

CITY OF SAN ANTONIO
HUMAN RESOURCES DEPARTMENT
INTERDEPARTMENTAL CORRESPONDENCE

ITEM NO. 18

TO: Mayor and City Council

FROM: Sharon De La Garza, Director of Human Resources Department

THROUGH Terry M. Brechtel, City Manager

COPIES TO: Frances A. Gonzales, Assistant City Manager; Milo Nitschke, Director of Finance; Michael Rich, Rich Manager; File

SUBJECT: Professional Services Contract for Insurance Broker of Record

DATE: August 26, 2004

SUMMARY AND RECOMMENDATIONS

This Ordinance authorizes the City Manager or her designee to execute a contract with McGriff, Seibels & Williams of Texas, Inc., to serve as the City's Insurance Broker of Record. The term of the contract will be for a period of three (3) years beginning September 1, 2004 and ending on August 31, 2007. The Contract may be renewed and extended beyond the date stated above under the same terms and conditions for two (2) additional one (1) year periods, subject to and contingent upon funding by the City Council. The annual cost of the Contract is \$129,500.

Staff recommends approval of this ordinance.

BACKGROUND

The City employs an Insurance Broker of Record to assist the City in obtaining proposals and coverages for excess or difficult to place insurance coverages. The Broker also provides for annual actuarial studies, audits of the Third Party Administrator and Medical Cost Containment Services contractor, and provides up to one hundred (100) hours annually of specialized loss prevention and loss control consulting services. The current contract for Broker of Record service is with McGriff, Seibels & Williams of Texas, Inc. and expires August 31, 2004.

The City issued an RFP on June 6, 2004 that solicited proposals for Insurance Broker of Record. It was advertised in the San Antonio Express-News and posted on the City's website on June 6, 2004 and June 14, 2004. A total of four (4) proposals were received offering insurance broker services. The Risk Management Division reviewed the proposals and recommend all four (4) Respondents be further evaluated due to the types of services they offered and the quoted cost.

An evaluation committee was established in order to evaluate the proposals submitted and to receive personal presentations from the Respondents. The evaluation committee consisted of representatives from Alamodome, Economic Development, Fire, Public Works, and Risk Management.

On July 28-30, 2004, each Respondent provided a 90 minute presentation to the evaluation committee. The committee assigned scores to the evaluation criteria, based upon both written proposals and the verbal presentations. On July 30, 2004 the committee summarized the evaluation of the proposals and allocated points to each respondent, based upon the responsiveness to the RFP, the understanding and acceptance of the scope of services, Economic evaluation of the Respondent's proposed fee schedule, Respondent's capability to provide the necessary services, and the level of Local and Disadvantaged Business Enterprise participation.

The evaluation committee individually scored each Respondents proposal by assigning point values. The point values were then tabulated for ranking purposes and a composite average score computed, based on the above criteria. The committee was unanimous in their scoring and is recommending McGriff, Seibels & Williams of Texas, Inc. Details are shown in **Exhibit 1**. A cost comparison for the four (4) proposals is presented in **Exhibit 2**.

Based on the above criteria and the evaluation committee's recommendations, City staff recommends that this contract be awarded to McGriff, Seibels & Williams of Texas, Inc. McGriff is a large insurance brokerage firm with several sizeable Texas public entity clients such as; City of Dallas, City of Fort Worth, San Antonio Independent School District, Northside Independent School District, and City of Corpus Christi. McGriff also has a local office which provides for the ability to respond to immediate service needs, and client assistance.

POLICY ANALYSIS

Award of this Contract is a continuation of the existing policy of utilizing a Broker of Record to assist the City in obtaining excess and difficult to place insurance coverages. The services of the Broker are essential to the timely procurement of insurance coverages that protect the City from potential catastrophic events that can result in loss of City property and assets. McGriff, Seibels & Williams of Texas, Inc. has provided quality service in the previous and current contract years.

FISCAL IMPACT

Funds for the Contract are appropriated annually and are budgeted for in the Self-Insurance Liability Fund. This Ordinance will authorize an annual cost of the contract in the amount of \$129,500 contingent upon annual budget authorization by the City Council.

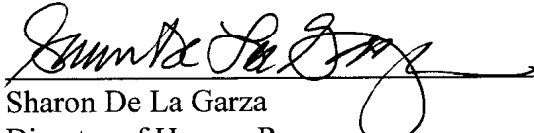
COORDINATION

The RFP was coordinated with the City Attorney's Office, Department of Asset Management, and Finance Department.

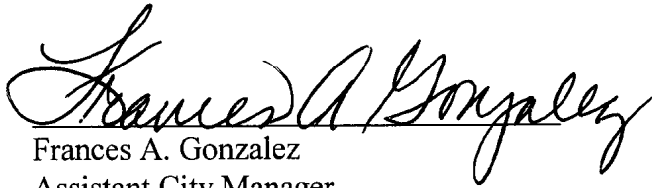
SUPPLEMENTAL COMMENTS

An Ethics Ordinance Disclosure Statement from McGriff, Seibels & Williams of Texas, Inc. is attached.

SIGNATURES

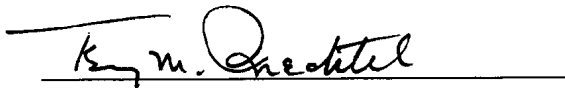


Sharon De La Garza
Director of Human Resources



Frances A. Gonzalez
Assistant City Manager

APPROVED:



Terry M. Brechtel
City Manager

EXHIBIT 1

Project: Insurance Broker of Record					
Evaluation Team: Alamodome Economic Development Department Fire Department Risk Management/Human Resources Department Public Works Department					
Proposal Due Date: July 6, 2004					
	Maximum Points	AON Risk Services of Texas, Inc. 2711 North Haskell Ave. Dallas, TX 75204	USI Southwest 1250 Woodbranch Park Dr. Houston, TX 77079	Arthur J. Gallagher & Co. - Dallas 14241 Dallas Parkway Dallas, TX 78254	McGriff, Seibels & Williams of Texas 9311 San Pedro San Antonio, TX 78216
Background & Capability	35	20.4	25	20.2	33.8
Response to Request for Proposal	20	9.6	16	17	18.6
Cost of Services	25	8.8	17.6	15	24.4
Local Business Enterprise	10	0	0	6	6
Disadvantaged Business Enterprise	5	0	0	0	2.5
Compliance with SBEDA Policy	5	0	0	0	5
Grand Total	100	38.8	58.6	58.2	90.3

