificates shall identify this contract number and title.

6.2.13.1.1 In the event any insurance policy (ies) required by this contract is (are) written on a "claims made" basis, coverage shall extend for two years past completion and acceptance of Contractor's work or services and as evidenced by annual Certificates of Insurance. Contractor will provide continuous coverage (one year) to be maintained or extended reporting period endorsement will be purchased.

6.2.13.1.2 If a policy does expire during the life of the Contract, a renewal certificate must be sent to County thirty (30) days prior to the expiration date.

6.2.14 Cancellation and Expiration Notice.

Insurance required herein shall not be permitted to expire, be canceled, or materially changed without thirty (30) days prior written notice to the County. If it is cancelled: A cancelled policy will be replaced with no coverage gap and a recurrent Certificate of Insurance.

6.3 WARRANTY OF SERVICES:

6.3.1 The Contractor warrants that all services provided hereunder will conform to the requirements of the Contract, including all descriptions, specifications and attachments made a part of this Contract. County's acceptance of services or goods provided by the Contractor shall not relieve the Contractor from its obligations under this warranty.

6.3.2 In addition to its other remedies, County may, at the Contractor's expense, require prompt correction of any services failing to meet the Contractor's warranty herein. Services corrected by the Contractor shall be subject to all the provisions of this Contract in the manner and to the same extent as services originally furnished hereunder.

6.4 INSPECTION OF SERVICES:

6.4.1 The Contractor shall provide and maintain an inspection system acceptable to County covering the services under this Contract. Complete records of all inspection work

performed by the Contractor shall be maintained and made available to County during contract performance and for as long afterwards as the Contract requires.

- 6.4.2 County has the right to inspect and test all services called for by the Contract, to the extent practicable at all times and places during the term of the Contract. County shall perform inspections and tests in a manner that will not unduly delay the work.
- 6.4.3 If any of the services do not conform with Contract requirements, County may require the Contractor to perform the services again in conformity with Contract requirements, at an increase in Contract amount. When the defects in services cannot be corrected by re-performance, County may:
  - 6.4.3.1 Require the Contractor to take necessary action to ensure that future performance conforms to Contract requirements; and
  - 6.4.3.2 Reduce the Contract price to reflect the reduced value of the services performed.
- 6.4.4 If the Contractor fails to promptly perform the services again or to take the necessary action to ensure future performance in conformity with Contract requirements, County may:
  - 6.4.4.1 By Contract or otherwise, perform the services and charge to the Contractor any cost incurred by County that is directly related to the performance of such service; or
  - 6.4.4.2 Terminate the Contract for default.

**6.5 NOTICES:**

All notices given pursuant to the terms of this Contract shall be addressed to:

For County:

Maricopa County  
Office of Procurement Services  
ATTN: Contract Administration  
320 West Lincoln Street  
Phoenix, Arizona 85003-2494

For Contractor:

Arthur J. Gallagher Risk Management Services, Inc.  
Attn: Mr. Jeffrey Kassal, Area President  
6399 S. Fiddlers Green Circle  
Greenwood Village, CO 80111

**6.6 REQUIREMENTS CONTRACT:**

- 6.6.1 Contractor signifies its understanding and agreement by signing this document that this Contract is a requirements contract. This Contract does not guarantee any purchases will be made (minimum or maximum). Orders will only be placed when County identifies a need and issues a purchase order or a written notice to proceed.
- 6.6.2 County reserves the right to cancel purchase orders or notice to proceed within a reasonable period of time after issuance. Should a purchase order or notice to proceed be canceled, the County agrees to reimburse the Contractor for actual and documented costs incurred by the Contractor. The County will not reimburse the Contractor for any avoidable costs incurred after receipt of cancellation, or for lost profits, or shipment of product or performance of services prior to issuance of a purchase order or notice to proceed.

6.6.3 Purchase orders will be cancelled in writing.

6.7 **TERMINATION FOR CONVENIENCE:**

The County reserves the right to terminate the Contract, in whole or in part at any time, when in the best interests of the County without penalty or recourse. Upon receipt of the written notice, the Contractor shall immediately stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the County. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the County upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination.

6.8 **TERMINATION FOR DEFAULT:**

6.8.1 In addition to the rights reserved in the Contract, the County may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.

6.8.2 Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the County on demand.

6.8.3 The County may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the County for any excess costs incurred by the County in procuring materials or services in substitution for those due from the Contractor.

6.8.4 The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

6.9 **TERMINATION BY THE COUNTY:**

If the Contractor should be adjudged bankrupt or should make a general assignment for the benefit of its creditors, or if a receiver should be appointed on account of its insolvency, the County may terminate the Contract. If the Contractor should persistently or repeatedly refuse or should fail, except in cases for which extension of time is provided, to provide enough properly skilled workers or proper materials, or persistently disregard laws and ordinances, or not proceed with work or otherwise be guilty of a substantial violation of any provision of this Contract, then the County may terminate the Contract. Prior to termination of the Contract, the County shall give the Contractor fifteen- (15) calendar day's written notice. Upon receipt of such termination notice, the Contractor shall be allowed fifteen (15) calendar days to cure such deficiencies.

6.10 **STATUTORY RIGHT OF CANCELLATION FOR CONFLICT OF INTEREST:**

Notice is given that pursuant to A.R.S. §38-511 the County may cancel this Contract without penalty or further obligation within three years after execution of the contract, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County is at any time while the Contract or any extension of the Contract is in effect, an employee or agent of any other party to the Contract in any capacity or consultant to any other party of the Contract with respect to the subject matter of the Contract. Additionally, pursuant to A.R.S §38-511 the County may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County from any other party to the contract arising as the result of the Contract.

6.11 OFFSET FOR DAMAGES;

In addition to all other remedies at law or equity, the County may offset from any money due to the Contractor any amounts Contractor owes to the County for damages resulting from breach or deficiencies in performance under this contract.

6.12 ADDITIONS/DELETIONS OF SERVICE:

6.12.1 The County reserves the right to add and/or delete materials to a Contract. If a service requirement is deleted, payment to the Contractor will be reduced proportionately, to the amount of service reduced in accordance with the bid price. If additional materials are required from a Contract, prices for such additions will be negotiated between the Contractor and the County.

6.12.2 The County reserves the right of final approval on proposed staff for all Task Orders. Also, upon request by the County, the Contractor will be required to remove any employees working on County projects and substitute personnel based on the discretion of the County within two business days, unless previously approved by the County.

6.13 RELATIONSHIPS:

In the performance of the services described herein, the Contractor shall act solely as an independent contractor, and nothing herein or implied herein shall at any time be construed as to create the relationship of employer and employee, partnership, principal and agent, or joint venture between the District and the Contractor.

6.14 SUBCONTRACTING:

The Contractor may not assign this Contract or subcontract to another party for performance of the terms and conditions hereof without the written consent of the County, which shall not be unreasonably withheld. All correspondence authorizing subcontracting must reference the Proposal Serial Number and identify the job project.

6.15 AMENDMENTS:

All amendments to this Contract shall be in writing and approved/signed by both parties. Maricopa County Office of Procurement Services shall be responsible for approving all amendments for Maricopa County.

6.16 ACCESS TO AND RETENTION OF RECORDS FOR THE PURPOSE OF AUDIT AND/OR OTHER REVIEW:

6.16.1 In accordance with section MCI 371 of the Maricopa County Procurement Code the Contractor agrees to retain all books, records, accounts, statements, reports, files, and other records and back-up documentation relevant to this Contract for six (6) years after final payment or until after the resolution of any audit questions which could be more than six (6) years, whichever is latest. The County, Federal or State auditors and any other persons duly authorized by the Department shall have full access to, and the right to examine, copy and make use of, any and all said materials.

6.16.2 If the Contractor's books, records, accounts, statements, reports, files, and other records and back-up documentation relevant to this Contract are not sufficient to support and document that requested services were provided, the Contractor shall reimburse Maricopa County for the services not so adequately supported and documented.

6.16.3 If at any time it is determined by the County that a cost for which payment has been made is a disallowed cost, the County shall notify the Contractor in writing of the disallowance. The course of action to address the disallowance shall be at sole discretion of the County, and may include either an adjustment to future claim submitted by the

Contractor by the amount of the disallowance, or to require reimbursement forthwith of the disallowed amount by the Contractor by issuing a check payable to Maricopa County.

**6.17 AUDIT DISALLOWANCES:**

If at any time, County determines that a cost for which payment has been made is a disallowed cost, such as overpayment, County shall notify the Contractor in writing of the disallowance. County shall also state the means of correction, which may be but shall not be limited to adjustment of any future claim submitted by the Contractor by the amount of the disallowance, or to require repayment of the disallowed amount by the Contractor.

**6.18 SEVERABILITY:**

The invalidity, in whole or in part, of any provision of this Contract shall not void or affect the validity of any other provision of this Contract.

**6.19 RIGHTS IN DATA:**

The County shall own have the use of all data and reports resulting from this Contract without additional cost or other restriction except as provided by law. Each party shall supply to the other party, upon request, any available information that is relevant to this Contract and to the performance hereunder.

**6.20 INTEGRATION:**

This Contract represents the entire and integrated agreement between the parties and supersedes all prior negotiations, proposals, communications, understandings, representations, or agreements, whether oral or written, express or implied.

**6.21 VERIFICATION REGARDING COMPLIANCE WITH ARIZONA REVISED STATUTES §41-4401 AND FEDERAL IMMIGRATION LAWS AND REGULATIONS:**

6.21.1 By entering into the Contract, the Contractor warrants compliance with the Immigration and Nationality Act (INA using e-verify) and all other federal immigration laws and regulations related to the immigration status of its employees and A.R.S. §23-214(A). The contractor shall obtain statements from its subcontractors certifying compliance and shall furnish the statements to the Procurement Officer upon request. These warranties shall remain in effect through the term of the Contract. The Contractor and its subcontractors shall also maintain Employment Eligibility Verification forms (I-9) as required by the Immigration Reform and Control Act of 1986, as amended from time to time, for all employees performing work under the Contract and verify employee compliance using the E-verify system and shall keep a record of the verification for the duration of the employee's employment or at least three years, whichever is longer. I-9 forms are available for download at USCIS.GOV.

