



Michael J. Garcia, Mayor

The Purchasing Memo

DATE: June 24, 2026

TO: Finance Committee, Governing Body

FROM: Andrea Phillips, Deputy City Manager *AKP*
Melanie Lovato, Risk Analyst

VIA: Brian Moya, Interim City Manager

RE: Contract Amendment #2: Request for Approval of Renewal of Comprehensive Insurance Program for Plan Year 2026-27

Vendor Name: Arthur J. Gallagher (through various insurance carriers)

Munis Vendor #: 8195

ITEM AND ISSUE:

The City Manager's Office/Risk and Safety respectfully requests your review and approval for Contract Amendment #2 to Arthur J. Gallagher's insurance contract and to bind these coverages with the estimated premiums for plan year 2026-2027 for a not to exceed amount of \$4,177,105.76.

CONTRACT NUMBER:

The contract number is #3260029.

BACKGROUND AND SUMMARY:

Arthur J. Gallagher ("Contractor") was selected in 2025 through a competitive RFP process (RFP #25127) to serve as the City's broker for comprehensive insurance coverage for a four-year period. The City's plan year is July 1 to June 30 and each year the City must renew these policies. Funding for insurance premiums is budgeted in the adopted FY27 budget. The Contractor will present the quotes received from carriers for various lines of insurance and will discuss the plan limits and premiums for the upcoming plan year.

City Council

Alma G. Castro, District 1

Elizabeth "Liz" Barrett, District 2

Lee Garcia, Mayor Pro Tem, District 3

Jamie Cassutt, District 4

Patricia Feghali, District 1

Paul C. Bustamante, District 2

Pilar F.H. Faulkner, District 3

Amanda Chavez, District 4

Staff seek approval from the Governing Body on the selected lines of insurance and premiums for the 2026-27 plan year and authority to bind the insurance agreements through the broker with various carriers. The City is partially self-insured, with SIR (self-insured retention) amounts for each policy.

Contract Amendment #1 provided an additional \$174,000 for a line of coverage that was missing in the initial contract and an additional estimate for premiums that could increase due to mid-year audits of the city's vehicles and equipment listing and workers' compensation rolls for a new total amount of \$4,133,989.08. In the proposed Contract Amendment #2, the excess liability policy for non-law enforcement and law enforcement includes an SIR (Self Insured Retention) rate of \$750k, a reduction from current policy.

The City continues to make strides in identifying and addressing risk issues to reduce exposure and claims. Overall, premiums are similar or slightly lower from FY 2026. The estimated total for the upcoming plan year is \$4.2 million should these coverages be selected by the City.

Proposed Insurance Coverages and Estimated Annual Premiums include:

Property including B & M- <i>AIG Specialty Insurance Co.</i>	\$ 488,316.62
Crime- <i>National Union Fire Insurance Co.</i>	8,065.00
Fine Art- <i>StarNet Insurance Company</i>	5,870.00
Automobile PD and Contractors Equipment - <i>Hanover Insurance Co.</i>	201,230.00
Excess Liability (non-law enforcement)- <i>Gemini Insurance Co.*</i>	1,542,984.00
Excess Liability (law enforcement)- <i>Lexington Insurance Co.*</i>	963,644.57
Cyber Liability- <i>Chaucer Insurance Co.</i>	59,412.13
Fiduciary Liability- <i>National Union Fire Insurance Co.</i>	11,300.00
Storage Tank Liability- <i>Ace American Insurance Co. of Pittsburgh</i>	4,523.00
Excess Workers' Compensation- <i>Midwest Employers Company</i>	265,002.00
Aviation Liability- <i>Starr Indemnity</i>	14,164.00
Environmental (pollution) Liability (City)- <i>Evanston Insurance Company</i>	141,114.11
SFUAD Campus-various**	347,933.82
Terrorism-	23,546.49
Estimated add'l for audit changes/additional premiums	100,000.00
Total Premiums	\$ 4,177,105.76

*SIR at \$750,000 (down from \$1 million)

**SFUAD—*Santa Fe University of Art and Design (Midtown Campus)* -various coverages for property and excess property

ATTACHMENTS:

Contract Amendment #2

Arthur J. Gallagher Program Proposal Renewal Quotes

PRIOR APPROVALS AND SUPPORTING INFORMATION:

FUNDING SOURCE:

Fund Name/Number: Risk Fund (600) and Workers Comp Fund (610)

Munis Org Name/Number: Risk Admin/6001750 and Workers Comp/6100231

Budget Officer / Designee: _____ **Date:** _____

Budget Officer Comment/Exceptions: _____

PROCUREMENT METHOD:

The procurement method used was: NMSA 1978, Section 13-1-111, RFP

Arthur J. Gallagher was selected through a competitive RFP process (#25127) to serve as the City's broker for comprehensive insurance coverage.

Chief Procurement Officer (CPO)/Designee: _____ **Date:** _____

CPO Comment/Exceptions: _____

ASSOCIATED APPROVALS:

IT Components included? Yes | No

Treasury/Point of Sale Components included? Yes | No

Vehicles included? Yes | No

Construction to City Facilities, Furniture, and/or Fixtures included? Yes | No

Is this an externally funded purchase? Yes | No

Is this a Capital Asset or Project? Yes | No