EXHIBIT 2

INSURANCE BROKER OF RECORD

COST OF SERVICES SUMMARY

FIVE YEAR CONTRACT

Cost of Services	AON Risk Services of Texas, Inc. 2711 North Haskell Ave. Dallas, TX 75204	USI Southwest 1250 Woodbranch Park Dr Houston, TX 77079	Arthur J. Gallagher & Co. - Dallas 14241 Dallas Parkway, Suite 300 Dallas, TX 78254	McGriff, Seibels & Williams 9311 San Pedro, Suite 700 San Antonio, TX 78216
1 year	\$245,000.00	\$146,000.00	\$210,000.00	\$129,500.00
2 year	\$245,000.00	\$146,000.00	\$195,000.00	\$129,500.00
3 year	\$245,000.00	\$146,000.00	\$195,000.00	\$129,500.00
4 year	\$245,000.00	\$146,000.00	\$195,000.00	\$129,500.00
5 year	\$245,000.00	\$146,000.00	\$195,000.00	\$129,500.00
TOTAL COST OF CONTRACT	\$1,225,000.00	\$730,000.00	\$990,000.00	\$647,500.00

Note: The AON quote allows them to make an adjustment in contract years 4 and 5 based on the cost of living index for San Antonio. However, the cost of living index is not know at this time and therefore, not reflected in these figures.



CITY OF SAN ANTONIO

City of San Antonio

Discretionary Contracts Disclosure*

For use of this form, see City of San Antonio Ethics Code, Part D, Sections 1&2

Attach additional sheets if space provided is not sufficient.

State "Not Applicable" for questions that do not apply.

* This form is required to be supplemented in the event there is any change in the information under (1), (2), or (3) below, before the discretionary contract is the subject of council action, and no later than five (5) business days after any change about which information is required to be filed.

Disclosure of Parties, Owners, and Closely Related Persons

For the purpose of assisting the City in the enforcement of provisions contained in the City Charter and the Code of Ethics, an individual or business entity seeking a discretionary contract from the City is required to disclose in connection with a proposal for a discretionary contract:

(1) the identity of any **individual** who would be a party to the discretionary contract:

NA

(2) the identity of any **business entity**¹ that would be a party to the discretionary contract:

McGriff, Seibels & Williams, Inc.

and the name of:

(A) any individual or business entity that would be a **subcontractor** on the discretionary contract;

NA

and the name of:

(B) any individual or business entity that is known to be a **partner**, or a **parent** or **subsidiary** business entity, of any individual or business entity who would be a party to the discretionary contract;

Branch Banking and Trust Company



¹ A business entity means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, unincorporated association, or any other entity recognized by law.



CITY OF SAN ANTONIO

- (3) the identity of any *lobbyist* or *public relations firm* employed for purposes relating to the discretionary contract being sought by any individual or business entity who would be a party to the discretionary contract.

NA

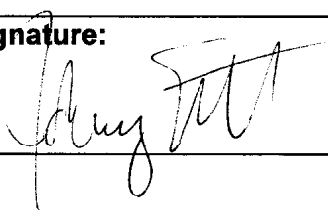
Political Contributions

Any individual or business entity seeking a discretionary contract from the city must disclose in connection with a proposal for a discretionary contract all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made directly or indirectly to any *current* or *former member* of City Council, any *candidate* for City Council, or to any *political action committee* that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under (1), (2) or (3) above. Indirect contributions by an individual include, but are not limited to, contributions made by the individual's spouse, whether statutory or common-law. Indirect contributions by an entity include, but are not limited to, contributions made through the officers, owners, attorneys, or registered lobbyists of the entity.

To Whom Made:	Amount:	Date of Contribution:
None		

Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city shall disclose any known facts which, reasonably understood, raise a question² as to whether any city official or employee would violate Section 1 of Part B, Improper Economic Benefit, by participating in official action relating to the discretionary contract.

Signature: 	Title: Vice President Company: McGriff, Seibels & Williams, Inc.	Date: 7/2/04

² For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.

**PROFESSIONAL SERVICES AGREEMENT
FOR
INSURANCE BROKER OF RECORD**

STATE OF TEXAS §
 §
COUNTY OF BEXAR §

This Agreement is entered into by and between the City of San Antonio, a Texas Municipal Corporation ("City") acting by and through its City Manager, pursuant to Ordinance No. _____ passed and approved on the _____ day of _____, 2004 and McGriff, Seibels & Williams of Texas, Inc. by and through its Vice President, Johnny Fontenot ("Broker"), both of which may be referred to herein collectively as the "parties".

WHEREAS, City desires to acquire the services of a qualified insurance broker to assist City in placing excess or difficult to secure insurance coverages and to provide consulting services; and

WHEREAS, City is currently a self-insurer for all of its liability and workers' compensation exposures; and

WHEREAS, City desires Brokers assistance in advising and placing City's excess property, workers' compensation, liability, airport liability, aircraft liability and other policies as may be needed, and in providing other services as further described herein;

NOW THEREFORE, the Parties hereto severally and collectively agree, and by the execution hereof are bound, to the mutual obligations herein contained and to the performance and accomplishment of the tasks hereinafter described.

I. DEFINITIONS

As used in this Agreement, the following terms shall have meanings as set out below:

1.1 "City" is defined in the preamble of this Agreement and includes its successors and assigns.

1.2 "Broker" is defined in the preamble of this Agreement and includes its successors.

1.3 "Director" shall mean the acting director of City's Human Resources Department, or such other department director overseeing the Risk Management Division.

II. TERM

2.1 The term of this Agreement shall be for a period of three (3) years beginning September 1, 2004 and ending August 31, 2007, unless renewal and extension or earlier termination occurs pursuant to any other provision contained in this Agreement.

2.2 At City's option, this Agreement may be renewed and extended beyond the date stated above under the same terms and conditions for two (2) additional one (1) year periods.

Renewals shall be in writing, signed by the City Manager, or her designee, or the Director. No additional action to renew this contract shall be required by the San Antonio City Council ("City Council"). However, all renewals shall be subject to appropriation of funds by the City Council.

2.3 If funding for the entire Agreement is not appropriated at the time this Agreement is entered into, City retains the right to terminate this Agreement at the expiration of each of City's budget periods, and any subsequent contract period is subject to and contingent upon such appropriation.

