Agenda Item Summary

TO: Dr. Michael Schumacher

FROM: Russell Knapp, Chief Financial Officer
SUBJECT: Authorization to Contract with Arthur J. Gallagher Risk Management Services for Property and Casualty Insurance Brokerage Services
DATE: January 26, 2026

Recommendation: The Chief Financial Officer recommends contracting with vendor Arthur J. Gallagher Risk Management Services ("Gallagher") for property and casualty insurance brokerage services for an initial annual term (with the ability for both parties to mutually agree to subsequent annual renewals at the conclusion of each term, for up to four additional consecutive one-year periods); the initial annual fee for services is $50,000, with a 3% escalation in fee for each subsequent term renewal. These services would be funded by the Special Liability Expense Fund. This expenditure meets the goals of Strategic Plan Strategy 6 (Facilities).

Overview: In November 2025, the District publicly issued a Request for Proposal ("RFP") for property and casualty insurance brokerage services. Such services include: working with the District to develop, recommend, negotiate, and implement cost-effective insurance and risk financing programs; assist the District in identifying/assessing insurable assets; negotiating with insurance companies on the District's behalf; and placing coverage as instructed by the District, among other brokerage duties.

Two firms responded to the RFP: CBIZ Insurance Services and Gallagher. Staff evaluated and ranked these proposals using the following criteria: Experience and Qualifications; Service Approach; and Brokerage Costs. Gallagher was the higher ranked vendor.

Founded in 1927 and headquartered in Rolling Meadows, Illinois, Gallagher's public sector division places over $2.7 billion in premiums annually. Gallagher's public clients in Kansas include the City of Lenexa, the City of Olathe, and the Blue Valley and Olathe school districts, among others.

Objective(s): These brokerage services would provide the District with cost-effective property and casualty insurance, along with strategic insurance selection services.

Budget Impact: The initial annual fee is $50,000, with a 3% escalation fee for each subsequent term renewal. These services would be funded by the Special Liability Expense Fund.

Strategic Plan Pillars: Strategic Plan Strategy 6 (Facilities)