6.21.2 The County retains the legal right to inspect contractor and subcontractor employee documents performing work under this Contract to verify compliance with paragraph 6.21.1 of this Section. Contractor and subcontractor shall be given reasonable notice of the County's intent to inspect and shall make the documents available at the time and date specified. Should the County suspect or find that the Contractor or any of its subcontractors are not in compliance, the County will consider this a material breach of the contract and may pursue any and all remedies allowed by law, including, but not limited to: suspension of work, termination of the Contract for default, and suspension and/or debarment of the Contractor. All costs necessary to verify compliance are the responsibility of the Contractor.

**6.22 CONTRACTOR LICENSE REQUIREMENT:**

6.22.1 The Respondent shall procure all permits, insurance, licenses and pay the charges and fees necessary and incidental to the lawful conduct of his/her business, and as necessary

complete any required certification requirements, required by any and all governmental or non-governmental entities as mandated to maintain compliance with and in good standing for all permits and/or licenses. The Respondent shall keep fully informed of existing and future trade or industry requirements, Federal, State and Local laws, ordinances, and regulations which in any manner affect the fulfillment of a Contract and shall comply with the same. Contractor shall immediately notify both Office of Procurement Services and the using agency of any and all changes concerning permits, insurance or licenses.

- 6.22.2 Respondents furnishing finished products, materials or articles of merchandise that will require installation or attachment as part of the Contract, shall possess any licenses required. A Respondent is not relieved of its obligation to possess the required licenses by subcontracting of the labor portion of the Contract. Respondents are advised to contact the Arizona Registrar of Contractors, Chief of Licensing, at (602) 542-1525 to ascertain licensing requirements for a particular contract. Respondents shall identify which license(s), if any, the Registrar of Contractors requires for performance of the Contract.

**6.23 CERTIFICATION REGARDING DEBARMENT AND SUSPENSION**

- 6.23.1 The undersigned (authorized official signing for the Contractor) certifies to the best of his or her knowledge and belief, that the Contractor, defined as the primary participant in accordance with 45 CFR Part 76, and its principals:

6.23.1.1 are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal Department or agency;

6.23.1.2 have not within 3-year period preceding this Contract been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

6.23.1.3 are not presently indicted or otherwise criminally or civilly charged by a government entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (2) of this certification; and

6.23.1.4 have not within a 3-year period preceding this Contract had one or more public transaction (Federal, State or local) terminated for cause of default.

- 6.23.2 Should the Contractor not be able to provide this certification, an explanation as to why should be attached to the Contact.

- 6.23.3 The Contractor agrees to include, without modification, this clause in all lower tier covered transactions (i.e. transactions with subcontractors) and in all solicitations for lower tier covered transactions related to this Contract.

**6.24 PRICES:**

Contractor warrants that prices extended to County under this Contract are no higher than those paid by any other customer for these or similar services.

6.25 GOVERNING LAW:

This Contract shall be governed by the laws of the state of Arizona. Venue for any actions or lawsuits involving this Contract will be in Maricopa County Superior Court or in the United States District Court for the District of Arizona, sitting in Phoenix, Arizona

6.26 ORDER OF PRECEDENCE:

In the event of a conflict in the provisions of this Contract and Contractor's license agreement, if applicable, the terms of this Contract shall prevail.

6.27 INFLUENCE

As prescribed in MC1-1202 of the Maricopa County Procurement Code, any effort to influence an employee or agent to breach the Maricopa County Ethical Code of Conduct or any ethical conduct, may be grounds for Disbarment or Suspension under MC1-902.

An attempt to influence includes, but is not limited to:

6.27.1 A Person offering or providing a gratuity, gift, tip, present, donation, money, entertainment or educational passes or tickets, or any type valuable contribution or subsidy,

6.27.2 That is offered or given with the intent to influence a decision, obtain a contract, garner favorable treatment, or gain favorable consideration of any kind.

If a Person attempts to influence any employee or agent of Maricopa County, the Chief Procurement Officer, or his designee, reserves the right to seek any remedy provided by the Maricopa County Procurement Code, any remedy in equity or in the law, or any remedy provided by this contract.

6.28 PUBLIC RECORDS:

All Offers submitted and opened are public records and must be retained by the Records Manager at the Office of Procurement Services. Offers shall be open to public inspection after Contract award and execution, except for such Offers deemed to be confidential by the Office of Procurement Services. If an Offeror believes that information in its Offer should remain confidential, it shall indicate as confidential, the specific information and submit a statement with its offer detailing the reasons that the information should not be disclosed. Such reasons shall include the specific harm or prejudice which may arise. The Records Manager of the Office of Procurement Services shall determine whether the identified information is confidential pursuant to the Maricopa County Procurement Code.

6.29 INCORPORATION OF DOCUMENTS:

The following are to be attached to and made part of this Contract:

6.29.1 Exhibit A, Pricing;

6.29.2 Exhibit B, Scope of Work;

IN WITNESS WHEREOF, this Contract is executed on the date set forth above.

**CONTRACTOR**

  
AUTHORIZED SIGNATURE

Jeffrey R. Kassal, Area President

**PRINTED NAME AND TITLE**

6399 S. Fiddlers Green Circle, Ste 200, Greenwood Village, CO 80111

**ADDRESS**

September 18, 2013

**DATE**

**MARICOPA COUNTY**



CHAIRMAN, BOARD OF SUPERVISORS

OCT 14 2013

DATE

**ATTESTED:**

  
CLERK OF THE BOARD 092513

OCT 14 2013

DATE

**APPROVED AS TO FORM:**

  
LEGAL COUNSEL

OCT 10 2013

DATE

**EXHIBIT A**

**PRICING**

COMPANY NAME: Arthur J. Gallagher Risk Management Services, Inc.  
 DOING BUSINESS AS (DBA) NAME:  
 MAILING ADDRESS: 8800 E. Chaparral Road, Ste 230, Scottsdale, AZ 85250  
 REMIT TO ADDRESS: AJGRMS-AZ, P.O. Box 742205, Los Angeles, CA 90074-2205  
 TELEPHONE NUMBER: 480-845-6209  
 FACSIMILE NUMBER: 602-244-2242  
 WEB SITE: www.ajgrms.com  
 REPRESENTATIVE NAME: Karen L. Graham  
 REPRESENTATIVE TELEPHONE NUMBER: 303.889.2538  
 REPRESENTATIVE E-MAIL: karen\_graham@ajg.com

	<u>YES</u>	<u>NO</u>	<u>REBATE</u>
WILL ALLOW OTHER GOVERNMENTAL ENTITIES TO PURCHASE FROM THIS CONTRACT:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
WILL ACCEPT PROCUREMENT CARD FOR PAYMENT:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

PAYMENT TERMS:

NET 20 DAYS

1.0 **PRICING:**

Title	Qty	UofM	Total Price	Description	
Insurance Broker Contract Services - Year 1	1	year	\$57,500.00	Insurance Broker Contract Services - Year 1 in full compliance with the requirements of the proposal.	
Insurance Broker Contract Services - Year 2	1	year	\$59,225.00	Insurance Broker Contract Services – Year 2 in full compliance with the requirements of the proposal.	
Insurance Broker Contract Services - Year 3	1	year	\$61,000.00	Insurance Broker Contract Services – Year 3 in full compliance with the requirements of the proposal.	
<b>Insurance Broker Contract Services - Year 4</b>	<b>1</b>	<b>year</b>	<b>\$62,830.00</b>	<b>Insurance Broker Contract Services – Year 4 in full compliance with the requirements of the proposal.</b>	<b>Eff. 10/01/16</b>

**EXHIBIT B****SCOPE OF WORK****1.0 INTENT:**

The purpose of this RFP is to select a qualified Insurance Broker who will identify insurance coverage sources as policy requirements are needed. This identification process entails a review of the sources' qualifications to provide insurance coverage. Upon a source/Broker being selected, said Broker will competitively solicit quotations and/or market the insurance needs and provide necessary back up to Risk Management.

The term "broker" and the term "contractor" are used interchangeably throughout this RFP.

**2.0 SCOPE OF WORK:****2.1 TECHNICAL REQUIREMENTS:****2.1.1 BROKER QUALIFICATIONS:**

- 2.1.1.1 Shall be an Arizona licensed insurance broker.
- 2.1.1.2 Shall maintain a *full service Maricopa County office*.
  - 2.1.1.2.1 Provide a phone number, local office address and a 24 hour emergency number.
- 2.1.1.3 Shall have national resources offices.
- 2.1.1.4 Shall have experience with obtaining policies for Public entities with no less than 5000 employees in all lines of property-casualty insurance.

**2.1.2 BROKER SERVICES:**

The Broker shall provide the professional services necessary to perform the following:

- 2.1.2.1 Assist in the risk exposure evaluation to identify avenues for risk transfer of actual or potential loss faced by the County.
- 2.1.2.2 Assist in preparation of insurance coverage specifications.
- 2.1.2.3 Obtain coverage quotations as follows:
  - 2.1.2.3.1 Broker shall maintain an up to date list of all coverage's and expiration dates. Expiration dates vary throughout the calendar year.
  - 2.1.2.3.2 Insurance companies (both admitted and not admitted in Arizona) doing business with the County must be classified by A.M. Best's Key Rating Guide as A or better.
  - 2.1.2.3.3 Once the companies have been agreed upon, the coverage specifications and requirements will be given to the Broker.
  - 2.1.2.3.4 The specifications will contain the date that all quotes must be returned by. Quotes not received by this date may not be considered.
  - 2.1.2.3.5 Provide all quotations received from companies with detailed recommendations to the County, of which companies would best provide the desired insurance coverage and services. The County will review companies proposed and give approval of acceptability.
  - 2.1.2.3.6 Provide verifications of insurance, as needed by the County, to satisfy various lending institutions, mortgage holders, lessors, and contracts.
  - 2.1.2.3.7 Provide assistance in the form of advisory services or written reports as is customarily expected from a professional insurance broker upon County request, including, but not limited to, projections of future insurance premium costs.
  - 2.1.2.3.8 Provide to County a quarterly report of all aspects of County insurance programs (i.e. status, problems, and recommendations).

