

Date of Action:	
Approved <input checked="" type="checkbox"/>	Denied <input type="checkbox"/>
By: <i>[Signature]</i>	

CITY COUNCIL ACTION MEMORANDUM

AM No. 14-16: Awarding a three (3) year contract to Combs Insurance Agency, Inc. in the amount of \$78,000 for Insurance Brokerage Services.

Originator: April Dwyer, Purchasing/Contracting Officer

Date: 4/30/2014

Agenda of: 5/12/2014

Route to:	Department Head	Signature	Date
X	Chief of Police	<i>[Signature]</i>	5/5/14
X	Public Works Director	<i>[Signature]</i>	4/30/14
X	Recreation & Cultural Services Director	<i>[Signature]</i>	4-30-14
X	Finance Director	<i>[Signature]</i>	4-30-14
X	Deputy Administrator	<i>[Signature]</i>	5/2/14
X	City Clerk	<i>[Signature]</i>	5/6/14

Reviewed by Mayor Verne E. Rupright: *[Signature]*

Fiscal Impact: yes or no

Funds Available: yes or no

Account name/number/amount:

Purchased Services- Insurance xxx-xxxx-xxx-50-20 (multiple accounts) \$78,000

Attachments: Combs Insurance Agency Proposal (20 pages)
 Combs Insurance Agency Cost Proposal (1 page)

Summary Statement: In accordance with WMC 5.08.120, on February 28, 2014, the City of Wasilla issued Request for Proposal 0228-0-2014/AD for Insurance Brokerage Services (property, liability, automobile and workers compensation). The objective is to secure an insurance broker that will seek the best insurance rates for the City and serve as an independent focal point for all claims and insurance related matters.

On April 14, 2014 one proposal was received. This proposal was from Combs Insurance Agency, Inc. The city's current broker is Combs Insurance Agency. The fee proposed will not increase with this contract award, nor will it increase over the second and third year term.

Staff Recommendation: Adopt AM No. 14-16.

**City of Wasilla - Request for Proposal
#0228-0-2014/AD**

5.3. Statement of interest and qualifications.

5.3.1. Firms Organization.

Combs Insurance Agency, Inc. has 10 full time employees to effectively service all clients needs. Exclusive operations for the City of Wasilla will be managed at our Palmer location at 341 S Alaska Street . We have designated the full-time key personnel listed below to be assigned to the City's team.

Michael F. Combs, CIC, CRM	President, Primary Account Executive
Aaron E. Combs, Jr. CIC	Vice President, Secondary Account Executive
Cheryl R. Combs, CISR	Senior Account Manager
Tamara M. Combs, CIC	Assistant Account Manager
Kathy L. Jackson, CIC	Assistant Account Manager

Our office location, contact information and website address are as follows:

341 South Alaska Street
Palmer, AK 99645
Telephone: (907) 745-2144
Facsimile: (907) 745-7275
Toll Free Number: 1-800-478-2144
Website: <http://www.combsinsurance.com>

Organization information (Rider #3, TAB #4)

Combs Insurance Agency was founded in 1967 by Earl & Mary Combs. In 1977 Combs Insurance Agency was incorporated. During that time we began offering insurance services to the Matanuska Susitna Borough we have grown to become one of the largest insurance firm in the valley providing all available commercial property & casualty insurance and risk management services.

At Combs Insurance we focus on the clients needs, not ours. We have integrated into the community over the last 47 years, getting to know our clients personally while working with them to make the most appropriate risk management decisions.

Our area of expertise includes governmental entities including municipalities, school districts, village organizations, as well as public entity organizations, construction contractors, retail & wholesale operations and entertainment.

**City of Wasilla - Request for Proposal
#0228-0-2014/AD**

5.3.1. Continued.

We have many long term clients that rely on Combs Insurance for their insurance brokerage services. We have enjoyed a long term relationships with major insurance clients by meeting service and expertise requirements of the individual company management.

