

**OAK RIDGE CITY COUNCIL
SPECIAL MEETING**
Multipurpose Room, Central Services Complex

August 18, 2015—6:00 p.m.

AGENDA

I. ROLL CALL

II. RESOLUTIONS

A RESOLUTION WAIVING COMPETITIVE BIDS AND MAKING AN AWARD TO TENNESSEE MUNICIPAL LEAGUE RISK MANAGEMENT POOL FOR PROPERTY, LIABILITY, AND WORKERS' COMPENSATION INSURANCE FOR FISCAL YEAR 2016 IN THE ESTIMATED AMOUNT OF \$1,305,000.00.

III. ADJOURNMENT

ADMINISTRATIVE MEMORANDUM
15-11

DATE: August 12, 2015

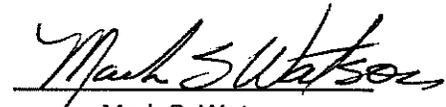
TO: Diana R. Stanley, City Clerk

FROM: Mark S. Watson, City Manager

SUBJECT: SPECIAL MEETING OF CITY COUNCIL

In accordance with Article II, Section 2, of the Charter of the City of Oak Ridge, Tennessee, a special meeting of City Council is hereby called for Tuesday, August 18, 2015 at 6:00 p.m., in the Multipurpose Room of the Central Services Complex, 100 Woodbury Lane for consideration of the following resolution:

A RESOLUTION WAIVING COMPETITIVE BIDS AND MAKING AN AWARD TO TENNESSEE MUNICIPAL LEAGUE RISK MANAGEMENT POOL FOR PROPERTY, LIABILITY, AND WORKERS' COMPENSATION INSURANCE FOR FISCAL YEAR 2016 IN THE ESTIMATED AMOUNT OF \$1,305,000.00.


Mark S. Watson

PERSONNEL DEPARTMENT MEMORANDUM
15-103

DATE: July 29, 2015
TO: Mark S. Watson, City Manager
FROM: Penelope H. Sissom, Personnel Director
SUBJECT: PROPERTY, LIABILITY AND WORKERS' COMPENSATION INSURANCE

Introduction

An item for the agenda is a resolution waiving competitive bids and making an award to Tennessee Municipal League Risk Management Pool for property, liability, and workers' compensation insurance for Fiscal Year 2016 in the estimated amount of \$1,305,000.00.

Funding

Funds are available in the FY2016 budget.

Background

The City has been insured by the Tennessee Municipal League Risk Management Pool for several years for property, liability and workers' compensation insurance and has been satisfied with the relationship and their service. In addition to having established contacts, since all three of these elements are with the Pool, we receive over \$26,000.00 per year savings as well as a \$5,000.00 per year full package discount because the City is a member of TML. We participate in the Pool's Matching Safety Grant Program that allowed us to provide a "Critical Collision and Prevention Technique" defensive driving course for approximately 200 employees and will allow us to conduct baseline Hepatitis testing for all Public Safety personnel.

In addition to providing our basic insurance the Pool also provides case management for workers' compensation claims, investigative services on all types of claims as requested, free property appraisal of City facilities, consultative engineering services and legal staff for workers' compensation and Federal lawsuits.

As City Council is aware from periodic memoranda from City Attorney Krushenski, the City is involved in several litigation cases in which the Pool is providing legal assistance. We also have some current workers' compensation cases and several long standing injuries that have been settled with open medical. In both the litigation cases and the on-the-job injuries, a monetary relationship would have to continue with the Pool and consistency is paramount to successful litigation.

While the City could go out for bids for property, liability and workers' compensation insurance, there are few companies that provide comprehensive municipal insurance coverage. Historically, we have also found that companies will bid a low amount to get the business; and then come up with significant increases in subsequent years.

The estimated cost for continuing the property, liability and workers' compensation insurance for FY 2016 is \$1,305,000.00 up from the \$1,242,000.00 estimated for FY2015. This increase is due in part for coverage for new equipment purchases primarily in the Fire and Police Department as well as a substantial claim due to a lightning strike of the Public Safety Mobile Tower. Hopefully, the FY2016 amount will be adjusted to a lower amount when all claims for FY 2015 are finalized.

Recommendation

Approval of the attached resolution is recommended. As a reminder, the resolution waives competitive bidding which will require unanimous consent. If you need additional information, please let me know.



Penelope H. Sissom

cc: Janice E. McGinnis, Finance Director

Attachment: Resolution

City Manager's Comments:

I have reviewed the above issue and recommend Council action as outlined in this document.

 8/3/15

Mark S. Watson Date

RESOLUTION

A RESOLUTION WAIVING COMPETITIVE BIDS AND MAKING AN AWARD TO TENNESSEE MUNICIPAL LEAGUE RISK MANAGEMENT POOL FOR PROPERTY, LIABILITY, AND WORKERS' COMPENSATION INSURANCE FOR FISCAL YEAR 2016 IN THE ESTIMATED AMOUNT OF \$1,305,000.00.

WHEREAS, the City of Oak Ridge has need for certain routine materials, equipment and services during Fiscal Year 2016 (July 1, 2015 through June 30, 2016) that do not lend themselves to the normal competitive bidding procedure; and

WHEREAS, the Tennessee Municipal League Risk Management Pool (TML) has been the City's provider for property, liability, and workers' compensation insurance for several years; and

WHEREAS, the City receives a discount on these services by using TML for all three types of insurance and receives an additional discount as a TML member city; and

WHEREAS, TML provides satisfactory service to the City for these services, as well as provides case management services for workers' compensation claims, investigative services as requested for various types of claims, free property appraisal services for City facilities, consultative engineering services, and legal services for worker's compensation and certain lawsuits; and

WHEREAS, the City Manager recommends that competitive bids be waived and award be made to TML for property, liability, and workers' compensation insurance.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

That the recommendation of the City Manager that competitive bids be waived is approved and award is hereby made to Tennessee Municipal League Risk Management Pool for property, liability, and workers' compensation insurance for FY2016 (July 1, 2015 through June 30, 2016), in the estimated amount of \$ \$1,305,000.00.

BE IT FURTHER RESOLVED that the Mayor is hereby authorized to execute the appropriate legal instruments to accomplish the same.

This the 18th day of August 2015.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Ellen D. Smith, Mayor Pro Tem

Diana R. Stanley, City Clerk