III. SCOPE OF SERVICES

3.1 Broker agrees to provide the services described in this Article III. Scope of Services in exchange for the compensation described in Article IV. Compensation. All work performed by Broker hereunder shall be performed to the satisfaction of Director. The determination made by Director shall be final, binding and conclusive on all Parties hereto. City shall be under no obligation to pay for any work performed by Broker, which is not satisfactory to Director. City shall have the right to terminate this Agreement, in accordance with Article VII. Termination, in whole or in part, should Broker's work not be satisfactory to Director; however, City shall have no obligation to terminate and may withhold payment for any unsatisfactory work, as stated herein, even should City elect not to terminate.

3.2 Program Development.

Broker shall advise City on the optimal structure for City's excess insurance program for its insurable risks (the "program"), using information provided by City and Broker's expertise to design a program specifically tailored for City. Broker shall assist City in meeting its objective of placing excess insurance programs for City's self-insurance program in accordance with the desired retentions and limits approved by City. Broker shall make available to City, all resources at its disposal to properly collect, organize and review all data placed into solicitations issued for the purpose of securing coverages.

3.3 Implementation.

Broker shall market City account to qualified excess property, workers' compensation and liability insurance companies. Marketing shall include, but not be limited to, canvassing insurance markets, reviewing suitable manuscript policies, consultation and professional advice on proposed changes or enhancements to the program and ongoing advisory services for the duration of the Agreement concerning changes or enhancements to the program. Broker shall gather such information from City as may be necessary to design and market the program, including, but not limited to: estimated payrolls and number of employees, lists of vehicles and equipment, schedule of locations and property values, budget information, financial information, safety policies in effect, and other information that can determine and identify City's exposures.

3.4 Bid of Excess Insurance Program

A. Solicitation Development & Issuance. Broker shall develop requests for competitive sealed proposals ("RFPs"), including specifications and underwriting criteria, for the program. All RFPs shall be issued in accordance with Texas Local Government Code Chapter 252, as it may be amended from time to time, and all applicable law. Broker shall advertise the

RFPs as required, and shall send RFPs to those insurance providers Broker identifies as able to sufficiently meet City's insurance needs, along with instructions on handling deviations from the submissions and deadlines for receipt of proposals. Broker shall address any questions that arise relating to coverage needs, program structure and carrier service requirements.

B. Quote Analysis, Review and Recommendation. Upon receipt of proposals, Broker shall prepare an analysis for presentation to City. The analysis shall provide a comparison of the proposals and commentary as to the strengths and weaknesses of each offer. The comparison shall address the following components of each carrier presentation/option: financial issues of program cost at various loss levels, cash flow, considerations and impacts, and coverage terms and conditions. Additionally, Broker shall evaluate each carrier's service response and commitment to the criteria established for the program, making recommendations needed to support City's selection.

C. Negotiations. Broker shall conduct all negotiations with the insurance carriers under City's direction. Broker understands that only the City Council can bind City to a contract, and that merely issuing a solicitation does not obligate City to award any contract. City has and shall maintain the right to reject any and all offers. Broker shall include a statement to this effect in all RFPs. Broker shall assist City staff in preparing the recommendation to the City Council for award of the contract.

3.5 Administration.

Broker shall continue to act in an advisory and consulting role to City for the duration of this Agreement to ensure that the insurance program accepted by City continues to work smoothly and effectively, including providing periodic evaluation of the program as may be requested. Administration services shall include, but not be limited to:

- issuing cover notes/binders;
- working with carriers to maintain policies, including, but not limited to, issuance of endorsements and renewals;
- reconciling accounting and billing transactions;
- preparing Schedules of Insurance and providing Executive Summaries; and
- designing and implementing corporate premium/loss allocations by location or other basis.

3.6 Additional Evaluation Services.

Broker shall assist City in evaluating proposals received in response to solicitations issued by City for Third Party Administration, Medical Cost Containment Services, and Owner Control Insurance programs. Broker may be required, at City's discretion, to provide a comparison of the proposals and commentary as to the strengths and weaknesses of each offer.

3.7 Actuarial Services.

Broker shall arrange for and coordinate the collection of data for a comprehensive, annual actuarial analysis of City's self-insured Workers' Compensation, General Liability and Auto Liability programs. The actuarial analysis shall be conducted by an Independent Consulting Actuary who is a member of the Casualty Actuarial Society. The actuarial analysis shall commence during the month of October and separate final reports for Workers' Compensation,

General Liability and Automobile Liability shall be provided to City's Risk Manager no later than December 15th of the same year.

3.8 Claims Audit Services.

Broker shall arrange for and coordinate annual Claims Audits of City's Third Party Administrator and City's Medical Cost Containment Contractor. Annual claims audits shall commence during the month of January and final reports for Workers' Compensation, General Liability, and Automobile Liability shall be provided to City's Risk Manager no later than March 31st of the same year. In addition to claims audit services, Broker shall provide up to 100 hours of annual claims consulting service.

3.9 Loss Prevention/Safety Audit Services.

Broker shall arrange for Loss Prevention and Safety Audit Services upon written authorization by City's Risk Manager. Broker shall provide up to one hundred (100) hours annually of Loss Prevention/Safety Audit services. This service shall be provided at Broker's sole expense. These services shall include, but not be limited to:

- safety program evaluations, including design and implementation recommendations;
- evaluation of high-risk activities;
- ergonomic studies and Job Safety/Hazard Analysis on specific worker activities;
- coordination of engineering visitation schedules;
- review and evaluation of insurance carrier recommendations;
- independent field visits to address problem areas; and
- business continuity/disaster recovery planning.

3.10 Additional Services.

A. Consulting Services. Broker shall serve in a consulting capacity to City on insurance or Broker related issues on such projects as City may request, including, but not limited to:

- identifying markets for specialty coverages for vendors or contractors doing business with City;
- assisting in the evaluation of contract insurance and indemnification provisions, policy forms (wordings and endorsements) and coverage issues;
- helping City assess financial strengths of insurance companies, risk retention and purchasing groups, captive insurers, and other non-traditional insurance mechanisms, providing insurer solvency review and updates;
- negotiating loss settlement with primary or excess insurers if needed;
- attending meetings with City staff or the City Council as requested;
- assisting the Risk Manager in developing specifications for Risk Management Information Systems;
- responding to requests for information by the Risk Manager;
- reviewing new laws;
- assisting in reviewing claims as needed;
- answering loss control questions; and
- reviewing actuarial reports.

B. Owner Control Insurance Program. BROKER shall also assist in development and administration of any Owner Control Insurance programs.

