

ORDINANCE NO. _____

AN ORDINANCE WAIVING FORMAL BIDDING REQUIREMENTS FOR COMPREHENSIVE LOSS AND BUSINESS INTERRUPTION INSURANCE FOR THE MURRAY HYDROELECTRIC PLANT; AUTHORIZING THE MAYOR TO EXECUTE AN INSURANCE AGREEMENT; DECLARING AN EMERGENCY; AND FOR OTHER PURPOSES.

WHEREAS, Ark. Code Ann. § 14-58-303 requires City purchases exceeding the amount of \$20,000 to follow statutory procedures of local advertisement and opening of sealed bids which may only be waived in exceptional situations where bidding is deemed not feasible or practical; and

WHEREAS, insurance coverage for the Murray Hydroelectric Plant is specialized coverage, and Hub International has obtained quotes from companies offering this type of coverage as shown on the proposal attached hereto as Exhibit "A"; and

WHEREAS, the proposal of Lloyds was the lowest bid submitted with an annual premium of \$173,895 (*representing a 6.7217% decrease of the 2017 premium*) and

WHEREAS, it is in the best interests of the City to accept the proposal of Lloyds to insure the City's interests in the Murray Hydroelectric Plant.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NORTH LITTLE ROCK, ARKANSAS:

SECTION 1: That formal bidding is hereby waived, and the Mayor and City Clerk are hereby authorized to enter into an agreement for comprehensive loss and business interruption insurance coverage for the Murray Hydroelectric Plant with Hub International pursuant to the insurance proposal attached hereto as Exhibit "A" with Lloyds as the provider.

SECTION 2: That the annual premium in the amount of \$173,895 has previously been included in the North Little Rock Electric Department's budget for 2018.

SECTION 3: That all ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of the conflict.

SECTION 4: That the provisions of this Ordinance are hereby declared to be severable, and if any section, phrase or provision shall be declared or held invalid, such invalidity shall not affect the remainder of the sections, phrases or provisions.

SECTION 5: It is hereby found and determined that the insurance on the Murray Hydroelectric Plant will lapse at the end of this month and must be replaced immediately to maintain continuous coverage and being necessary for the immediate preservation of the public health, safety and welfare; THEREFORE, an emergency is hereby declared to exist, and this Ordinance shall be in full force and effect from and after its passage and approval.

PASSED:

APPROVED:

Mayor Joe A. Smith

SPONSOR:

ATTEST:



Mayor Joe A. Smith *by AT*

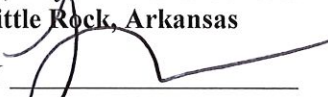
Diane Whitbey, City Clerk

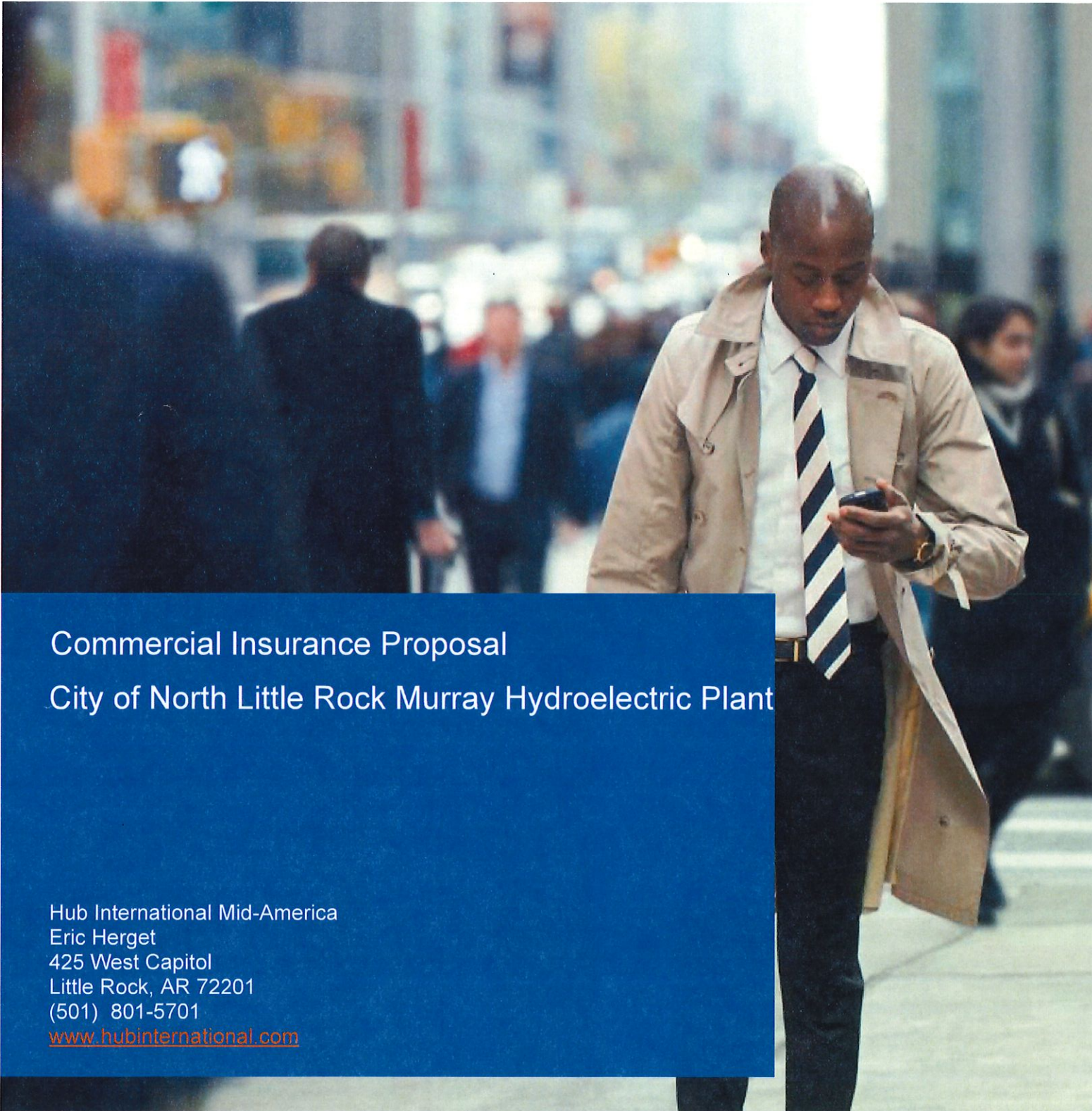
APPROVED AS TO FORM:



Amy Beckman Fields, City Attorney

PREPARED BY THE OFFICE OF THE CITY ATTORNEY/kh

FILED <u>11:40</u> A.M. _____ P.M.
By <u>A Fields</u>
DATE <u>2/6/18</u>
Diane Whitbey, City Clerk and Collector North Little Rock, Arkansas
RECEIVED BY 



Commercial Insurance Proposal
City of North Little Rock Murray Hydroelectric Plant

Hub International Mid-America
Eric Herget
425 West Capitol
Little Rock, AR 72201
(501) 801-5701
www.hubinternational.com

Premium Summary

Description Of Coverage	Prior Year Premium	Current Premium
Premium	\$ 160,650	\$ 148,601
Surplus Lines Tax	\$ 6,426	\$ 5,944
Agency Fee	\$ 19,350	\$ 19,350
Total Estimated Annual Premium*	\$ 86,426	\$ 173,895

*All quoted premiums are annual estimates and may change due to year end audits or mid-term policy changes.

City of North Little Rock - Murray Hydroelectric Plant

Policy Term: 03/01/2018 to 03/01/2019

Coverage	<u>17/18</u>	<u>18/19</u>
Underwriting Company	Lloyds	Lloyds
<i>Premium including Terrorism</i>	\$ 160,650	\$ 148,601
<i>AR Surplus Tax (4%)</i>	\$ 6,426	\$ 5,944
<i>Engineering Fee</i>		
<i>Brokerage Fee</i>	\$ 19,350	\$ 19,350
Total Program Cost	\$ 186,426	\$ 173,895
Exposures		
<i>Property</i>	\$ 114,544,809	\$ 116,906,820
<i>Business Income</i>	\$ 4,216,050	\$ 4,216,050
<i>Total</i>	\$ 118,760,859	\$ 121,122,870