We provide full insurance brokerage services to the following list of clients:

	Continuous client since	Sector
Alaska Family Services, Inc.	1994	Private
Alaska State Fair, Inc.	1975	Private
Aleutian Region School District	2005	Public
City of Wasilla	2008	Public
Denali Borough School District	2013	Public
Lake & Peninsula School District	2002	Public
Lower Kuskokwim School District	2002	Public
Lower Yukon School District	2002	Public
Matanuska Telephone Assoc., Inc.	1988	Private
Mat-Su Health Services, Inc.	1997	Private
Mat-Su Services for Children and Adults, Inc.	1997	Private
Native Village of Kwinhagak	1999	Private
Northwest Arctic Borough School District	2009	Public

Each of the above entities were provided with the full services as described in 5.3.1.4

The annual premium size varies greatly from one entity to another, but they range between \$80,000.00 to \$1,400,000.00 for property and casualty insurance services.

Continually striving for excellence, Combs Insurance requires all employees, including the owners to attend a minimum of 20 hours of continuing education training each year. This is 40% higher than required by the Division of Insurance to maintain their insurance license. This commitment to education allows Combs Insurance to be kept abreast of the latest insurance innovations of risk transfer and forms application. Our superior knowledge is shared with our wide scope of clients as a value added benefit of our insurance brokerage services.

Certificate copies (Rider # 4 , TAB #5)

Combs Insurance operates under the philosophy that your success is our success. We will continue to advance our knowledge of the insurance industry, with our clients as the prime beneficiary.

5.3.1.1. Company ownership.

Combs Insurance was incorporated in the State of Alaska on May 12, 1967.
Combs Insurance operates under Wasilla license #14 00000205.
Matanuska Susitna Borough license #MLB-05969.
State of Alaska license #7758.

Our key corporate officers and owners are as follows:

Michael F. Combs, President
Aaron E. (Ron) Combs, Vice President
Cheryl R. Combs, Secretary/Treasurer
Tamara M. Combs, Director
David H. Combs, Director

License copies (Rider #6, TAB #7)

5.3.1.2. Disclosure of any contract failures, contract breaches, civil or criminal litigation or investigation.

Combs Insurance Agency, Inc. has never been involved with any prior or ongoing contract failures, contract breaches, or any related civil or criminal litigation or investigations.

5.3.1.3. Location of company offices.

Combs Insurance is located at 341 S. Alaska Street Palmer, Alaska.
This location will be used exclusively to service the City of Wasilla account.

5.3.1.3.1. Location from which employees will be assigned.

All employees will be assigned to this Palmer, Alaska location.

5.3.1.4. State whether your firm has been engaged under contract by any Alaskan State or Municipal Agency during the last two years.

We have been providing contract services to the following Alaskan State and Municipal Agencies for over two years.

Lower Kuskokwim School District	2002 to present.
Lower Yukon School District	2002 to present.
Lake & Peninsula School District	2002 to present.
Aleutian Region School District	2005 to present.
City of Wasilla	2008 to present.
Northwest Arctic Borough School District	2009 to present.

The following is a sampling of the minimum services agreement duties that has being executed for each of the above entities. We provide these services to our clients during each term, in addition to traditional insurance handlings.

- a. We will check the wording and accuracy of each policy, binders, certificates, endorsements or other documents that we issue or receive from insurers and obtain revisions to such documents when needed;
- b. We will verify all rates and premium charged for your accounting and audit purposes;
- c. We will be available to answer related insurance questions that the client would have regarding their insurance program, including submission of an annual report on the insurance program;
- d. We will communicate with administration personnel, review current exposures while discussing insurance issues and services as needed;
- e. We will provide loss control suggestions, review and comment on insurer loss control services, especially regarding compliance requests and implementation scheduling;
- f. We will prepare insurance certificates as requested and maintain the list for future use;
- g. We will assist the client in the adjustment and settlement of any claims or losses that occur within the insurance program including coordination with the legal counsel;