C. Broker shall:

- provide a Senior account team, including 3 local partners/contacts, 3 actively involved senior account managers/executives, 24 hour availability, including email addresses, home and work telephone numbers, beepers and cell phone numbers for each;
- provide a prompt response to all inquiries;
- provide updates of market cycles and existing market conditions;
- provide insurance estimates for budgeting purposes;
- provide stewardship report/presentation;
- review contractor/vendor certificates;
- conduct renewal strategy meetings;
- assist in preparation of renewal applications;
- act as liaison between City, its claims staff, insurers and/or claims servicing organizations;
- make recommendations on settlement or denials of questionable claims; and
- when insurers issue Reservation of Rights letters on City's claim coverage, Broker's claims professionals shall review policy language with reference to the claim allegation and insurance policy coverage conditions to determine their propriety and to advocate City's interests.

IV. COMPENSATION TO BROKER

4.1 In consideration of Broker's performance in a satisfactory and efficient manner, as determined solely by Director, of all services and activities set forth in this Agreement, City agrees to pay Broker \$388,500.00 for the total compensation for the original contract term of three years. Said total fee consists of an annual fee in the amount of \$129,500.00 for all services listed in Article III. Scope of Services, of which \$12,000.00 is for Actuarial Studies and \$8,500.00 is for Claims Audit Services as described in sections 3.7 and 3.8, respectively.

4.2 Broker shall invoice City as follows:

A. Broker shall submit each invoice at the beginning of each quarter for \$27,250.00 for all services provided in Article III. Scope of Services, excluding Actuarial Studies and Claims Audit Services;

B. Broker shall submit an invoice for \$12,000.00 for the Actuarial Studies conducted by Broker upon completion of said studies and provision of final reports to City; and

C. Broker shall submit an invoice for \$8,500.00 for the Claims Audit Services conducted by Broker upon completion of said audits and provision of final reports to City.

4.3 City shall pay all invoices within 30 days of receipt thereof. Payment shall be deemed made upon posting of the check.

4.4 No additional fees or expenses of Broker shall be charged by Broker nor be payable by City. The parties hereby agree that all compensable expenses of Broker have been provided for in the total payment to Broker as specified in section 4.1 above. Total payments to Broker for the original contract term cannot exceed that amount set forth in section 4.1 above, without prior approval and agreement of all parties, evidenced in writing and approved by the City Council by passage of an ordinance therefore.

4.5 Final acceptance of work products and services require written approval by City. The approval official shall be Director. Notwithstanding anything to the contrary contained herein, payment will be made to Broker following written approval of the final work products and services by Director. City shall not be obligated or liable under this Agreement to any party, other than Broker, for the payment of any monies or the provision of any goods or services.

4.6 Renewal Terms. Should City elect to renew this Agreement, then City shall pay Broker for renewal terms at the annual rates stated in section 4.1.

V. OWNERSHIP OF DOCUMENTS AND CONFIDENTIALITY

5.1 Any and all writings, documents or information in whatsoever form and character produced by Broker pursuant to the provisions of this Agreement is the exclusive property of City, and no such writing, document or information shall be the subject of any copyright or proprietary claim by Broker.

5.2 Broker understands and acknowledges that as the exclusive owner of any and all such writings, documents and information, City has the right to use all such writings, documents and information as City desires, without restriction.

5.3 No reports, information, project evaluation, project designs, data or any other documentation developed by, given to, prepared by, or assembled by Broker under this Agreement shall be disclosed or made available to any individual or organization by Broker without the express prior written approval of City. In the event Broker receives any such request, Broker shall forward such request to City immediately.

5.4 Broker shall establish a method to secure the confidentiality of records and information that Broker may have access to in accordance with the applicable federal, state, and local laws, rules and regulations. This provision shall not be construed as limiting City's right of access to records or other information under this Agreement.

VI. RECORDS RETENTION

6.1 Broker and its subcontractors, if any, shall properly, accurately and completely maintain all documents, papers, and records, and other evidence pertaining to the services rendered hereunder (hereafter referred to as "documents"), and shall make such materials available to City at their respective offices, at all reasonable times and as often as City may deem necessary during the Agreement period, including any extension or renewal hereof, and the record retention period established herein, for purposes of audit, inspection, examination, and making excerpts or copies of same by City and any of its authorized representatives.

6.2 Broker shall retain any and all documents produced as a result of services provided hereunder for a period of four (4) years (hereafter referred to as "retention period") from the date of termination of the Agreement. If, at the end of the retention period, there is litigation or other questions arising from, involving or concerning this documentation or the services provided hereunder, Broker shall retain the records until the resolution of such litigation or other such questions. Broker acknowledges and agrees that City shall have access to any and all such documents at any and all times, as deemed necessary by City, during said retention period. City may, at its election, require Broker to return said documents to City prior to or at the conclusion of said retention period at Broker's expense.

VII. TERMINATION

7.1 For purposes of this Agreement, "termination" of this Agreement shall mean termination by expiration of the Agreement term as stated in Article II. Term, or earlier termination pursuant to any of the provisions hereof.

7.2 Termination Without Cause. This Agreement may be terminated by either party upon 60 calendar days' written notice, provided in accordance with Article VIII. Notice.

7.3 Termination For Cause. Upon written notice, provided in accordance with Article VIII. Notice, City may terminate this Agreement as of the date provided in the notice, in whole or in part, upon the occurrence of one (1) or more of the following events, each of which shall constitute an Event for Cause:

7.3.1 The sale, transfer, pledge, conveyance or assignment of this Agreement without prior approval, as provided in Article XII. Assignment and Subcontracting;

7.3.2 Neglect or failure by Broker to perform or observe any of the material terms, conditions, covenants or guarantees of this Agreement or of any amendment between City and Broker; or

7.3.3 Violation by Broker of any law, rule, or regulation to which Broker is bound or shall be bound under the terms of this Agreement.

7.4 Defaults With Opportunity for Cure. Should Broker default in the performance of this Agreement in a manner stated in this section 7.4 below, same shall be considered an event of default. City shall deliver written notice of said default, provided in accordance with Article VIII. Notice, specifying such matter(s) in default. Broker shall have fifteen (15) calendar days after receipt of the written notice to cure such default. If Broker fails to cure the default within such fifteen-day cure period, City shall have the right, without further notice, to terminate this Agreement in whole or in part as City deems appropriate, and to contract with another Broker to complete the work required in this Agreement. City shall also have the right to offset the cost of said new Agreement with a new Broker against Broker's future or unpaid invoice(s), subject to the duty on the part of City to mitigate its losses to the extent required by law.

