

AN ORDINANCE **100567**

AUTHORIZING THE INTERIM CITY MANAGER OR HIS DESIGNEE TO PURCHASE AIRCRAFT HULL AND LIABILITY INSURANCE FOR THE CITY OF SAN ANTONIO FROM ACE USA GROUP THROUGH MCGRIFF, SEIBELS & WILLIAMS OF TEXAS, INC., THE CITY'S BROKER OF RECORD, AT AN ANNUAL PREMIUM NOT TO EXCEED \$209,403.00, EFFECTIVE MARCH 31, 2005 THROUGH MARCH 31, 2006; AND PROVIDING FOR PAYMENT.

WHEREAS, it is necessary to provide liability and property insurance coverage for helicopters operated by the San Antonio Police Department ("SAPD") to provide protection from liability exposure arising from the operation of the helicopters and insure against physical damage exposure; and

WHEREAS, McGriff, Seibels & Williams of Texas, Inc. ("McGriff"), the City of San Antonio's ("City") broker of record, evaluated the proposals received pursuant to a Request for Proposals soliciting aircraft hull and liability insurance; and

WHEREAS, the proposal received from Phoenix Aviation Managers, Inc. (Phoenix) failed to meet the City's needs in that the Phoenix proposal will not insure student pilots in the manner needed by the City; and

WHEREAS, the proposal from ACE USA ("ACE") was responsive to the City's needs and provides the best overall coverage; and

WHEREAS, SAPD currently operates four helicopters, one of which is presently grounded due to an accident; and

WHEREAS, the proposed policy provides property damage coverage and liability coverage from the operation of three of the helicopters, and physical damage coverage for the fourth helicopter while it is grounded, with the ability to extend the coverage to match the other three, when the fourth is repaired or replaced, and provides additional coverages including cargo legal liability, coverage for spare parts and extra expense coverage, and coverage for the Forward Looking Infra Red System ("FLIRS"); and

WHEREAS, the policy provides liability coverage resulting in third party bodily injury or property damage with a single limit of \$10,000,00.00 per occurrence, with a sublimit of \$5,000.00 per person, per seat in each aircraft for medical payments to passengers and crew members, and a sublimit of \$250,000.00 for the "FLIR" Equipment; and

WHEREAS, for each loss occurrence, the deductible is \$500.00 if the rotors are not in motion, or in flight, and 5% of the insured value if the rotors are in motion or in flight; and

WHEREAS, the initial premium for this policy is \$173,980.00, and a proportionate share of the annual premium of \$35,423.00 for the fourth helicopter at a later date, depending upon when repaired or replaced, for a total maximum premium of \$209,403.00; and

WHEREAS, the City's Broker of Record, McGriff, Seibels & Williams of Texas, Inc., recommends placing the aircraft hull and liability insurance coverage with ACE USA Group; and

WHEREAS, it is necessary to authorize the purchase of the policy through the City's Broker of Record, for the period beginning 12:01 a.m. on March 31, 2005 through 12:01 a.m. March 31, 2006; **NOW THEREFORE**:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The Interim City Manager, or his designee, is hereby authorized to purchase aircraft hull and liability insurance with ACE USA Group through the City's broker of record, McGriff, Seibels & Williams of Texas, Inc., for a one-year period beginning March 31, 2005 and ending March 31, 2006 at an annual premium of \$173,980.00 for three helicopters, with an additional proportionate share of the annual \$35,423.00 premium for the fourth helicopter, if and when repaired or replaced, for a total maximum premium of \$209,403.00. The Interim City Manager, or his designee, is hereby authorized to execute any documents necessary and incidental to the purchase of the insurance authorized herein.

SECTION 2. The amount of \$209,403.00 is authorized to be encumbered in Fund 75-001000, Insurance Reserve Fund, in G/L Account 5402600, entitled Ins Prem Excess Liab, in Fund Center 1009020000, Cost Center 1009020001, and is authorized to be made payable to McGriff, Seibels & Williams of Texas, Inc., for the purchase of Aircraft Hull and Liability Insurance.


SECTION 3. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director, may subject to concurrence by the Interim City Manager or his designee, correct allocations to specific Cost Centers and Fund Numbers as necessary to carry out the purpose of this Ordinance.

SECTION 4. Upon the affirmative vote of at least eight members of the City Council, this ordinance shall become effective immediately; otherwise, it will become effective on April 3, 2005.


PASSED AND APPROVED this 24th day of March, 2005.

ATTEST:


City Clerk


M A Y O R
EDWARD D. GARZA

APPROVED AS TO FORM:


City Attorney