5.3.1.4. Current contracts, continued.

- h. We will provide the client with loss data information as supplied by the insurance market and an annual summary of our in-house listing of reported claims, if needed as additional support;
- i. We will solicit insurance proposals from reputable insurance companies prior to the anniversary of each policy term and advise of the expected premiums and conditions for budget forecasting and actual policy premiums;
- j. We will assist in determining the insurable value of the properties owned, operated, or controlled by the client and;
- k. We will perform any reasonable request for insurance services that the client may have during the contract terms to satisfy your risk management service needs;
- l. We will solicit and/or invoice all of the Property & Casualty insurance policy coverage areas including general and professional liability, workers compensation, automobile, directors & officers liability, property, mechanical breakdown, mobile equipment, airport liability and crime insurance "net" of any commission so that the client will be able to identify the cost of insurance and the cost of insurance brokerage services. If any of the Property & Casualty insurance policies are written on a direct payment basis with the insurer, an estimate of the annual commission will be credited toward the broker services fee.; and
- m. All client services are conducted on a direct basis using the personnel from our local firm in Palmer.

5.3.1.5. State whether firm or any of the firm's employees are employed by the City of Wasilla.

Combs Insurance has no employees that are employed by the City of Wasilla, or any of its political subdivisions or by any other governmental agency.

5.3.2. Firms Experience.

Combs Insurance has been providing governmental entity insurance to clients in Alaska since 1975 when we established the initial insurance program for the City of Wasilla.

In the early 1980's we provided services to the City of Palmer and the City of Valdez. In the late 1990's we added several rural City/Village entities including the Native Village of Kwinhagak.

Starting in 2002 we extended our client base to include several large school districts including the Lower Kuskokwim, Lower Yukon and Lake & Peninsula School Districts. Aleutian Region School District was added in 2005, Northwest Arctic Borough School District in 2009 and last year the Denali Borough School District joined our firm.

Combs Insurance will rely on the following employees and their experience and expertise with similar clients for the servicing of the City of Wasilla:

Michael F. Combs, CIC, CRM Primary Day to Day contact.
40 years experience, 38 with governmental and public entity accounts.

Aaron E. (Ron) Combs, Jr. CIC Secondary contact.
38 years experience, 18 with governmental and public entity accounts.

Cheryl R. Combs, CISR Third contact.
32 years experience, 15 with governmental and public entity accounts.

Tamara M. Combs, CIC Backup contact.
15 years experience, 13 with governmental and public entity accounts.

Kathy L. Jackson, CIC Backup contact if the first four are not available.
11 years experience, 9 with governmental and public entity accounts.

Resumes' (Rider # 4, TAB #5)

**City of Wasilla - Request for Proposal
#0228-0-2014/AD**

5.3.2. Firms Experience, continued.

Listed below are actual engagements with similar governmental/institutional agencies. Included are the approximate property schedules, number of employees and automobiles.

Lower Kuskokwim School District	\$508,000,000.00 total insured values
Blair Alden, Business Manager	27 locations, 348 structures
Telephone: (907) 543-4820	850 full or part time employees
FAX: (907) 543-4954	48 scheduled vehicles
E-mail: blair_alden@lkisd.org	

Lower Yukon School District	\$440,000,000.00 total insured values
Jenny Martens, Director of Budget & Finance	10 locations, 135 structures
Telephone: (907) 591-2411	420 full or part time employees
FAX: (907) 591-2206	20 scheduled vehicles
E-mail: jmartens@loweryukon.org	

Lake & Peninsula School District	\$101,000,000.00 total insured values
Laura Hylton, Business Manager	13 locations, 75 structures
Telephone: (907) 246-4280	250 full or part time employees
FAX: (907) 246-4473	25 scheduled vehicles
E-mail: lhylton@lpsd.com	

City of Wasilla	\$85,000,000.00 total insured values
Troy Tankersley, Finance Director	1 location, 69 structures
Telephone (907) 373-9084	115 full or part time employees
FAX: (907) 373-9085	98 scheduled vehicles
E-mail: ttankersley@ci.wasilla.ak.us	

Northwest Arctic Borough School District	\$475,000,000.00 total insured values
Karen Goodwin, Director of Admin. Services	12 locations, 118 structures
Telephone (907) 442-3472	333 full or part time employees
FAX: (907) 442-2636	19 scheduled vehicles
E-mail: kgoodwin@nwarctic.org	

Matanuska Telephone Association, Inc.	\$173,000,000.00 total insured values
Alisha Naylor, Sourcing Supervisor	Numerous locations, 366 structures
Senior Contract Specialist	400 full or part time employees
Telephone: (907) 761-2563	213 scheduled vehicles
FAX: (907) 761-2651	
E-mail: anaylor@mta-telco.com	

5.3.2.1. Years of experience of institutional management.

Collectively—our firm has over 90 years of experience in institutional management of governmental entity clients.