## NARRATIVE

### **Response to Firm Qualifications and Experience**

This confirms Arthur J. Gallagher Risk Management Services (Gallagher) meets the Technical Requirements as noted in Section 2.0, Scope of Work, and is capable of providing the professional services as noted under Section 2.1.2 Broker Services stated above.

All members of the core service team hold the required Arizona licenses. Gallagher also maintains a Maricopa County office which has primary responsibility for all services with support from the Gallagher Public Sector Team in Denver, Colorado.

### **National Resources**

Over the years, Gallagher's commitment to understanding the needs of our clients has led us to develop Niche expertise in a broad array of disciplines, industries, service areas and lines of business. In 1996, our Niche initiative was established with Gallagher committing corporate resources to support local offices in the development of expertise and revenue growth (market share) in specific business sectors.

This Niche expertise (Public Sector, Scholastic, Power and Utilities, Aviation, Environmental, Healthcare, Construction, Transportation, etc.), is one of many powerful tools Gallagher brings to the broker-client partnership. Our people are specialists, not generalists. When one of our clients faces a challenge that requires an innovative response, we are positioned to draw upon the knowledge and resources of our Niches to develop a creative solution.

### **National Public Sector Division**

Gallagher's dedication to the public sector is evidenced by our national Public Sector Division, which offers targeted expertise, resources and support for our clients. We have made a corporate commitment to the public sector. Our expanding client list, market relationships and staffing reflects this focus. This niche services more public entities than any other brokerage firm in the nation. All of the members of this niche focus on public sector clients. This group meets periodically to exchange ideas, discuss trends, seek advice from other experts, review carrier offerings and evaluate new insurance products. This approach ensures our client service teams have a deep understanding of public entities' unique needs.

### **Providing Services as outlined in Scope of Work**

We understand the gravity of the decision of selecting the right partner for the critical role of advisor and broker for your key risks. What makes us unique is our specialization in public sector business. Because of this specialization, we are able to focus solely on public sector coverages, exposures, forms and markets. Additionally, through continuing discussions with your risk management team, face to face meetings with you and your staff, we will continue to work diligently to ensure that we have a thorough understanding of your risks and exposures, both now and as your risk programs change to meet new your strategic objectives and dominant priorities in the future.

Our most experienced team members support a delivery system of services. The Gallagher Team has extensive and relevant in-house knowledge which allow us to answer your questions more quickly, more accurately and in greater detail. The professionals on your team have an average of 25 years of public sector experience and extensive skill sets. Their connections in the marketplace combined with this depth of knowledge creates opportunities for more successful and creative coverage placements. The Gallagher Team will handle everything from underwriting meetings, marketing and negotiating coverages, risk control, claims advocacy and providing day-to-day services.

Because Gallagher focuses on industry groups, we are able to access these practice groups when necessary to assist our clients with their risk management needs. By being able to provide additional expertise and resources to address changing risk profiles, exposures and information on controlling and financing risks specific to their practice, we have an advantage when providing services to our clients.

All services will be provided by the Arizona and Denver teams by engaging directly with the County's Risk Management Team starting with the pre-renewal planning process and continuing throughout the year, including policy delivery and day-to-day service. The team that places the coverage for the County is the same team that will provide services to the County throughout the year. This approach allows us to respond quickly to market conditions and underwriter questions as the team that markets the County's coverage knows the County best.

We have proprietary programs for public entities including a property program, equipment breakdown program and two public entity package programs. These programs illustrate our expertise and dedication to the public sector.

These proprietary programs do not influence our marketing strategy. We access the worldwide marketplace to structure programs for our clients with a complex program such as yours. We have many experts within our organization that we utilize to serve our public sector accounts such as: Aviation, Contractor/Owner Controlled Insurance Programs, Terrorism, Transportation, Cyber Liability, Environmental Liability, Bonds and Enterprise Risk Management.

In addition, the Gallagher Denver Public Sector Unit is the program administrator for Fiduciary Liability for Governmental Risks through the National Conference of Public Employee Retirement Systems. This program is open to all governmental pension fund risks throughout the United States.

**Experience with large public entities**

The Gallagher Team has been selected based on their experience with large public entity clients, which includes experience with public entities in Arizona. These individuals are recognized nationally for their expertise and dedication to public sector business. They are frequent presenters and authors for organizations regional and national industry groups such as Public Risk Insurance Management Association, Association Governmental Risk Insurance Pools, Risk and Insurance Management Society and numerous association conferences.

The Gallagher Western Region Team has current or recent experience with the following public entities that have over 5,000 employees:

- Maricopa County, AZ
- City and County of Denver, CO
- City of Portland, OR
- City of Bellevue, WA
- City of Aurora, CO
- City and County of San Francisco, CA
- County of San Bernardino, CA
- Maricopa County Community College District
- Mesa Public Schools
- Jefferson County School District
- State of Arizona
- State of Nevada
- State of New Mexico
- State of Alaska
- California Joint Powers Insurance Authority
- Arizona Counties Insurance Pool
- Colorado Counties Casualty and Property Pool
- New Mexico Association of Counties
- Utah Counties Indemnity Pool
- East Bay Municipal Utility District
- Washington Counties Risk Pool

Other Arizona clients include:

- Valley Metro Rail/RPTA
- City of Avondale
- City of Chandler
- Regional Public Transportation Authority

## Gallagher's Culture

Gallagher's rich heritage and culture has been cultivated over the past 86 years and our credentials in the creation and servicing of public sector businesses are unparalleled. Our commitment to put the client's needs first, our legacy of integrity and our reputation for innovative expertise is what distinguishes us from our competition.

## Response to Synopsis of Respondent's History

Following is information on the Gallagher offices, brief backgrounds of our Corporate Office, the Arizona Office, the Denver Office and other information as required in this section. Subheadings are included to assist in reviewing our response to this section:

Following is information regarding these core broker servicing offices:

Maricopa County Office	Arthur J. Gallagher Risk Management Services, Inc. Gallagher Public Sector 8800 E. Chaparral Road, Ste 230 Scottsdale, AZ 85205 480.845.6209 602.244.2242 (Fax) <a href="http://www.ajgrms.com">www.ajgrms.com</a>
Denver Office (Greenwood Village)	Arthur J. Gallagher Risk Management Services, Inc. Gallagher Public Sector 6399 S. Fiddler's Green Circle, Suite 200 Greenwood Village, CO 80111 800.333.3231 303.889.2541 (Fax) <a href="http://www.ajgrms.com">www.ajgrms.com</a>

## Corporate Brief Background/Size/Website/History

Arthur J. Gallagher & Co. is a publicly traded company on the New York Stock Exchange and we invite you to visit our website at [www.ajgrms.com](http://www.ajgrms.com). Financial Statements are provided on our website. Gallagher has over 13,000 employees worldwide and over \$3 Billion in Revenue.

We are very proud of our Company's unique culture which is eloquently expressed in "The Gallagher Way," a document penned more than 25 years ago by the former Chairman of Gallagher (1926-1997), Robert Gallagher. It is a statement of principles and beliefs woven into the fabric of our Company. A copy is available upon request.

Arthur J. Gallagher Risk Management Services, Inc. is the Retail Brokerage Services Division of Arthur J. Gallagher & Co. Gallagher Denver is part of the Broker Service Division. Included in the Exhibits is an overview of the Gallagher Group of Companies.

Gallagher has been in business for over 86 years and has provided insurance brokerage services to public entities since its earliest history. Our long-term relationship with markets and the services we provide compliment and support the County's risk management needs and supports the County's strategic plans, goals and objectives. It is our goal to provide superior risk financing mechanisms and risk management services to the County while protecting the financial viability of the County.

Since being founded in 1927, Gallagher has been at the forefront of providing innovative programs for our public entity clients. In 1938, Gallagher designed the first retrospective rating program, which gave customers credit for holding down their losses, and in 1963 we broke new ground by forming the first non-workers' compensation self-insurance program. Gallagher went on to develop the first fronting company arrangement to provide needed proof of insurance. Gallagher's experience with public entities dates back to the 1970's in which Gallagher designed the first multi-line "protected self-insurance program" (a single policy providing both specific and aggregate protection) for public entities.

Today, Gallagher is one of the world's largest insurance broker/consultants and risk management services providers. We offer a full range of retail and wholesale property, casualty and employee benefit products, services and alternative risk transfer mechanisms.

**Gallagher Western Region**

Gallagher operates in five regions. The Arizona and Denver offices report up to the Gallagher Western Region. The Western Region's strategy is to allow team leaders to work with the service team which has the skills and capabilities to meet the needs of our clients. Both the Arizona and Denver teams have a long history of providing brokerage and risk management services to Public Sector clients in Arizona.

**Gallagher Arizona Office History/Size**

The Arizona office has 182 employees and is a full service office with divisional segments consisting of 1) property and casualty brokerage services; 2) third party claims administration services; 3) excess and surplus lines wholesale brokerage; 4) workers' compensation insurance services for staffing companies and captives; and 5) alternative risk and captive consulting and management services.

The property and casualty brokerage division opened in 2006 and functions as a satellite office of Gallagher Irvine, California and Denver, Colorado offices. The Gallagher Irvine office as well as other divisional segments have been working in Arizona since the 1980's. The Gallagher Team maintains a focus on the delivery of risk management services to public sector and large commercial clients.

