



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 6/21/2016

ALL

Item Creation Date: 6/2/2016

ARA-HITS Radio Equipment and Tower Insurance Policy

Background:

The Administration & Regulatory Affairs Department recommends that City Council approve an ordinance authorizing the Radio Equipment and Tower Insurance policy proposed by Texas Municipal League (TML) Intergovernmental Risk Pool.

This insurance covers the City-wide public safety radio communication system used by the Police Department, Fire Department, Public Works & Engineering, and other City departments. The system consists of radio and network equipment installed at approximately fifty-three locations (self-contained prefabricated buildings or existing buildings) across the City and surrounding areas. The total value of the equipment, towers, and prefabricated buildings is \$81,245,010.00.

A Request for Proposals for Radio Equipment and Tower Insurance was issued and advertised on April 15, 2016 and April 22, 2016 for a one-year policy effective July 1, 2016. Additionally, McGriff, Seibels & Williams (McGriff) solicited proposals from forty-nine insurance carriers and TML; TML submitted a proposal for \$254,093.00. A proposal for a premium of \$487,691.00 in a layered program structure was proposed by the following participating carriers: Lexington, Arch Specialty, Colony Specialty, Scottsdale, and One Beacon. The TML proposal meets or exceeds minimum proposal specifications.

The terms of the proposed policy are:

Term: July 1, 2016 to July 1, 2017

Insurance Carrier: Texas Municipal League Intergovernmental Risk Pool

Total Premium Cost: \$254,093.00 (Payment due immediately upon receipt of invoice.)

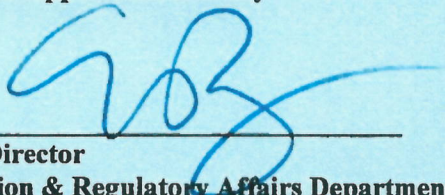
Insured Limit: \$81,245,010.00 (Replacement Cost Basis)

Type of Coverage: All Risk Coverage (including Flood, Windstorm/Hail and Earthquake for communication equipment, towers and self-contained prefabricated buildings used to house the equipment).

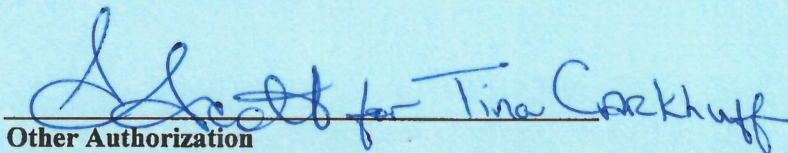
Deductibles: \$50,000 per occurrence for all perils, except:

- a) \$100,000 per occurrence for flood and earthquake
- b) Named storm flood is 1% of scheduled values and will apply separately to building and contents values
- c) Named storm tidal flooding/storm surge is 2% of scheduled values and will apply separately to building and contents values

Departmental Approval Authority:



Tina Paez, Director
Administration & Regulatory Affairs Department



Other Authorization

Prior Council Action:

Ordinance 2015-595

Amount of Funding:

\$254,093.00 Policy Premium (FY 2017) -- Property / Casualty Fund: 1004

Contact Information:

Lara Cottingham Phone: (832) 393-8503

Tina Paquet Phone: (832) 393-8792