5.3.2.2. Information on the number of licensed agents/brokers.

Principals and support staff licenses:

State of Alaska Producers License

Michael F. Combs	3445
Aaron E. Combs, Jr.	3448
Cheryl R. Combs	4021
Tamara M. Combs	19599
Kathy L. Jackson	34504
Melissa J. Haxton	60408
Melissa A. Visker	65569

Copies of licenses (Rider #6, TAB #7)

5.3.2.3. State the amount of excess premium volume.

The estimated excess premium volume for the past 12 months is \$1,945,000.00

5.3.2.4. List five accounts with primary premium greater than \$250,000.00

Lower Kuskokwim School District

Lower Yukon School District

Matanuska Telephone Association, Inc.

Northwest Arctic Borough School District

City of Wasilla

5.3.2.5. *List five accounts with excess premium greater than \$100,000.00*

Lower Kuskokwim School District

Lower Yukon School District

Matanuska Telephone Association, Inc.

Northwest Arctic Borough School District

City of Wasilla

5.3.2.6. *State whether firms' errors and omissions insurance includes "consultant for fee" coverage.*

Yes, the professional liability errors & omissions insurance policy secured by Combs Insurance Agency, Inc. through Westport Insurance Corporation includes wrongful acts involving the rendering of professional services. Professional services specifically lists consulting for fee as part of the definition. Highlighted sections of the actual policy are included in the attached rider.

(Rider #7, TAB #8)

5.3.2.7. *Proposer shall include a completed Form W-9 with the proposal.*

A completed Form W-9 is included.

(Rider #8, TAB #9)

5.3.3. Firms' personnel.

Combs Insurance Agency, Inc. has assigned the following key personnel to the service and maintenance of the City of Wasilla account.

Michael F. Combs, CIC, CRM Primary Account Executive	President, Major firm owner. 40 years with firm.
---	---

Michael F. Combs, CIC, CRM President of Combs Insurance Agency, Inc. and will be the primary account representative and responsible for the City's insurance program. Michael has been the primary account executive for the past 6 years. Michael has over 40 years experience, 38 with governmental and public entity accounts.

Michael has been primarily responsible for the servicing, maintenance, audit reconciliation, safety and loss control, contract review, marketing and placement since Combs Insurance was awarded this contract in 2008. Michael has worked with several of the personnel within the City regarding the maintenance and placement of these insurance services.

Michael began in the insurance business just out of High School, having obtained his licensed in 1975 and added the following industry designations from the leader in insurance training and testing:

The National Alliance for Insurance Education & Research:

Certified Insurance Counselor – CIC designation 1989

Certified Risk Managers International – CRM designation 2005

Since 1992 Michael have been appointed to served on the Alaska Workers Compensation Rating Review & Advisory Committee. The latest appointment was by Retired Director of Insurance, Linda Hall. He has served as both a committee member and as chairman of the committee.

Michael has delivered expert witness testimony during superior court trials involving insurance coverage disputes.

Michael primarily manages 20-25 commercial accounts including the City of Wasilla all within his current schedule of client services.

Resume' attached.

5.3.3. Firms' personnel, continued

Aaron E. Combs, Jr. CIC Vice President, Major firm owner.
Secondary Account Executive 34 years with firm.

Aaron E. Combs, Jr., CIC Vice President of Combs Insurance Agency, Inc. will be the secondary account representative for the City's insurance program. His backup experience with governmental accounts has been in place for over 18 years.