**Gallagher Denver Office History/Size**

The Gallagher Denver office started "from scratch" in 1978 and has over 80 employees in property, casualty and employee benefit consulting services. The Denver office maintains a focus on the delivery of risk management and enterprise risk management to the sophisticated buyer. Many of our employees have been with Gallagher for over 20 years. Our client list and the strength of our team speak to the viability and strength of our Company.

The Denver public sector unit is the largest public sector branch in the Western Region and is in the top five largest offices nationally for public entity.

The Denver office has been working with public sector clients in Arizona since 1991.

**Client Services/Account Management Services**

The Arizona office will be the hub for account coordination, marketing and administration of broker services for the County. The Denver Team provides support and backup services for the Arizona Team with marketing, day-to-day account management functions, contract review and other services as needed.

Our service team will provide you with 1) a single point of contact for overall account responsibility and coordination, 2) direct access to a team of experienced industry professionals, 3) a team with the skill set and capability to exceed your service expectations and meet our stringent service standards and 4) a backup for principal team members.

While we are indeed an insurance brokerage operation and we do procure insurance coverage for our clients, we recognize most of our clients are not coming to us to "buy" insurance. Our clients rely on us to serve as a bridge between the industry they are in (in the case of the County-public sector) and all of the various facets of the risk management environment. Our active involvement in the public sector risk management community, locally and throughout the United States, puts us in a unique position to monitor risk trends and developments and communicate those to our clients.

During our tenure as the County's broker, we have assisted the County in:

- Placement of a pollution legal liability policy for a large construction project
- Placement of builders risk for the \$350,000,000 Court Tower
- Placement of an Owner Protective Professional Liability (OPPI) Policy for the Court Tower that provided \$25,000,000 Design Professional Liability protection above the design firms professional practice policy
- Provided an Owner Controlled Insurance Program versus a Contractor Controlled Insurance Program feasibility study

As demonstrated by our current client base, we are very familiar with multi-purpose government entities with various state statutes which have a multitude of exposures such as landfill operations, law enforcement operations, museums, jails, recreation centers, reservoirs/dams, road and bridge operations, recreation areas, reservoirs and other unique exposures such as zoos, hydro plants, wastewater facilities, gas and electric utilities. Many of our public entity clients have large special event venues which pose their own unique exposures. Our public sector experience provides value to the County because our involvement with these venues is viewed from the public entity’s perspective.

As your “trusted business advisors”, honesty and integrity are our top priorities. We are committed to maintaining the highest level of responsiveness, accessibility and customer service. Managing our clients’ risks and reputation is our utmost priority. This is achieved through established protocols and professional standards for client services. Your service team will keep you informed of new developments and trends in their specific discipline.

**Response to Insurance Companies**

Following is a list of our top insurance companies with whom we place the majority of our client’s property and casualty coverages:

<b>Public Entity Excess Liability</b>	
Lexington/AIG	OneBeacon
Starr Indemnity	ACE
Munich Re	Berkley
Genesis	Travelers

<b>Property</b>	
FM Global/Affiliated FM	RSUI
Lexington/AIG	AXIS
Travelers	

<b>Excess Workers’ Compensation</b>
New York MAGIC
Midwest Employers
Safety National Casualty Corp
Starr Indemnity
Arch

**Response to Premium Volume**

Nationally, Gallagher Public Sector Practice places insurance for over 7,500 public entities (including counties and cities). The Western Region service teams place insurance for over 300 public entities. Our service team places hundreds of policies for these entities. These policies include property and excess property, general liability and excess liability, reinsurance, aviation, equipment breakdown, flood, earthquake, professional liability including law enforcement liability and public officials liability, crime, travel accident coverage, inland marine, bonds, auto coverage, workers compensation and excess workers compensation, fine arts coverage, pollution liability, project design, owners protective design and special events.

***National Public Sector Premium***

Our National Public Sector Division premium is over \$1.2 Billion. 60% of the premium is in excess of \$500,000; 20% is in excess of \$1,000,000; and 20% is in excess of \$5,000,000.

***Western Region Public Sector Premium***

Our Western Region public sector premium is over \$175 Million. The Denver and Arizona Public Sector Premium is over \$70 Million. The number of accounts by premium range is as follows:

Premium Dollar Range	Number of Accounts
\$100,000 to \$250,000	21
\$250,000 to \$500,000	22
\$500,000 to \$1,000,000	20
Over \$1,000,000	42

**Response to Arizona Clients with Excess Liability Premium excess of \$100,000**

The following accounts have Excess Premiums in excess of \$100,000

- Maricopa County
- Arizona Counties Insurance Pool
- City of Mesa
- Mesa Public Schools
- City of Avondale
- City of Chandler
- Maricopa County Community College District
- Valley Metro Rail

**Response to Arizona Clients with Primary Liability Premium excess of \$250,000**

Two Arizona accounts with Primary Liability Premium in excess of \$250,000 each:

- Valley Metro Rail
- Maricopa County Community College District

**Response to Core Broker Services and additional services**

As financial risk transfer is part of the risk management process, we are able to deliver a full range of insurance and risk management products and services, including traditional and loss-sensitive coverages, captives, alternative risk solutions and financial products to our public entity clients. Since public entities are mandated to provide services, they must continually strive to reduce risks. Managing the risks of decision-making, including hiring, firing and discrimination and high profile exposures such as workplace violence and cyber-crime are also critically important. Our approach focuses on collaborating with you to evaluate your risk environment, assess your needs on an ongoing basis, and recommend improvements to help reduce the total cost of risk. That is just the first step. Stewardship is the key to a meaningful relationship. We maintain close contact with our clients to ensure that our service is exemplary. As market conditions change or your needs evolve, we will modify your program accordingly — or recommend an entirely different approach.

Below is a list of core broker services that we provide for our clients regardless of how many lines of insurance we place for them. We are committed to providing all risk management services needed to reduce the overall risk and cost to our clients’ insurance programs.

- Review of County’s exposures.
- Provide recommendations to enhance the County’s risk management and insurance program.
- Provide a marketing strategy for renewal of the County’s insurance coverages.
- Provide unbiased information regarding the most advantageous insurance markets from the standpoint of cost, service, coverage and security.
- Prepare a market analysis and forecast by insurance line prior to each renewal. This will include market conditions, market trends, services from markets and the long-term direction of the market.
- Prepare submission specifications for markets by line of coverage.

- Assist the County in the preparation of materials, statements of values, specifications and underwriting data required by insurers. This includes working with the County to gather the necessary information.
- Day-to-Day account administration including issuance of binders and invoices; verifying the accuracy and adequacy of all binders, policies, endorsements, invoices, claim loss runs and other insurance related documents prior to delivery to the County.
- Negotiate with underwriters for certain coverages and take responsibility for negotiation for other insurance coverages as directed by the County’s Risk Manager.
- Participate in risk management meetings to review performance against objectives as stated in the Broker Service Plan.
- Prepare a working summary of insurance including terms, conditions and endorsements.
- Prepare certificates of insurance and endorsements as requested by the County.
- Provide Claim Advocacy Services.
- Prepare ERM-6 filings to NCCI.
- Obtain answers from underwriters to policy coverage questions as requested.
- Prepare and submit special reports, loss analyses, etc. as requested including allocation of premium and fees between your divisions or subsidiaries.
- Review insurance requirements, assumption of liability clauses and other risk management issues for certain contracts, leases and agreements as requested.
- Provide advisory services reports as required.
- Provide a Stewardship Report on an annual basis.

**Additional Resources/Services**

Gallagher can deliver a full range of insurance and risk management products and services. Below is a brief listing of the additional resources and/or services available:

**Total Cost of Risk (TCOR) Analysis**

We can provide a TCOR Analysis for the County. Our most progressive public entity clients looking to measure the success of their risk management program are implementing this type of analysis.

We have the ability and resources to assist the County in preparing its TCOR report. Our goal is to align our broker services with your mission, goals and objectives and to reduce the County’s TCOR. We believe you should always “Begin with the End in Mind” – redirect risk related expenses dollars to other resources. We would recommend starting with your Workers’ Compensation and Liability exposures.

If the County’s Mission is to shift from a traditional risk management program to a strategic approach that considers both the positive and negative implications of risk at all levels and if the County desires to move to an enterprise-wide view of risk management, a vital element to this process is fully understanding your TCOR. TCOR encompasses four areas of client costs:

• Insurance Premiums	• Loss Costs (Direct and Indirect)
• Administration Costs	• Premium Taxes and Fees

Once you fully understand your TCOR, it then becomes a key building block in implementing ERM into your organization.

As your broker, we believe our value truly lies in how we can mobilize our resources to assist the County in reducing its TCOR, not just broking insurance. Our goal is to provide the expertise and resources to the County to reduce Loss Costs, Indirect Loss Costs and Administrative Costs. We would like to discuss how our resources (internal and external) can be applied to assist the County in improving efficiencies, program administration and providing training to reduce costs. This includes pre-loss and post-loss services.

We are truly committed and uniquely qualified to assist the County in reducing its costs and achieving its ultimate goal: an enterprise-wide view of risk management.

***Contract Review***

We work with many of our clients to implement and update their insurance requirements for their standard contracts and for specific contracts as required. This is an area in which we excel.

We have developed and copyrighted a third party contract guideline manual that we will be happy to share with the County. The manual is a guide on transferring risk through contracts; guide to automobile and workers compensation exemptions; when to require professional liability; when to require pollution liability; policies for small business and sole proprietors, alternative risk financing and financial guarantees. It also provides information that can be inserted into contracts for insurance requirements. Risk Managers have found this manual to be extremely helpful when working with their contracting personnel.

Contract Administration Services including analyzing current contract language with respect to insurance policy provisions, evaluating insurance requirements and indemnification agreements with contracting entities, evaluating tracking methods for maintaining contract insurance compliance, developing customized contracting compliance forms and insurance requirement checklists and revising contract insurance provisions tracking with insurance policy changes and amend compliance forms as needed.