7.4.1 Failure to comply with the terms and conditions stated in Article XIV. SBEDA;

- 7.4.2 Failing to perform or failing to comply with any covenant herein required other than a material term;
- 7.4.3 Performing unsatisfactorily.

7.5 Termination By Law. If any state or federal law or regulation is enacted or promulgated which prohibits the performance of any of the duties herein, or, if any law is interpreted to prohibit such performance, this Agreement shall automatically terminate as of the effective date of such prohibition.

7.6 Regardless of how this Agreement is terminated, Broker shall affect an orderly transfer to City or to such person(s) or firm(s) as City may designate, at no additional cost to City, all completed or partially completed documents, and any other materials or information produced as a result of or pertaining to the services rendered by Broker, or provided to Broker, hereunder, regardless of storage medium, if so requested by City. If not so requested by City, Broker shall retain all such documents in accordance with Article VI. Records Retention. Any record transfer shall be completed within thirty (30) calendar days of a written request by City and shall be completed at Broker's sole cost and expense. Payment of compensation due or to become due to Broker is conditioned upon delivery of all such documents, if requested.

7.7 Within forty-five (45) calendar days of the effective date of completion, or termination or expiration of this Agreement, Broker shall submit to City its claims, in detail, for the monies owed by City for services performed under this Agreement through the effective date of termination. Failure by Broker to submit its claims within said forty-five (45) calendar days shall negate any liability on the part of City and constitute a **Waiver** by Broker of any and all right or claims to collect moneys that Broker may rightfully be otherwise entitled to for services performed pursuant to this Agreement.

7.8 Upon the effective date of expiration or termination of this Agreement, Broker shall cease all operations of work being performed by Broker or any of its subcontractors pursuant to this Agreement.

7.9 Termination not sole remedy. In no event shall City's action of terminating this Agreement, whether for cause or otherwise, be deemed an election of City's remedies, nor shall such termination limit, in any way, at law or at equity, City's right to seek damages from or otherwise pursue Broker for any default hereunder or other action.

VIII. NOTICE

Except where the terms of this Agreement expressly provide otherwise, any election, notice or communication required or permitted to be given under this Agreement shall be in writing and deemed to have been duly given if and when delivered personally (with receipt acknowledged), or three (3) days after depositing same in the U.S. mail, first class, with proper postage prepaid, or upon receipt if sending the same by certified mail, return receipt requested, or upon receipt when sent by a commercial courier service (such as Federal Express or DHL Worldwide Express) for expedited delivery to be confirmed in writing by such courier, at the addresses set forth below or to such other address as either party may from time to time designate in writing.

If intended for City, to: City of San Antonio

Attn: Michael Rich
Risk Management Division, Human Resources Dept.
111 Soledad, Suite 1000
San Antonio, Texas 78205

If intended for Broker, to:

McGriff, Seibels & Williams of Texas, Inc.
Attn: Johnny Fontenot, Vice President
9311 San Pedro, Suite 700
San Antonio, Texas 78216

IX. [Reserved]

X. INSURANCE

10.1 Prior to the commencement of any work under this Agreement, Broker shall furnish an original completed Certificate(s) of Insurance to City's Risk Management Division and City Clerk's Office, and which shall be clearly labeled "Insurance Broker of Record" in the Description of Operations block of the Certificate. The original Certificate(s) shall be completed by an agent authorized to bind the named underwriter(s) and their company to the coverage, limits, and termination provisions shown thereon, containing all required information referenced or indicated thereon. The original certificate(s) or form must have the agent's original signature, including the signer's company affiliation, title and phone number, and be mailed directly from the agent to City. City shall have no duty to pay or perform under this Agreement until such certificate shall have been delivered to City's Risk Management Division and the Clerk's Office, and no officer or employee, other than City's Risk Manager, shall have authority to waive this requirement.

10.2 City reserves the right to review the insurance requirements of this Article during the effective period of this Agreement and any extension or renewal hereof and to modify insurance coverages and their limits when deemed necessary and prudent by City's Risk Manager based upon changes in statutory law, court decisions, or circumstances surrounding this Agreement, but in no instance will City allow modification whereupon City may incur increased risk.

10.3 A Broker's financial integrity is of interest to City; therefore, subject to Broker's right to maintain reasonable deductibles in such amounts as are approved by City, Broker shall obtain and maintain in full force and effect for the duration of this Agreement, and any extension hereof, at Broker's sole expense, insurance coverage written on an occurrence basis, by companies authorized and admitted to do business in the State of Texas and rated A- or better by A.M. Best Company and/or otherwise acceptable to City, in the following types and amounts:

TYPE	AMOUNT
1. Worker's Compensation Employer's Liability	Statutory (Texas) \$1,000,000/\$1,000,000/\$1,000,000
2. Commercial General (public) Liability Insurance to include coverage for the	<u>Combined Single Limit for Bodily Injury and Property Damage</u> \$1,000,000 per occurrence

following:

or its equivalent with \$2,000,000 aggregate.

- a. premises/operations
- b. independent contractors
- c. products/completed operations
- d. personal injury
- e. contractual liability

- 3. Business Automobile Liability
 - a. Owned/Leased vehicles
 - b. Non-owned vehicles
 - c. Hired vehicles

Combined Single Limit for Bodily Injury and Property Damage \$1,000,000 per occurrence

- 4. Insurance Agents and Brokers Errors and Omissions Insurance (Claims made form) \$1,000,000 per occurrence

10.4 City shall be entitled, upon request and without expense, to receive copies of the policies and all endorsements thereto as they apply to the limits required by City, and may require the deletion, revision, or modification of particular policy terms, conditions, limitations or exclusions (except where policy provisions are established by law or regulation binding upon either of the parties hereto or the underwriter of any such policies). Broker shall be required to comply with any such requests and shall submit a copy of the replacement certificate of insurance to City at the address provided in Section 10.6 herein within 10 days of the requested change. Broker shall pay any costs incurred resulting from said changes.

10.5 Broker agrees that with respect to the above required insurance, all insurance contracts and Certificate(s) of Insurance will contain the following required provisions:

- Name City and its officers, employees, volunteers, and elected representatives as additional insureds as respects operations and activities of, or on behalf of, the named insured performed under contract with City, with the exception of the workers' compensation and professional liability policies;
- Provide for an endorsement that the "other insurance" clause shall not apply to the City of San Antonio where City is an additional insured shown on the policy;
- Workers' compensation and employers' liability policies will provide a waiver of subrogation in favor of City.