Ron also began in the insurance business just out of High School, having obtained his licensed in 1976 and having added the following industry designations from the leader in insurance training and testing:

The National Alliance for Insurance Education & Research:

Certified Insurance Counselor – CIC designation 1992

Ron will be the first primary backup for services in the event Michael is not available. Listed on the following page are additional key project staff and service personnel that are available to provide services to the City during the unlikely event that both Michael and Ron would be unavailable at the same time.

Ron's workload includes approximately 25-30 commercial accounts, all within his current schedule of client services. Resume' attached.

Cheryl R. Combs, CISR Secretary/Treasurer, Minority firm owner.
Senior Account Manager Second primary backup. 23 years with firm.
32 years experience, 15 with governmental and public entity accounts. Resume' attached.

Tamara M. Combs, CIC Director, Minority firm owner.
Account Manager Third primary backup. 15 years with firm.
15 years experience, 13 with governmental and public entity accounts. Resume' attached.

Kathy L. Jackson, CIC Backup contact if first four are not available.
Account Manager 9 years with firm.
11 years experience, 9 with governmental and public entity accounts. Resume' attached.

5.3.3.1. Firms' personnel turnover of professional staff.

Combs Insurance has not had any employee turnover since 2011.

5.3.3.2. State number of employees locally and nationally.

Combs Insurance has 10 full time employees, all located in Alaska.

5.3.3.3. Firms' resumes for key staff responsible for performance.

Resume's are included for the key staff at Combs Insurance assigned to Wasilla.

5.4. Identify and describe any anticipated potential implementation problems.

Combs Insurance has continually updated and been kept informed of the City of Wasilla Insurance program since we began servicing your account in 2008. We have reviewed schedules, updated values, solicited alternative market proposals, discussed options regarding controlling and shifting cost and provided assistance with updated contract language for transferring risk to other parties. As such, we feel that the City of Wasilla is well positioned for continuation of your insurance risk placement going forward.

We do not anticipate any renewal implementation problems.

5.5. Methodology—clearly detail the strategy in approaching markets and best representation of the City of Wasilla.

5.5.1. Firms approach to provide insurance brokerage services.

We use the following as our guideline for research, recommendations and placement of your account. However, we can adjust to any timeline desired by the City.

REVIEW PROCESS FOR NEW AND RENEWAL MEETINGS

IDENTIFICATION OF EXPOSURES

Combs Insurance will request a meeting with the City approximately 120 days prior to the renewal dates to research and discuss the following identification processes:

Review the City of Wasilla's plans and operating strategy, exposures, risk management philosophy, program criteria, risk management program goals and objectives including self insured risk tolerance.

We would review the logical classifications of exposures from each of the following groups:

- | | |
|------------------|---|
| Property: | Owned, rented, controlled. Exposures to real property, other tangible property or intangible property. Perils such as fire, windstorm, Earthquake, flood or loss of proprietary information.
Review of construction types, methods and occupancy.
Duplication of critical records and separation of access. |
| Human Resources: | Employment practices, including personnel manuals, safety plans, job descriptions and the use of independent contractors.
Enterprise management of key and essential personnel including perpetuation, duplication of function and segregation of key information. |
| Liability: | Exposures to premises, operations and acts of employees.
Relationship to torts law, contract law or statutory law.
Systematic review of current, future and renewable contracts regarding the indemnification and insurance provisions. |

5.5.1. Firms approach to provide insurance brokerage services, continued

Complete insurance specifications are submitted to the market place approximately 90 days prior to renewal. Our specifications include the following in order to best present the City's position during our negotiations with underwriters:

Full description of operations for the next 12 months.

Overview of the city history & description of named insured listing and additional insured exposures.

Current underwriting information by line of coverage (current data by exposures).

Historical underwriting information - 5 years of loss rating by line of coverage.

Combs Insurance will provide to the City approximately 60 days prior to renewal the schedule of insurance exposures, the proposals received, comparisons from competing markets and information on the service capabilities and financial strength of the insurance markets.

5.5.2. Firms philosophy regarding insurance brokerage services.

Our firm's philosophy and that of the account executive team is to retain known exposure costs, transfer exposures that you cannot control, and purchase insurance to provide adequate protection for the "what if" items that keep risk managers awake at night.