As an example, effective April 1, 2013 ISO issued key changes to ISO Additional Insured Endorsements. ISO's 2013 forms introduce new terms on all Additional Insured Endorsements such as the CG 2010, CG 2037 and CG 2033. These new terms impact coverage in the following three areas: 1) coverage restricted to the extent permitted by law; 2) coverage scope is restricted to that which is required by contract; and 3) coverage limit is restricted to that which is stated in the contract. These changes will impact the County when the County requests evidence of additional insured status in contracts. Therefore, the County should review its insurance requirements to make sure the limits are adequate to meet your contract needs.

***Claims Advocacy and Risk Control Services***

Gallagher utilizes local, regional and national resources to provide claim advocacy and risk control services to our clients. The assigned Claim and Risk Control teams draw upon the expertise of other risk claims and risk control personnel within the Western Region and the Gallagher Risk Services nationwide network to provide the necessary claims and loss control services needed by the County.

***Claim Advocacy Services***

Providing claim advocacy services for our clients is a critical component of our core broker services. Acting as your advocate, our goal is to secure a consistent, favorable response to claims for our clients from insurers. Our claims professionals have distinct areas of expertise and specialization by line of coverage and by industry specialization.

Gallagher's Claims Consultants are available to assist you in evaluating and resolving settlement disputes and are a resource in the event of catastrophic or unusual claims.

Our claim advocacy team can assist with claims questions as well as review reservation of rights letters, declination letters, indemnification requests and advocate for the County in negotiations with carriers during coverage debates.

The Claim Advocacy team will report claims for all lines of coverage as needed by the County. We will track progress of the claim from the initial report until the claim is closed. We advocate for the County to protect your interests throughout the process.

Supplementing our local team, we use a regional approach to deliver claim services to our clients. Gallagher's Western Region staff includes 15 claim advocates, four Property and Casualty attorneys and two Workers' Compensation attorneys to assist us and our clients with claim analysis and advocacy. Our local, regional and national claim advocates have extensive experience in working with public entity clients.

We will also provide the County a claims reporting kit. The claim kit will include details by line of coverage including policy number, deductibles, and limits, key claims reporting provisions and carrier direct reporting information as well as the Gallagher Claims Consultant contact information.

The Claim Consultant assigned to your account is available to meet in person with the Risk Management Department to assist with individual claims advocacy and for claim review meetings with the insurance carriers. We will also

provide claims reporting information to Risk Management updated at each renewal and assist with any claims reporting as required.

**Risk Control Services**

Gallagher has a long history of providing risk control services and programs geared towards public entity clients. The Gallagher Risk Services Practice Group focuses on these client issues:

- Law Enforcement Risk Control – meth labs, policies and procedures, weapons training
- Jail Operations – suicide prevention, infectious disease, staffing analysis
- Environmental Health & Safety Services
- Engineering Design Services
- Industrial Hygiene and Environmental Assessment
- Property Protection
- Workplace Violence
- Fleet Safety
- Training and Education Services – such topics as Hazard Recognition and Self-Inspections, Violence Prevention and Loss Control, Ergonomics and Strain Injury Prevention, Security Assessment, Blood-borne Pathogens
- Return-To-Work Programs
- Human Factors Analysis
- Safety Evaluations
- Specialized Risk Analysis – Chemical Safety, Accident Investigation, Confined Space Entry Programs
- Property Exposure Analysis – Research and Development Exposures, CAT Perils, Security Systems, Construction Plans/Specification Review and Compliance, Disaster Plan Review, Regulatory Compliance Audits and Snow Loading
- In the Line of Duty – in partnership with “In the Line of Duty” at discounted priced for reality based online video training for law enforcement

***Risk Management Audits (additional fee applies for this service)***

Helping the risk manager identify and manage risk is the role of Gallagher Risk Services. The Risk Management Audit is the foundation of an effective risk improvement program. Gallagher has public entity risk control staff that can conduct on-site interviews and surveys, meet with department heads to determine how effectively the existing risk management and risk control programs are identifying and treating your exposures to risk. This process includes a review of critical policies and procedures, including workplace safety policies, vehicle operation policies and employment practices policies. The on-site interview process will identify how department managers and supervisors are identifying exposures to risk, training their employees to conduct themselves to avoid or minimize risk and coaching their employees to adhere to departmental policies and procedures.

***Benchmarking***

Because we specialize in public sector risk management consulting, we have the opportunity to continually use benchmarking to assist our clients. Typically, our benchmarking efforts focus on using qualitative or quantitative benchmarking to help our clients evaluate the strengths and weaknesses of both their programs and their results.

Our quantitative benchmarking tools assist clients with understanding the key financial metrics that can measure the effectiveness of a risk management program.

Our qualitative benchmarking tools help our clients understand the breadth and depth of activities that need to take place in order to achieve the results they desire.

Gallagher has the ability to benchmark data for our clients using our own public entity client data to benchmark such factors as limits, SIRs, loss experience and coverage. Data used is only by permission of the client. What makes Gallagher’s benchmarking program more credible than others is we benchmark public entity clients against their peers – not against a multitude of other industries (such as manufacturers, hospitals, retail, trucking) that do not have the same exposures as our client.

***Gallagher National Tenant User Liability Insurance Program (TULIP)***

The County will have access to our National Tenant User Liability Insurance Program (TULIP) which is administered by the Denver Office. The TULIP is a web based Master General Liability Policy for Facilities/Venues covering special events. The TULIP allows the facility owner to manage their liability risk and the tenant user is relieved of

the responsibility of obtaining insurance acceptable to the venue when they may not have their own commercial insurance program. The tenant user accesses the program via the internet, completes an application and pays by credit card. Upon completion of the transaction, the tenant user and the venue will receive a copy of the certificate. The cost is low to the tenant and the venue is named as an additional insured.

### ***Enterprise Risk Management (ERM)***

A new trend for public entities is to shift from a traditional risk management program to a strategic approach that considers both the positive and negative implications of risk at all levels. Risk managers are moving towards Enterprise-wide involvement in broader spectrum of risks (aka the New Risk Manager). The New Risk Manager must be a collaborator, negotiator, facilitator and communicator. It is important for Risk Managers to have more forward thinking when it comes to risk if they are going to survive in the 21<sup>st</sup> century. Many risk managers are looking into Enterprise Risk Management to assist them in how their organization reviews risks. ERM embraces a wider view of risk. The ERM framework enables management, working without silos, to collaboratively identify, assess, manage future risks and opportunities, individually and across the organization.

ERM as a key part of the process is helping risk managers in determining where to allocate resources---doing more with less, which is a good reason for ERM to be at the forefront of the organization. A lot of ERM is allocating your resources appropriately on a risk basis. ERM gives a good framework for public entity risk managers to think broadly about the risks beyond insurable risk. Many public entities are addressing ERM by looking at the silos that exist in government and trying to build a bridge between the silos (departments). Risk managers are vital to partnering with those "silos" by building trust and getting ERM into those departments by showing how they could save money by doing things differently --- risk management then is no longer looked at as an expense but as an opportunity.

### ***Environmental Expertise***

Our local team has environmental experts on staff (and members of Gallagher Environmental Risk and Insurance Division) and has experience working with public entities that have environmental exposures. We will review and provide appropriate risk control and financing mechanisms, including environmental insurance available to address these risks. Our experienced team can assist with contract reviews, designing innovative and cost-effective environmental insurance solutions, claims and litigation support.

### ***Other Services***

Gallagher has access to other resources that may be of interest to the County. Additional fees may apply for these services:

- Seminars
- Appraisal Services
- Catastrophe Modeling Services
- Actuarial Services and Claims Analytics
- Industry Web-Training Resources
- Third Party Claims Administration
- Access to Risk Management Information Systems
- Owner Controlled Insurance Programs
- Disaster Recovery and Business Continuity Planning
- Cyber Risk Consulting

### **Response to Supplemental/Contingent Commissions**

Effective October 1, 2009, Arthur J. Gallagher & Co., and its subsidiaries operating as insurance agents/brokers under the corporate holding company known as Arthur J. Gallagher Brokerage & Risk Management Services, LLC, resumed participating in contingent commission arrangements which are routinely offered by insurance companies and intermediaries to agents and brokers, after voluntarily foregoing the benefit of this type of compensation since January 1, 2005.

Contingent commission arrangements provide for additional compensation if certain underwriting, profitability, volume or retention goals are achieved. Such goals are typically based on the total amount of certain insurance coverages placed by Gallagher with the insurance company and/or through the intermediary, not on an individual policy basis.

As a result, Gallagher may be considered to have an incentive to place your insurance coverages with a particular insurance company.

During the time Gallagher's retail operations did not accept contingent commissions, some insurance markets and intermediaries, including Gallagher owned intermediaries, modified their commission schedule with Gallagher, resulting in an increase in some commission rates. The additional commissions, commonly referred to as "supplemental commissions", are known at the effective date of the policy, but some intermediaries and insurance companies are paying the commission increase apart and later from when the commission is normally paid at policy issuance.

Unlike contingent commissions, supplemental commission payments are determined **without** regard to any performance factors which are contingent on future growth, retention, profitability, etc.

Contingent and supplemental commission ranges from less than 1% up to 12% of written or earned premium on eligible lines of business (not all lines of business qualify such as excess workers' compensation, surety bonds, etc.)

***Clients can elect to "opt out" for Gallagher in receiving contingent or supplemental commissions. If the County opts in, we would fully disclose all commissions earned on your account. MARICOPA COUNTY ELECTS TO "OPT OUT" FOR GALLAGHER IN RECEIVING CONTIGENT OR SUPPLEMENTAL COMMISSIONS.***

### **Response to Key Personnel Resume and Qualifications**

Following are brief profiles for personnel assigned to service your account. All team members are members of the Gallagher National Public Sector Division. Full professional profiles are included as a **separate attachment**.