10.6 When there is a cancellation, non-renewal or material change in coverage which is not made pursuant to a request by City, Broker shall notify City of such and shall give such notices not less than thirty (30) days prior to the change, if Broker knows of said change in advance, or ten (10) days notice after the change, if Broker did not know of the change in advance. Such notice must be accompanied by a replacement Certificate of Insurance. All notices shall be given to City at the following address:

City of San Antonio
Risk Management Division
P.O. Box 839966
San Antonio, Texas 78283-3966

City of San Antonio
City Clerk's Office
P.O. Box 839966
San Antonio, Texas 78283-3966

10.7 If Broker fails to maintain the aforementioned insurance, or fails to secure and maintain the aforementioned endorsements, City may obtain such insurance, and deduct and retain the amount of the premiums for such insurance from any sums due under this Agreement. However, procuring of said insurance by City is an alternative to other remedies City may have, and is not the exclusive remedy for failure of Broker to maintain said insurance or secure such endorsement. In addition to any other remedies City may have upon Broker's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, City shall have the right to order Broker to stop work hereunder, and/or withhold any payment(s) which become due to Broker hereunder until Broker demonstrates compliance with the requirements hereof.

10.8 Nothing herein contained shall be construed as limiting in any way the extent to which Broker may be held responsible for payments of damages to persons or property resulting from Broker's or its subcontractors' performance of the work covered under this Agreement.

10.9 It is agreed that Broker's insurance shall be deemed primary with respect to any insurance or self insurance carried by City for liability arising out of operations under this Agreement.

XI. INDEMNIFICATION

11.1 **BROKER** covenants and agrees to **FULLY INDEMNIFY** and **HOLD HARMLESS**, the **CITY** and the elected officials, employees, officers, directors, volunteers and representatives of the **CITY**, individually or collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to, personal or bodily injury, death and property damage, made upon the **CITY** directly or indirectly arising out of, resulting from or related to **BROKER's** activities under this **AGREEMENT**, including any acts or omissions of **BROKER**, any agent, officer, director, representative, employee, consultant or subcontractor of **BROKER**, and their respective officers, agents, employees, directors and representatives while in the exercise of performance of the rights or duties under this **AGREEMENT**, all without however, waiving any governmental immunity available to the **CITY** under Texas Law and without waiving any defenses of the parties under Texas Law. **IT IS FURTHER COVENANTED AND AGREED THAT SUCH INDEMNITY SHALL APPLY EVEN WHERE SUCH COSTS, CLAIMS, LIENS, DAMAGES, LOSSES, EXPENSES, FEES, FINES, PENALTIES, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY AND/OR SUITS ARISE IN ANY PART FROM THE NEGLIGENCE OF CITY, THE ELECTED OFFICIALS, EMPLOYEES, OFFICERS, DIRECTORS AND REPRESENTATIVES OF CITY, UNDER THIS AGREEMENT.** The provisions of this **INDEMNITY** are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity. **BROKER** shall advise the **CITY** in writing within 24 hours of any claim or demand against the **CITY** or **BROKER** known to **BROKER** related to or arising out of **BROKER's** activities under this **AGREEMENT** and shall see to the investigation and defense of such claim or demand at **BROKER's** cost. The **CITY** shall have the right, at its option and at its own expense, to participate in such defense without relieving **BROKER** of any of its obligations under this paragraph.

11.2 It is the EXPRESS INTENT of the parties to this AGREEMENT, that the INDEMNITY provided for in this section, is an INDEMNITY extended by BROKER to INDEMNIFY, PROTECT and HOLD HARMLESS, the CITY from the consequences of the CITY'S OWN NEGLIGENCE, provided however, that the INDEMNITY provided for in this section SHALL APPLY only when the NEGLIGENT ACT of the City is a CONTRIBUTORY CAUSE of the resultant injury, death, or damage, and shall have no application when the negligent act of the City is the sole cause of the resultant injury, death, or damage. BROKER further AGREES TO DEFEND, AT ITS OWN EXPENSE and ON BEHALF OF THE CITY AND IN THE NAME OF THE CITY, any claim or litigation brought against the CITY and its elected officials, employees, officers, directors, volunteers and representatives, in connection with any such injury, death, or damage for which this INDEMNITY shall apply, as set forth above.

11.3 Defense Counsel - City shall have the right to select or to approve defense counsel to be retained by BROKER in fulfilling its obligation hereunder to defend and indemnify City, unless such right is expressly waived by City in writing. BROKER shall retain City approved defense counsel within seven (7) business days of City's written notice that City is invoking its right to indemnification under this Agreement. If BROKER fails to retain Counsel within such time period, City shall have the right to retain defense counsel on its own behalf, and BROKER shall be liable for all costs incurred by City. City shall also have the right, at its option, to be represented by advisory counsel of its own selection and at its own expense, without waiving the foregoing.

11.4 Employee Litigation - In any and all claims against any party indemnified hereunder by any employee of BROKER, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligation herein provided shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for BROKER or any subcontractor under worker's compensation or other employee benefit acts.

XII. ASSIGNMENT AND SUBCONTRACTING

12.1 Broker shall supply qualified personnel as may be necessary to complete the work to be performed under this Agreement. Persons retained to perform work pursuant to this Agreement shall be the employees or subcontractors of Broker. Broker, its employees or its subcontractors shall perform all necessary work.

12.2 It is City's understanding and this Agreement is made in reliance thereon, that Broker intends to use the subcontractors listed on its Good Faith Effort Plan in the performance of this Agreement. Said Good Faith Effort Plan is attached hereto as Exhibit 1 and incorporated herein for all purposes. Any deviation from this subcontractor list, whether in the form of deletions, additions or substitutions shall be approved by Director in writing prior to the provision of any services by said subcontractor.

12.3 Any work or services approved for subcontracting hereunder shall be subcontracted only by written contract and, unless specific waiver is granted in writing by City, shall be subject by its terms to each and every provision of this Agreement. Compliance by subcontractors with this Agreement shall be the responsibility of Broker. City shall in no event be obligated to any third party, including any subcontractor of Broker, for performance of services or payment of

fees. Any references in this Agreement to an assignee, transferee, or subcontractor, indicate only such an entity as has been approved in writing by Director.