Never trade dollars with insurance companies. If you have a known, manageable and predictable loss exposure it makes little sense to insure the risk. Insurance companies have some of the nicest people working for them but it is a business and their goal is to make a profit. For every dollar that is sent to them as premium, they intend to keep about 35% to cover their costs and profit. The balance is used to adjust and pay claims under the contract. If you have a known, manageable and predictable loss exposure it is money well spent to retain those losses yourself. A thorough discussion must take place regarding the parameters of this decision and we are available to continually discuss that process.

Upon completion of the identification, analysis and control process Combs Insurance will confirm those exposures that should be transferred contractually to the insurance market following a discussion on risk tolerance, especially regarding deductibles and retention limits.

5.5.3. Firms insurance research methodology.

We subscribe to AM Best's Key Rating Guide for analysis of the financial strength of the insurance markets. We are members of the Independent Insurance Agents and Brokers of America that produces weekly bulletins regarding adverse news in the insurance market of the United States. The Alaska Division of Insurance is used as a source to confirm licensing of the various markets that provide insurance related services in Alaska.

Placement decisions are made based upon experience of the insurance market with your particular exposures, loss control service ability, timeliness and fairness of claims handling, appropriate coverage forms and financial ability to service and indemnify potential claims.

5.5.4. Firms policy for allowing the insured full access to working files.

Our firm's approach to providing insurance brokerage services with the City is one of mutual benefit. We sincerely strive to be a business partner with the City. The City utilizes accounting firms for auditing purposes, law firms for legal advice and we desire to be an integral part of your financial resource protection team that involves not only your own risk management personnel, but also our experienced team of insurance professionals. Working together to implement usable risk management plans involving identification, analysis, control, financing, and implementation, the City can plan for acceptable exposures while transferring those exposures identified as potentially financially harmful.

Our firm has several years of experience in the practice of risk management techniques as described above. Our firm has one of the few Certified Risk Managers in Alaska as a major owner of the firm and acting as the account manager for the City. We will continue to work with you to manage risk and control costs. By gathering your input that describes your operations, we will be able to:

- ◆ Analyze the factors and conditions that are contributing to the cost of risk.
- ◆ Develop and present cost effective strategies for dealing with risk, such as retention, transfer, duplicate, segregate or even eliminate.
- ◆ Seek out creative solutions and explore alternatives before recommending the purchase of any additional insurance.
- ◆ Provide a clear, concise explanation of what you are purchasing, what it could ultimately cost and the rationale behind its purchase.

5.5.4. Firms policy for allowing the insured full access to working files, continued.

Combs Insurance is one of the few insurance brokers that offers risk management training to you, at your request in the area of Employment Risk Management Practices which includes comprehensive compliance reviews relating to:

OSHA (Occupational Safety & Health Administration)
COBRA (Consolidate Omnibus Budget Reconciliation Act)
ADA (Americans with Disabilities Act)
EEOC (Equal Employment Opportunity Commission)
Sexual Harassment
Employee Personnel and Operations Manuals

We currently provide an internet connection portal “Combs Connect” that allows the City administration access to a limitless buffet of risk management documents, surveys, brochures and other training tools for their use 24 hours a day, 365 days a year. These services are included at no additional cost to the City. (Rider #9, TAB #10)

Our agency offers general guidance on the above subjects and should not be considered legal advice. We are offering assistance from a risk management perspective to help reduce your exposure and limit your liability.

5.5.5. Firms insurance market availability.

Combs Insurance has a strong presence in the insurance community. Underwriters know that we represent the client’s interest in the marketplace. They respect our complete and thorough submissions and welcome the opportunity to work on our insurance business. This approach to maintaining these underwriting partnerships has allowed Combs Insurance to deliver superior results for our clients even during difficult times. Combs Insurance continues to develop relationships with the following markets:

Insurance Market

Lines of insurance coverage

ACE USA (Property & Casualty)
American International Group
Alaska National Insurance
American Interstate Insurance
Alaska Municipal League/JIA
Alaska Public Entity Insurance
Chubb Group
CNA
Great American Group
Hartford Steam Boiler & Inspection

All lines of coverage.
All lines of coverage.
All lines except aviation.
Workers Compensation.
All lines except aviation.
All lines except aviation.
All lines except aviation.
All lines except aviation.
All lines of coverage.
Equipment breakdown.