Note, all team members work **exclusively** on Public Sector risks such as counties, cities, state governments, special districts, tribal governments, transit authorities, school districts, colleges, universities and risk pools.

We have structured a service team that will provide you with 1) a single point of contact for overall account responsibility and coordination, 2) direct access to a team of experienced industry professionals, 3) a team with the skill set and capability to exceed your service expectations and meet our stringent service standards and 4) a backup for principal team members.

In our experience, it is the skill and capabilities of the individuals assigned to your service team that determines how well the team functions and the results they deliver.

### **Karen L. Graham, CIC, CRM, ARM-P, Area Executive Vice President, Gallagher Public Sector Practice Group (Denver, Colorado)**

#### **Team Leader/Primary Consultant**

Karen Graham is the *Team Leader* for the County. In this capacity, Karen will be the point of contact and will coordinate Gallagher services and resources holding direct accountability for all team members. Karen will work with the County to establish goals and strategies coordinate marketing activities and communicate on other relevant issues. Karen will attend client meetings, develop the annual service plan and manage the quality control process.

Karen manages the Denver Public Sector practice group with over 30 years experience in providing risk management services to public entities. Her technical expertise, familiarity with alternative funding programs, solid market relationships and strong negotiating skills will ensure comprehensive, competitive insurance placements for the County.

Karen has been voted by her peers and clients as a Risk & Insurance Magazine "Power Broker" Public Sector in 2008, 2009 and 2013.

### **Key Responsibilities**

- Managing large teams focused on client service
- Alternative risk financing
- Public entity risk management
- Policy reviews/maintenance
- Manuscripting of policy forms
- Contractual guidelines/reviews
- Marketing insurance coverages and program design

**Experience**

- 30+ years brokerage experience over 23 years with Gallagher in the Public Sector Division
- National Director of Gallagher’s Public Sector Division
- Manuscripted property and casualty policies for public entities
- Developed contractual guidelines for public entities

**Education/Credentials/Professional Affiliations**

- Denver Business College
- Certified Insurance Counselor
- Certified Risk Manager
- Associate in Risk Management – Public Entities
- Society of Certified Insurance Counselors (CIC)
- Public Risk Insurance Management Association (PRIMA)
- Risk and Insurance Management Society, Inc. (RIMS)
- Association of Governmental Risk Pools (AGRIP)

**Rose Unruh, Area Assistant Vice President, Gallagher Public Sector Practice Group (Phoenix, Arizona)  
Managing Account Executive**

Rose Unruh is the assigned Managing Account Executive and will work closely with the entire team to keep a focus on insurance placements, policy administration, claims advocacy, legal reviews and technology issues. She will be responsible for the day-to-day account administration including marketing, submission development, carrier negotiations and special projects for the County.

Rose has experience as an account executive spanning 25 years. She maintains outstanding relationships with insurers and has successfully managed complex multilayered placements on behalf of our clients. Rose is based out of our Maricopa County, Arizona office and will be the primary and local contact for the County.

**Key Responsibilities**

- Day-to-day Account Management Services
- Marketing/Program Design
- Exposure Identification
- Develop, implement and monitor broking strategies
- Negotiate best available terms and conditions
- Maintain timelines and prompt compliance of needed services, including policy review and verification of coverage

**Experience**

25+ years experience handling insurance and self-insurance for public entity clients in Arizona

**Education/Credentials/Professional Affiliations**

- Mesa Community College – General Accounting
- Certificate in General Insurance - IIA
- Certified Insurance Counselor Candidate
- Arizona Public Risk Insurance Management Association (PRIMA)

**Priscilla A. McCoy, CIC, CRM, Area Senior Vice President, Gallagher Public Sector Practice Group  
(Denver, Colorado)**

**Unit Resource Manager/Back up Account Executive**

Priscilla McCoy is the assigned Unit Resource Manager and back up Account Executive and will work with Rose to review the County’s current coverages, conduct risk analyses and assist in designing alternative risk financing programs. Priscilla will be available to assist the County in reviewing and establishing third party contract guidelines. Priscilla manages the technical operations for the Public Sector Practice Group and the day-to-day services of the Denver technical staff.

Priscilla has over 30 years experience as a Broker and Risk Manager in risk management services for real estate, public entity, scholastic, higher education and consortium/pooling arenas. Priscilla is also our Environmental resource and is a member of the Gallagher Environmental and Risk Insurance Practice Group.

**Key Responsibilities**

- Risk Management / Environmental Risk Management
- Policy Reviews/Analysis/Maintenance
- Marketing/Coverage Placements
- Manuscripting Policy Forms
- Contractual Guidelines/Reviews
- Alternative Risk Financing/Program Designs
- Finite Risk Placements

**Experience**

- 30+ years brokerage experience, over 28 years with Gallagher managing large, complex accounts
- Established the Colorado Public Entity Risk Purchasing Group and manuscripted policy form
- Director of Risk Management for The LandBank Group, A Brownfield Acquisition Co., managing Environmental Insurance Placements and Risk Management responsibilities

**Education/Credentials/Professional Affiliations**

- Bachelor of Sciences, Business Management, University of Phoenix
- Certified Insurance Counselor
- Certified Risk Manager
- Society of Certified Insurance Counselors (CIC)
- Public Risk Insurance Management Association (PRIMA)
- Association of Governmental Risk Pools (AGRIP)

**Monica W. Drummer, CIC, CRM, Account Executive, Gallagher Public Sector Practice Group (Denver, Colorado)**

**Backup Account Executive**

Monica Drummer is assigned as a Backup Account Executive and will assist in marketing, day-to-day account administration and special projects for the County, as needed. Monica will work closely with the Unit Resource Manager to ensure the team meets the County's Scope of Work requirements including preparation of work in progress reports, policy checking, etc. Monica has over 20 years of risk management experience in public entity and higher education risks.

**Key Responsibilities**

- Public Entity and Higher Education risk management
- Risk management/large complex commercial accounts
- Policy review/ maintenance
- Exposure/ overage analysis/program design
- Contract guidelines / reviews

**Experience**

Over 20+ years experience with insurance brokerage firms specializing in large commercial, public entities, higher education, oil & gas and tribal governments.

**Education/Credentials/Professional Affiliations**

- Bachelor of Arts-Communication, William Jewell College
- Certified Insurance Counselor
- Certified Risk Manager
- Society of Certified Insurance Counselors (CIC)
- Public Risk Insurance Management Association (PRIMA)
- University o Risk Management Insurance Association (URMIA)

**Doug M. Meyer, ARM, Gallagher Aviation, Aviation Account Executive, (Denver, Colorado) Aviation Services**

Doug Meyer is the Managing Account Executive for any Aviation exposures. Gallagher Denver has an Aviation Division that assists our clients and focuses on public entity airports and heliports, aircraft and helicopters owned/rented by public entities staff and law enforcement personnel, as well as satellites, space telescopes, weather or high altitude balloons. Doug has over 30 years experience in Public Entity Aviation risk exposures.

**Key Responsibilities**

- Provide client services for the Aviation Sector
- Risk Management
- Policy Reviews/Maintenance
- Aviation Exposure and Coverage Analysis
- Contractual Guidelines/Reviews

**Experience**

- 25+ years experience with insurance brokerage firms in Risk Management and Aviation Insurance

**Education/Credentials/Professional Affiliations**

- Bachelor of Arts, St. Cloud State University
- Associated in Risk Management
- Aviation Insurance Association (AIA)

**Bradley Meinhardt, Gallagher Aviation, Area President and Managing Director of the Aviation Niche (Las Vegas, Nevada)**

**Aviation Manager**

Brad Meinhardt is the Area President and Managing Director of the Aviation Niche at Gallagher (previously Aviation Insurance Services). Brad's responsibilities include providing direct and meaningful advice to a broad range of aviation clientele, establishing strategic sales and service goals for the firm, developing and maintaining underwriting relationships throughout the United States and Europe and serving as key liaison to our London joint venture partners. He obtained his private pilot license at the age of seventeen and thoroughly enjoys the hands on approach that is such a necessity within the aviation and aerospace industries.

His fields of expertise include Workers' Compensation & Employers Liability, Airports/Aircraft, Commercial Part 121 Airlines and Part 135 Aircraft Operations, Rotor Wing Operations, State and Other Public Entity Aircraft Fleets and Private Corporate Aircraft.

**Key Responsibilities**

- Provide client services for the Aviation Unit
- Risk Management
- Policy Reviews/Maintenance
- Aviation Exposure and Coverage Analysis
- Contractual Guidelines/Reviews
- Marketing the City's Aviation coverages
- Owner Controlled Insurance Programs

**Experience**

27+ years of direct aviation insurance experience

**Education/Credentials/Professional Affiliations**

- Bachelor of Sciences-Business Administration, University of Southern California
- National Business Administration
- Helicopter Association International
- US Aviation Underwriter's Customer Advisory Committee

**Jennifer S. Monteleone, Account Manager, Gallagher Public Sector Division (Denver, Colorado) Account Manager**

Jennifer Monteleone is an Account Manager and will assist the account team in marketing, policy maintenance, work in progress reports and special projects. Jennifer has experience with public entities, higher education and K-12 schools. Jennifer is our resident workers' compensation specialist and assists the unit in analyzing workers' compensation programs, experience modifications review and calculation, program reviews, dividend analyses and loss stratifications. Jennifer has over 7 years experience in account management services.

**Tracy M. Paladino, CISR, CIC, Account Manager, Gallagher Public Sector Practice Group (Denver, Colorado) Account Manager**

Tracy Paladino is an Account Manager and will assist the account team in marketing, policy maintenance and special projects. Tracy has over 12 years experience in account management services in public entities and consortiums/pools. Tracy is also the program manager of Gallagher's National Tenant User Liability Insurance program (TULIP) and other National TULIP programs for Higher Education and Scholastic Sectors.