12.4 Except as otherwise stated herein, Broker may not sell, assign, pledge, transfer or convey any interest in this Agreement, nor delegate the performance of any duties hereunder, by transfer, by subcontracting or any other means, without the written consent of Director. As a condition of such consent, if such consent is granted, Broker shall remain liable for completion of the services outlined in this Agreement in the event of default by the successor Broker, assignee, transferee or subcontractor.

12.5 Any attempt to transfer, pledge or otherwise assign this Agreement without said written approval, shall be void ab initio and shall confer no rights upon any third person. Should Broker assign, transfer, convey, delegate, or otherwise dispose of all or any part of its right, title or interest in this Agreement, City may, at its option, cancel this Agreement and all rights, titles and interest of Broker shall thereupon cease and terminate, in accordance with Article VII. Termination, notwithstanding any other remedy available to City under this Agreement. The violation of this provision by Broker shall in no event release Broker from any obligation under the terms of this Agreement, nor shall it relieve or release Broker from the payment of any damages to City, which City sustains as a result of such violation.

XIII. INDEPENDENT CONTRACTOR

Broker covenants and agrees that he or she is an independent contractor and not an officer, agent, servant or employee of City; that Broker shall have exclusive control of and exclusive right to control the details of the work performed hereunder and all persons performing same, and shall be responsible for the acts and omissions of its officers, agents, employees, contractors, subcontractors and consultants; that the doctrine of respondent superior shall not apply as between City and Broker, its officers, agents, employees, contractors, subcontractors and consultants, and nothing herein shall be construed as creating the relationship of employer-employee, principal-agent, partners or joint venturers between City and Broker. The parties hereto understand and agree that City shall not be liable for any claims which may be asserted by any third party occurring in connection with the services to be performed by Broker under this Agreement and that Broker has no authority to bind City.

XIV. SBEDA

14.1 Broker hereby acknowledges that it is City's policy to assist in increasing the competitiveness and qualifications of small ("SBE"), women ("WBE"), African American ("AABE"), and minority-owned business ("MBE") enterprises in order to afford greater opportunities for obtaining and participating in contracts, related subcontracts, and leases and concessions awarded by City. This policy and its implementation are known as the Small, Business Economic Development Advocacy Program ("SBEDA Program").

14.2 Broker shall implement the Good Faith Effort plan (hereafter "SBEDA plan") submitted with its proposal under the SBEDA Program for Small, African American, Minority and Women-owned Business Participation in this Agreement, thereby meeting the percentages for participation of those groups as submitted in its proposal. Broker shall be in full compliance with this article by meeting the percentages listed in its SBEDA plan no later than 60 days from the

date of execution of this Agreement, and shall remain in compliance throughout the term of this Agreement. Broker further agrees to continue to make every effort to utilize businesses for subcontracting and supplying during the duration of this Agreement, as may be approved pursuant to this Agreement, which will meet the percentages submitted in its proposal.

14.3 Broker shall maintain records showing all contracts, subcontracts, and supplier awards to SBE/MBE/AABE/WBE's. Further, such records shall be open to inspection by City or its authorized agent at all reasonable times. Should City find that Broker is not in compliance with this article, City shall give notice of non-compliance to Broker. Broker shall have 15 calendar days after notice of non-compliance to correct any and all deficiencies in compliance with this article. Failure to comply with this article and/or to correct any deficiencies within the time allotted shall be considered a material breach of this Agreement, for which this Agreement may be terminated in accordance with Article VII. Termination.

14.4 In all events, Broker shall comply with City's Small Business Economic Development Advocacy Program, contained in San Antonio Ordinance No. 96754, and the amendments thereto. Said ordinances are incorporated herein for all purposes, as if fully set forth herein.

XV. CONFLICT OF INTEREST

15.1 Broker acknowledges that it is informed that the Charter of City and its Ethics Code prohibit a City officer or employee, as those terms are defined in Part B, Section 10 of the Ethics Code, from having a financial interest in any contract with City or any City agency such as city owned utilities. An officer or employee has a "prohibited financial interest" in a contract with City or in the sale to City of land, materials, supplies or service, if any of the following individual(s) or entities is a party to the contract or sale: a City officer or employee; his parent, child or spouse; a business entity in which the officer or employee, or his parent, child or spouse owns ten (10) percent or more of the voting stock or shares of the business entity, or ten (10) percent or more of the fair market value of the business entity; a business entity in which any individual or entity above listed is a subcontractor on a City contract, a partner or a parent or subsidiary business entity.

15.2 Pursuant to the subsection above, Broker warrants and certifies, and this Agreement is made in reliance thereon, that it, its officers, employees and agents are neither officers nor employees of City. Broker further warrants and certifies that it has tendered to City a Discretionary Contracts Disclosure Statement in compliance with City's Ethics Code.

XVI. AMENDMENTS

Except where the terms of this Agreement expressly provide otherwise, any alterations, additions, or deletions to the terms hereof, shall be effected by amendment, in writing, executed by both City and Broker. The City Manager, or her designee, or Director shall have the authority to amend this Agreement without additional action by the City Council; however, any amendments that requires additional appropriation of funds shall be subject to approval by the City Council, as evidenced by passage of an ordinance.

XVII. SEVERABILITY

If any clause or provision of this Agreement is held invalid, illegal or unenforceable under present or future federal, state or local laws, including but not limited to the City Charter, City Code, or ordinances of City, then and in that event it is the intention of the parties hereto that such invalidity, illegality or unenforceability shall not affect any other clause or provision hereof and that the remainder of this Agreement shall be construed as if such invalid, illegal or unenforceable clause or provision was never contained herein. It is also the intention of the parties hereto that in lieu of each clause or provision of this Agreement that is invalid, illegal, or unenforceable, there be added as a part of this Agreement a clause or provision as similar in terms to such invalid, illegal or unenforceable clause or provision as may be possible, legal, valid and enforceable.

XVIII. LICENSES/CERTIFICATIONS

Broker warrants and certifies that Broker and any other person designated to provide services hereunder has the requisite training, license and/or certification to provide said services, and meets all competence standards promulgated by all other authoritative bodies, as applicable to the services provided herein.

XIX. COMPLIANCE

Broker shall provide and perform all services required under this Agreement in compliance with all applicable federal, state and local laws, rules and regulations.