5.5.5. Firms insurance market availability, continued.

Liberty Mutual Group	All lines except aviation.
RLI Group (Mt. Hawley)	Excess liability and property.
Umialik/Western National Insurance	All lines except aviation.
Zurich Insurance	Builders Risk/Excess Property.

Due to relationships with general agent markets, we have virtually unlimited access to every insurance market in Alaska. The current list of markets used by the City of Wasilla would accept a Broker of Record continued assignment to Combs Insurance.

5.6. References.

We would like to provide you with the following references. Several of which are sending in Attachment B, Reference Forms.

Lower Kuskokwim School District	Blair Alden, Business Manager
Telephone: (907) 543-4820	FAX: (907) 543-4954
E-mail: blair_alden@lksd.org	

Lower Yukon School District	Jenny Martens, Director of Budget & Finance
Telephone: (907) 591-2411	FAX: (907) 591-2206
E-mail: jmartens@loweryukon.org	

Lake & Peninsula School District	Laura Hylton, Business Manager
Telephone: (907) 246-4280	FAX: (907) 246-4473
E-mail: lhylton@lpsd.com	

Northwest Arctic Borough School District	Karen Goodwin, Dir. of Administrative Svcs
Telephone (907) 442-3472	FAX: (907) 442-2636
E-mail: kgoodwin@nwarctic.org	

Matanuska Telephone Association, Inc.	Alisha Naylor, Sourcing Supervisor, Senior Contract Specialist
Telephone: (907) 761-2563	FAX: (907) 761-2651
E-mail: anaylor@mta-telco.com	

5.7. Subcontracting.

Combs Insurance will not subcontract any of this contract to others.

6. Cost.

Combs Insurance has provided the broker's compensation cost information on a separate attachment.

7. Payment.

7.1. Negotiated payment to City.

The brokers services payment is outlined in the Cost attachment.

7.2. Payment by purchasing card.

The brokers services payment method is outlined in the Cost attachment.

RIDERS

<i>RIDERS</i>	<i>RFP</i> <u>Page #</u>	<i>Section #</i>	<i>Proposal</i> <u>Page #</u>	<u>Tab</u>
#1. <i>Attachment A</i>	2 & 18			2
#2. <i>Attachment D</i>	2, 25 & 26			3
#3. <i>Organizational Chart</i>	6	5.3.1.	1	4
#4. <i>Resumes'</i>	6-7	5.3.1. — 5.3.3.	6	5
#5. <i>Account Team for Wasilla</i>	7	5.3.2. & 5.3.3.	6, 10-11	6
#6. <i>Business Licenses</i>	7	5.3.2.2.	8	7
#7. <i>Professional Liability Confirmation with Certificate</i>	7	5.3.2.6.	9	8
#8. <i>W-9 Form</i>	7	5.3.2.7.	9	9
#9. <i>"Combs Connect" Information</i>	8	5.5.4.	17	10

Request for Proposal No. 0228-0-2014/AD

6. and 7. Cost and payment.

Combs Insurance has included the 'COST PROPOSAL' under separate cover as outlined under submittal requirements 8.3

We propose the following broker services fee schedule:

First Term: July 1, 2014 through June 30, 2015 - \$26,000.00 USD

Second Term: July 1, 2015 through June 30, 2016 - \$26,000.00 USD

Third Term: July 1, 2016 through June 30, 2017 - \$26,000.00 USD

This fee is a fixed amount and it is anticipated that all insurance will be "net" cost to the City with commission removed from the premium. If any commission is inadvertently received by Combs Insurance it will be credited against the current or future fees.

Combs Insurance will invoice the City the broker services fee for each term as scheduled above. All insurance coverage premiums will be invoiced to the City as requested by the insurance market and unless specifically noted on the invoice, remittance is expected during the normal course of accounts payable process by the City. This fee cannot be paid with a purchasing card.