**Anita H. Bruner, CISR, Account Representative, Gallagher Public Sector Division (Denver, Colorado) Account Representative/Account Manager**

Anita Bruner is the Account Representative who will assist the Account Managers in issuance and maintenance of certificates issued on behalf of our clients, the issuance and maintenance of individual flood policies and surety bonds. Anita will also assist in day-to-day policy maintenance including invoicing, processing policy endorsements and other account management functions.

**Kendall Trump, ARM, Claim Consultant, Gallagher Risk Services (Denver, Colorado) Claim Consultant/Claim Advocacy**

Kendall Trump will be your claim advocate and will work with your insurance carriers, third party administrators and assigned legal counsel in responding to serious claim issues. Kendall can consult on TPA selection; facilitate claim reporting to excess insurers; obtaining recoveries from insurance carriers; deploying and controlling insurance company adjusters; responding to reservation of rights letters; strategizing on claims/litigation management strategies and assuring prompt settlement of claims. Kendall brings unique perspectives working in the real estate, higher education and public entity sectors and is also bi-lingual. Kendall has over 20 years of experience in claim adjusting for liability, property and workers' compensation claims in 50 different jurisdictions.

**Key Responsibilities**

- Claims Advocacy Services – Property, Casualty and Workers' Compensation
- Coverage interpretation and review/rebuttal
- Litigation, arbitration/mediation, negotiation and subrogation
- Claim reviews and auditing for Best Practices
- Loss trending and analysis

**Experience**

- Over 20 years experience in claims, risk management and litigation with additional expertise in public sector, real estate, hospitality, trucking, and higher education
- Bilingual claims adjusting - Spanish
- 10 years experience as a property, casualty and workers' compensation adjuster
- Claim advocacy on Owner Controlled Insurance Programs

**Education/Credentials/Professional Affiliations**

- Bachelor of Arts, Brigham Young University
- Associate in Risk Management

**Linda Pierce, J.D., Area Sr. Vice President, Regional Claim Advocacy Practice Group (Glendale, California)**

**Regional Claim Advocacy Services**

Linda Pierce is our Western Region Claim Advocacy Manager and works with the Western Region claim advocates on claims issues. Linda stays abreast of current liability trends and developments in coverage disputes. Linda assists clients with claims matters including strategic reporting evaluation of coverage position letters, advocating our client's position with insurers, and in negotiation. Linda offers human resources risk management services to Gallagher clients including consulting and training on issues such as leaves of absence, hiring, firing, documentation and interaction with employees.

Linda practiced law in California and represented clients in employment and business matters, including litigation in federal court and state court through trial and appeal. She counseled employers and business owners in ways to effectively reduce the risks of being sued. Her practice involved drafting policies, procedures and contracts.

**Key Responsibilities**

- Claim Advocacy Services on complex and disputed claims
- Client Resource on management liability lines
- Risk Management issues such as leave of absence, employee discipline matters and related policies and procedures

**Experience**

- 15 years of advising and representing claims in employment and business matters as an attorney
- 11 years as a professional liability broker

**Education/Credentials/Professional Affiliations**

- Juris Doctor Degree from Southwestern University School of Law
- Bachelor of Arts, California State University, Northridge
- California State Bar Association
- Licensed Attorney, The State Bar of California-Active Status
- Professional Liability Underwriting Society

**Ed Davis, CSP, ARM, Sr. Risk Control Consultant, Gallagher Risk Services (Denver, Colorado) Risk Control Consulting Services**

Ed provides risk control services and can marshal our Western Region and National Risk Control Service Teams. Ed will assist the team in strategic planning for risk management and safety; exposure identification and analysis; IIPP assessment and training. Ed is a Certified Safety Professional, Comprehensive Practice #14709, and is an instructor for OSHA Outreach 10 and 30 hour Construction courses. He previously was the Safety Director for the Associated General Contractors (AGC) of Colorado and AGC America Co-chair for the National Chapter Safety Leadership Committee from 2010-2012.

Ed has over 20 years experience in human resources, claims, safety and risk management, employment practices evaluations, safety assessments and customized training programs. His expertise covers several industries such as General Industry, Public Entities, Oil and Gas, Construction, Education and Health Care.

**Key Responsibilities**

- Risk Control Consulting
- Training
- Program Design
- Implementation Strategies
- Cost Containment

**Experience**

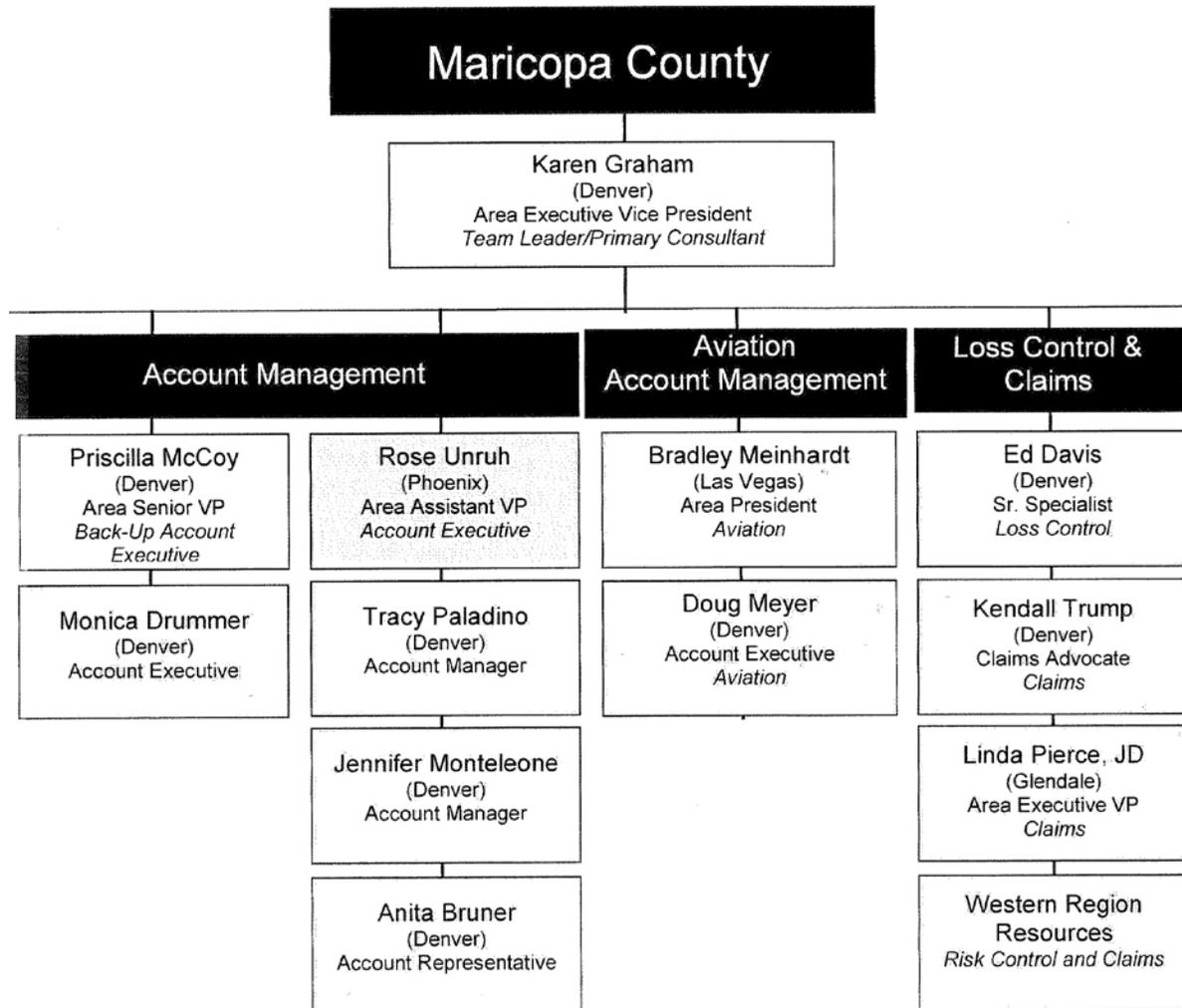
- 20+ years experience in human resources, claims, safety and risk management, employment practices evaluations, safety assessments and customized training programs.
- Expertise covers several industries such as General Industry, Municipalities, Oil and Gas, Construction, Education and Health Care.
- Career experience working as Safety Director for the Insurance industry in both carrier and agency areas, with Trade Associations and in the private sector.

**Education/Credentials/Professional Affiliations**

- Bachelor of Sciences-Industrial Education Technology, Fort Hays State University
- Bachelor of Sciences-Communications, Fort Hays State University
- Certified Safety Professional, Comprehensive Practice #14709
- Associate in Risk Management
- American Society of Safety Engineers
- Instructor, OSHA Outreach Institute Construction 10 and 30 hour Course

Supplementing our local team, Gallagher uses a regional approach to provide risk control and claim services to our clients. This allows us to tailor our activities to address your specific needs and objectives. Our Risk Control Consultants specialize in areas such as fire protection engineering, risk assessments, vehicle safety, law enforcement risk control consulting, crisis response, workers' compensation programs, OSHA compliance, etc.

Following is Organizational Chart.