XX. NONWAIVER OF PERFORMANCE

Unless otherwise specifically provided for in this Agreement, a waiver by either party of a breach of any of the terms, conditions, covenants or guarantees of this Agreement shall not be construed or held to be a waiver of any succeeding or preceding breach of the same or any other term, condition, covenant or guarantee herein contained. Further, any failure of either party to insist in any one or more cases upon the strict performance of any of the covenants of this Agreement, or to exercise any option herein contained, shall in no event be construed as a waiver or relinquishment for the future of such covenant or option. In fact, no waiver, change, modification or discharge by either party hereto of any provision of this Agreement shall be deemed to have been made or shall be effective unless expressed in writing and signed by the party to be charged. In case of City, such changes must be approved by Director or City Council, as described in Article XVI. Amendments. No act or omission by a party shall in any manner impair or prejudice any right, power, privilege, or remedy available to that party hereunder or by law or in equity, such rights, powers, privileges, or remedies to be always specifically preserved hereby.

XXI. LAW APPLICABLE

21.1 THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS AND ALL

OBLIGATIONS OF THE PARTIES CREATED HEREUNDER ARE PERFORMABLE IN BEXAR COUNTY, TEXAS.

21.2 Any legal action or proceeding brought or maintained, directly or indirectly, as a result of this Agreement shall be heard and determined in the City of San Antonio, Bexar County, Texas.

XXII. LEGAL AUTHORITY

The signer of this Agreement for Broker represents, warrants, assures and guarantees that he has full legal authority to execute this Agreement on behalf of Broker and to bind Broker to all of the terms, conditions, provisions and obligations herein contained.

XXIII. PARTIES BOUND

This Agreement shall be binding on and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, and successors and assigns, except as otherwise expressly provided for herein.

XXIV. CAPTIONS

The captions contained in this Agreement are for convenience of reference only, and in no way limit or enlarge the terms and/or conditions of this Agreement.

XXV. INCORPORATION OF EXHIBITS

Each of the documents listed below is an essential part of the Agreement, which governs the rights and duties of the parties, and shall be interpreted in the order of priority as appears below:

1. This Agreement;
2. Exhibit "1"- Good Faith Effort Plan.

XXVI. ENTIRE AGREEMENT

This Agreement, together with its authorizing ordinance and its exhibits, if any, constitute the final and entire agreement between the parties hereto and contain all of the terms and conditions agreed upon. No other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind the parties hereto, unless same be in writing, dated subsequent to the date hereto, and duly executed by the parties, in accordance with Article XVI. Amendments.

EXECUTED and AGREED to by the parties as indicated below.

CITY OF SAN ANTONIO

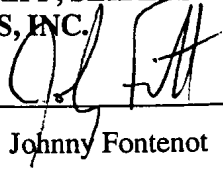
**MCGRUFF, SEIBELS & WILLIAMS OF
TEXAS, INC.**

By: _____

Name: Sharon De La Garza

Title: Director, Human Resources Dept.

Date: _____, 2004

By:  _____

Name: Johnny Fontenot

Title: Vice President

Date: _____, 2004

Approved as to Form:

City Attorney

ACORD CERTIFICATE OF LIABILITY INSURANCEDATE (MM/DD/YYYY)
05/05/2004

PRODUCER

BB&T Insurance Services Inc.
PO Box 5318
Asheville, NC 28813
(828) 277-3917

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED

BB&T Corporation and Subsidiaries
PO Box 1290
Winston-Salem, NC 27102

INSURERS AFFORDING COVERAGE

NAIC #

INSURER A: Hartford Fire Insurance

P&C

INSURER B:

INSURER C:

INSURER D:

INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L	LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
A	X		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO. JECT <input type="checkbox"/> LOC	22UENMD2939	10/01/03	10/01/04	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$300,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000
A	X		AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS <input checked="" type="checkbox"/> Drive Other Car <input checked="" type="checkbox"/> Ded:\$100,000	22UENMD2931	10-01-03	10-01-04	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
			GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
			EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
A			WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below OTHER	22VWNMD2935	10-01-03	10-01-04	WC STATU- TORY LIMITS <input type="checkbox"/> OTH- ER <input type="checkbox"/> E.L. EACH ACCIDENT \$500,000 E.L. DISEASE - EA EMPLOYEE \$500,000 E.L. DISEASE - POLICY LIMIT \$500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

The City of San Antonio and its officers, employees, volunteers, and elected representatives as additional insureds as respects operations and activities of, or on behalf of, the named insured performed under contract with the City, with the exception of the 'Workers' Compensation. Workers' Compensation and Employers' Liability policy provides a waiver of subrogation in favor of the City.

CERTIFICATE HOLDER

The City of San Antonio
Risk Management Division
P.O. Box 839966
San Antonio, TX 78283-3966

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Michael S. Swink

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

5/05/04

PRODUCER

BIRMINGHAM
MCGRIFF, SEIBELS AND WILLIAMS
P.O. BOX 10265
BIRMINGHAM AL 35202-0265
(205) 252-9871

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY

A HOUSTON CASUALTY COMPANY

COMPANY

B

COMPANY

C

COMPANY

D

INSURED

McGriff, Seibels & Williams of Texas, Inc.
5949 Sherry Lane, Suite 1300
Dallas, TX 75225

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
	GENERAL LIABILITY				GENERAL AGGREGATE	\$
	<input type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG	\$
	<input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR				PERSONAL & ADV INJURY	\$
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT				EACH OCCURRENCE	\$
					FIRE DAMAGE (Any one fire)	\$
					MED EXP (Any one person)	\$
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT	\$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	\$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE	\$
	<input type="checkbox"/> HIRED AUTOS					
	<input type="checkbox"/> NON-OWNED AUTOS					
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	\$
	<input type="checkbox"/> ANY AUTO				OTHER THAN AUTO ONLY:	
					EACH ACCIDENT	\$
					AGGREGATE	\$
	EXCESS LIABILITY				EACH OCCURRENCE	\$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE	\$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM					\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATU- TORY LIMITS	OTH- ER
	THE PROPRIETOR/ PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL				EL EACH ACCIDENT	\$
					EL DISEASE-POLICY LIMIT	\$
					EL DISEASE-EA EMPLOYEE	\$
A	OTHER					
	Insurance Agents E & O	14MS04A6167	2/02/04	2/02/05	\$5,000,000 Limit	

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

CERTIFICATE HOLDER

The City of San Antonio
Risk Management Division
P.O. Box 839966
San Antonio, TX 78283-3966

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT. BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Thomas G. Ellis