STATEMENT OF VALUES

Description	Class	2017 Values		2018 Values	
		\$		\$	
Diversion Cells	1	\$ 1,159,522		\$ 1,159,522	
Roadway Paving Asphalt	1	\$ 219,301		\$ 219,301	
Highway Guardrails	1	\$ 228,811		\$ 228,811	
Dam Embankment (the north to south bank on both sides of the powerhouse) and Containment (whole lock #7)	3	\$ 1,191,604		\$ 1,191,604	
Generators Voith 21.2 MW	3	\$ 8,563,510		\$ 9,840,000	
Turbines	3	\$ 5,098,964		\$ 5,200,000	
Voith Hubs	3	\$ 6,151,492		\$ 6,151,492	
Voith Main Shafts	3	\$ 2,718,317		\$ 2,718,317	
Governor System (including 2 hydraulic pressure vessels, piping, and cooling water system)	3	\$ 2,567,417		\$ 2,567,417	
Lube Oil System (includes 2 OD boxes with piping; oil tanks and piping to supply oil to speed increaser sump, go	3	\$ 1,451,694		\$ 1,451,694	
Speed Increasers	3	\$ 7,580,202		\$ 7,580,202	
Control and Relay Panels	3	\$ 2,661,286		\$ 2,661,286	
Transformer GE	3	\$ 1,966,375		\$ 2,060,000	
Compressed Air System: Gardner-Denver Tandem Units (self-contained with pressure tanks)	3	\$ 285,985		\$ 285,985	
Bridge Crane: double beam Kranco 100/20-ton	3	\$ 509,267		\$ 550,000	
Bridge Crane: double beam Kranco 115/20-ton	3	\$ 513,879		\$ 554,989	
Gantry Crane: double rail Kranco 175-ton	3	\$ 1,446,108		\$ 1,520,000	
5-Story Hydroelectric Plant Class A Fireproof Steel Frame with Wired Smoke Detectors	3	\$ 69,889,075		\$ 70,590,000	
Levy Substation Switch		\$ 342,000		\$ 376,200	
Total Reported Value		\$ 114,544,809		\$ 116,906,820	
Current Business Interruption		\$ 4,216,050		\$ 4,216,050	
TIV		\$ 118,760,859		\$ 121,122,870	

Difference 1.99%



City of North Little Rock Murray Hydro	
Policy Terms and Conditions Summary	
Sublimits	Lloyds
Earth Movement (Annual Agg)	\$ 50,000,000
Earth Movement in CA (Annual Agg)	Included
Flood (Annual Agg)	\$ 50,000,000
Accounts Receivable	\$ 1,500,000
Business Interruption/Extra Expense	\$ 5,000,000
Business Interruption/Ordinary Payroll	120 Days
Civil or Military Authority	30 days & 6 miles
Contingent Business Interruption (Named)	\$ 1,000,000
Course of Construction **	\$ 5,000,000
Debris Removal (Or 25% whichever is greater)	\$ 5,000,000
Demolition & Increased Cost of Construction	\$ 2,500,000
Electronic Data Processing - Equip & Media	\$ 1,000,000
Errors & Omissions	\$ 5,000,000
Expediting Expense	\$ 2,500,000
Extended Period of Indemnity	30 days
Fine Arts	\$ 25,000
Fire & Policy Department Service Charge	\$ 100,000
Hazardous Substances - Insured Property	\$ 100,000
Hazardous Substances - Land & Water Agg	\$ 100,000
Ingress/Egress (30 days & 1 Statute Mile)	\$ 100,000
Miscellaneous Unnamed Locations	\$ 1,500,000
Mobile Equipment	\$ 2,500,000
Newly Acquired (90 days)	\$ 10,000,000
Offsite Storage	\$ 5,000,000
Professional Fees	\$ 5,000,000
Protection & Preservation of Property	\$ 2,000,000
Service Interruption	\$ 5,000,000
Transit	\$ 5,000,000
Valuable Papers	\$ 1,500,000
Boiler & Machinery Including	Included
Ammonia Contamination	\$ 100,000
Consequential Damage	\$ 100,000
Water Damage	\$ 1,000,000
DEDUCTIBLES	
Physical Damage: All Risks except:	\$ 100,000
Machinery Breakdown	\$ 250,000
Flood (subject to a minimum ded of \$250,000)	2% Declared Value
Earth Movement (subject to a minimum of \$500,000)	2% Declared Value
Property Damage - Boiler & Machinery	\$ 250,000
Time Element - All Risks : Except	60 Days
Service Interruption	48 Hours