**Response to Reference List**

Name	Contact	Services/Length
Maricopa County Community College District	Ms. Ruth A, Unks, ARM Risk Manager <a href="mailto:Ruth.unks@domail.maricopa.edu">Ruth.unks@domail.maricopa.edu</a> 480.731.8879	Brokerage and consulting services in placement of Property, Equipment Breakdown, Fine Arts, General Liability, Auto Liability, Educators Legal Liability, Aviation, Bonds, Excess Workers' Compensation, Specialty Liability Programs Client since 2002
Valley Metro Rail, Inc. dba METRO and Valley Metro RPTA	Mr. Mike Ladino General Counsel <a href="mailto:MLadino@valleymetro.org">MLadino@valleymetro.org</a> 602.744.5599	Brokerage and consulting services in placement of Commercial Property, Inland Marine-Rolling Stock and Town Lake Bridge, DIC/Excess Flood, \$100mil Excess Liability program for both light rail and bus/transit, Commercial Auto, Pollution Legal Liability and Crime. Gallagher client since 2009. Was also a client at former employer.
City and County of Denver/Department of Aviation	Ms. Kate Tremblay, MBA Risk Manager <a href="mailto:Kate.Trembaly@flydenver.com">Kate.Trembaly@flydenver.com</a> 303.342.2152	OCIP/ROCI Broking, Risk Control, Claim Advocacy and Program Administration Services for Airport Projects including Builders' Risk, General Liability, Workers' Compensation, Contractors Pollution, OPPI (Professional) Client since 2007
City of Bellevue, Washington	Ms. Joanne Nicolai, ARM Risk Manager <a href="mailto:JNicolai@ci.bellevue.wa.us">JNicolai@ci.bellevue.wa.us</a> 425.452.2011	Brokerage and consulting services in placement of Property, Equipment Breakdown, Fine Arts, Public Entity Liability, Aviation, Bonds, Excess Workers' Compensation, Specialty Liability Programs. Client since 2004
Colorado Counties Casualty and Property Pool 800 Grant Street, Ste 400 Denver, CO 80203	Allen Chapman, Executive Director <a href="mailto:achapman@ctsi.org">achapman@ctsi.org</a> 303.861.0507 ext 106	Brokerage and consulting services in placement of Property, Equipment Breakdown, Public Entity Liability, Crime, Excess Workers' Compensation, and ancillary lines for members. Client since 2004

**Response to Industry Knowledge/Additional Information**

As noted by our premium volume section, Gallagher has extensive experience with large public entity risk management insurance programs. For over 30 years we have been working with public entities both large and small. Our clients include cities, counties, school districts, state governments, tribal governments, special districts and transit authorities. We also service large public entity risk pools.

Gallagher's dedication to the public sector is evidenced by our national Public Sector Practice Group, which offers targeted expertise, resources and support for our clients. We have made a corporate commitment to the public sector. The Public Sector Practice Group is Gallagher's oldest and largest practice group. Our expanding client list, market

relationships and staffing reflects this focus. This niche services more public entities than any other brokerage firm in the nation. All of the members of this niche focus on public entity clients. This group meets periodically to exchange ideas, discuss trends, seek advice from other experts, review carrier offerings and evaluate new insurance products. This approach ensures our client service teams have a deep understanding of public entities' unique needs.

Our team is committed to serving our clients and we are mindful of the trust that they have placed in us. Our professionals are specialists, not generalists and we encourage innovation at all levels of our organization. Over the years, we have established cross-divisional strengths. We have found this approach optimizes our value to clients in those areas and enables us to structure programs and services that best address their needs.

Gallagher has been in business for over 86 years and has provided insurance brokerage services to public entities since its earliest history. We believe our long-term relationship with the markets and the services we provide compliment and support the County's risk management needs and supports the County's strategic plans, goals and objectives. It is our goal to provide superior risk financing mechanisms and risk management services to the County while protecting the financial viability of the County.

**Example**

We would like to provide a recent example from our renewal marketing efforts for the County's March 1, 2013 Public Entity Liability Program (General Liability, Law Enforcement Liability, Auto Liability and Public Officials Liability) to illustrate the expertise and bench strength we have on our Public Entity Team.

Coverage was marketed in 2012 and the primary carrier moved from CV Starr to Star Insurance Co due to the competitive coverage and premium obtained from Star. Due to potential losses and diverse exposures for a county the size of Maricopa, pricing is more expensive in the primary coverage layer. As the expiring terms from Star Insurance were very competitive, the renewal strategy was to *only* approach the incumbent carriers (Star Insurance Co., Endurance American Specialty, Westchester Fire Insurance Co. and Arch Insurance Co.) in effort to achieve the expiring pricing and program structure of \$50,000,000 in limits with a \$5,000,000 SIR. On 12/19/2012, at the beginning of the marketing process, Star Insurance sent a notice of non-renewal. Star's parent company indicated reason for the non-renewal was they were looking for a new primary carrier. On 2/1/2013 we were notified the parent company was unable to secure a replacement carrier. Since Star Insurance provided the primary \$15,000,000, this quickly became a problem as we were now without a primary carrier and only thirty days from renewal.

We quickly assembled a team of seven Gallagher Public Entity specialists to immediately canvass the marketplace and to strategize with the County Risk Management Team on program design. We leveraged our market relationships at the highest levels; we divided the team to attend multiple in-person underwriter meetings and had regular status meetings with the County's Risk Management Team. Additionally, the efforts and collaboration from the County's Risk Management Team in providing additional information, revising loss information and answering a myriad of questions from underwriters was critical to our success.

Even though negotiations went up to the last minute, we were able to secure a new program structure allowing the County to maintain its \$50,000,000 limits and \$5,000,000 SIR. To note, Star Insurance Co. was downgraded by AM Best on August 2, 2013. We feel the County's new program structure is secure with financially sound insurance carriers.

**Response to Audited Financial Statement**

Arthur J. Gallagher & Co. is a publicly traded company on the New York Stock Exchange and we invite you to visit our website at [www.ajgrms.com](http://www.ajgrms.com). Financial Statements are provided on our website under Investor Relations tab.

**Response to Certificate of Insurance**

On Page 25 is a Memorandum of Insurance document (MOI) which provides information about our insurance program. This information includes policy numbers, limits and insurance companies. This document is prepared for your review. If Gallagher is awarded the contract, a Certificate of Insurance will be provided evidencing the required coverages.

Memorandum of Insurance						Date 10/01/12	
<p>This Memorandum is issued as a matter of information only to authorized viewers for their internal use only and confers no rights upon any viewer of Memorandum. This Memorandum does not amend, extend or alter the coverage described below. Copyright 2005 Arthur J. Gallagher Risk Management Services, Inc. Arthur J. Gallagher Risk Management Services, Inc. ("Gallagher") grants permission to you to view, copy, print and distribute the information found on this Site provided that the above copyright notice appears on all copies, that use is internal to you or for personal noncommercial informational purposes only, and that no modification is made to any materials. Any modification, use, reproduction or distribution of this Site or its contents must be first approved by Gallagher in writing. You will not suffer or permit any unauthorized use of any Gallagher trademark, service mark or logo. This Site and its contents, including but not limited to text, graphics, images, software, copyrights, trademarks, service marks, logos, and brand names ("Content"), are protected under both United States and foreign laws, and Gallagher or its affiliated entities retain all right, title and interest in and to the Content, all copies thereof, and all copyrights and other proprietary rights therein. The information contained herein is as the date referred to above. Arthur J. Gallagher Risk Management Services, Inc. shall be under no obligation to update such information.</p>							
<b>Producer</b> Arthur J. Gallagher Risk Management Services, Inc. Two Pierce Place				<b>Companies Affording Coverage</b>			
				Co. A		ARCH INS CO (A XV)	
				Co. B		COMMERCE & INDUSTRY INS CO (A XV)	
				Co. C		LIBERTY MUT FIRE INS CO (A XV)	
				Co. D		INDIAN HARBOR INS CO (A XV)	
				Co. E		FEDERAL INSURANCE CO (A++ XV)	
<b>Insured</b> Arthur J. Gallagher & Co. and its subsidiaries The Gallagher Centre Two Pierce Place Itasca, IL 60143							
<b>Coverages</b>							
The policies of insurance listed below have been issued to the insured named above for the policy period indicated, notwithstanding any requirement, term or condition of any contract or other document with respect to which this memorandum may be issued by or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies. Limits shown may have been reduced by paid claims.							
CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE	POLICY EXPIRATION DATE	LIMITS LIMITS IN USD UNLESS OTHERWISE INDICATED		
A	General Liability Commercial General Liability Occurrence Per location Aggregate	41GPP4938405	10/01/12	10/01/13	General Aggregate	3,000,000	
					Products -Comp/ Op Agg	3,000,000	
					Personal and ADV Injury	1,000,000	
					Each Occurrence	1,000,000	
					Damage to Rented Premises (Each occurrence)	100,000	
A	Automobile Liability Any Auto	41CAB4939005 41CAB4938305	10/01/12 10/01/12	10/01/13 10/01/13	Combined Single Limit	2,000,000	
					Bodily Injury (per person)		
					Bodily Injury (per accident)		
B	Excess/Umbrella Liability Retention: \$10,000	BE 067656028	10/01/12	10/01/13	Each Occurrence	25,000,000	
					Aggregate	25,000,000	
A	Workers' Compensation / Employers Liability	41WCI4938205 41WCI4938105	10/01/12 10/01/12	10/01/13 10/01/13	Workers Comp Limits	Statutory	
					EL Each Accident	1,000,000	
					EL Disease- Policy Limit	1,000,000	
					EL Disease - Each Employee	1,000,000	
C	Property	YU2L9L452870012	10/01/12	10/01/13	Blanket Bldg & PP	10,000,000	
E	Crime/Fidelity (Employee Dishonesty)	81326283	09/01/12	09/01/13	Single Limit	15,000,000	
D	Errors & Omissions (Claims Made)	ELU12691512	09/01/12	09/01/13	Each Wrongful Act	20,000,000	
					Aggregate	20,000,000	
<b>Description of Operations / Other Information:</b>							
The Memorandum of Insurance serves solely to list insurance policies, limits and dates of coverage. Any modifications hereto are not authorized.							

**ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES, INC., 8800 E CHAPARRAL RD, STE 230, SCOTTSDALE, AZ 85250**

Terms: NET 20

Vendor Number: 2011003916 0

Telephone Number: 480-845-6209

Fax Number: 602-244-2242

Contact Person: Karen L. Graham

E-mail Address: [karen\\_graham@ajg.com](mailto:karen_graham@ajg.com)

Certificates of Insurance Required

Contract Period: To cover the period ending **September 30, 2016 2017.**