

ORDINANCE NO. _____

AN ORDINANCE WAIVING FORMAL BIDDING REQUIREMENTS FOR COMPREHENSIVE LOSS AND BUSINESS INTERRUPTION INSURANCE FOR THE MURRAY HYDROELECTRIC PLANT; AUTHORIZING THE MAYOR TO EXECUTE AN INSURANCE AGREEMENT; DECLARING AN EMERGENCY; AND FOR OTHER PURPOSES.

WHEREAS, Ark. Code Ann. § 14-58-303 requires City purchases exceeding the amount of \$20,000 to follow statutory procedures of local advertisement and opening of sealed bids which may only be waived in exceptional situations where bidding is deemed not feasible or practical; and

WHEREAS, insurance coverage for the Murray Hydroelectric Plant is specialized coverage, and The Holmes Organisation has obtained quotes from companies offering this type of coverage as shown on the incumbent comparison attached hereto as Exhibit "A"; and

WHEREAS, the combined proposal of Aegis and Liberty with an annual premium of \$245,176 (*representing a 7.39% reduction*) was the lowest bid submitted; and

WHEREAS, it is in the best interests of the City to accept the combined proposal of Aegis and Liberty to insure the City's interests in the Murray Hydroelectric Plant.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NORTH LITTLE ROCK, ARKANSAS:

SECTION 1: That formal bidding is hereby waived, and the Mayor and City Clerk are hereby authorized to enter into an agreement for comprehensive loss and business interruption insurance coverage for the Murray Hydroelectric Plant with The Holmes Organisation pursuant to the insurance proposal attached hereto as Exhibit "A" with Aegis and Chartis as the providers.

SECTION 2: That the annual premium in the amount of \$245,176 has previously been included in the North Little Rock Electric Department's budget for 2015.

SECTION 3: That all ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of the conflict.

SECTION 4: That the provisions of this Ordinance are hereby declared to be severable, and if any section, phrase or provision shall be declared or held invalid, such invalidity shall not affect the remainder of the sections, phrases or provisions.

SECTION 5: It is hereby found and determined that the insurance on the Murray Hydroelectric Plant will lapse at the end of this month and must be replaced immediately to maintain continuous coverage and being necessary for the immediate preservation of the public health, safety and welfare; THEREFORE, an emergency is hereby declared to exist, and this Ordinance shall be in full force and effect from and after its passage and approval.

PASSED:

APPROVED:

Mayor Joe A. Smith

SPONSOR:

ATTEST:



Mayor Joe A. Smith

Diane Whitbey, City Clerk

APPROVED AS TO FORM:



C. Jason Carter, City Attorney

PREPARED BY THE OFFICE OF THE CITY ATTORNEY/b

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| FILED <u>11:08</u> A.M. _____ P.M. |
| By <u>Deputy City Atty Fleming</u> |
| DATE <u>3/17/15</u> |
| Diane Whitbey, City Clerk and Collector North Little Rock, Arkansas |
| RECEIVED BY <u>D. Whitbey</u> |

City of North Little Rock - Murray Hydroelectric Plant

Policy Term 03/01/2015 to 03/01/2016

| Coverage | Expiring Policy | | 15/16 Renewal | |
|------------------------------------|------------------|----------------------|------------------|--------------------|
| | 03/01/2014-2015 | | 03/01/2015-2016 | |
| Property | | | | |
| Underwriting Company | AIG - 50% | Liberty - 50% | AIG - 50% | Liberty 50% |
| Premium including Terrorism | | \$256,227 | | \$245,176 |
| AR Surplus Lines Tax (4%) | | \$5,001 | | N/A |
| Engineering Fee | | \$3,500 | | N/A |
| Brokerage Fee | | N/A | | N/A |
| Total Program Cost | | \$264,728 | | \$245,176 |
| <i>Premium Change (+/-)</i> | | | | -7.39% |
| Exposures | | | | |
| <i>Property</i> | | \$114,544,809 | | \$114,544,809 |
| <i>Business Income</i> | | \$4,283,000 | | \$5,006,000 |
| | | \$118,827,809 | | \$119,550,809 |
| <i>Exposure (+/-)</i> | | | | 0.61% |
| <i>Program rate</i> | | 0.2228 | | 0.2051 |
| <i>Rate (+/-)</i> | | | | |