

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team

at MileHighOrdinance@DenverGov.org by **9:00am on Friday**. Contact the Mayor's Legislative team with questions

Date of Request: 11/7/2025

Please mark one: ☐ Bill Request or ☒ Resolution Request

Please mark one: The request directly impacts developments, projects, contracts, resolutions, or bills that involve property and impact within .5 miles of the South Platte River from Denver's northern to southern boundary? (Check map [HERE](#))

☐ Yes ☒ No

1. Type of Request:

- ☒ Contract/Grant Agreement ☐ Intergovernmental Agreement (IGA) ☐ Rezoning/Text Amendment
☐ Dedication/Vacation ☐ Appropriation/Supplemental ☐ DRMC Change
☐ Other: Purchase Capital Equipment

2. **Title:** Approves a professional services contract with Arthur J. Gallagher for \$8,000,000.00 with an end date of 12-01-2030 to procure and manage a Rolling Owner Controlled Insurance Program (ROCIP) covering new construction projects at the National Western Center, in Council District 9 (FINAN-202580471).

3. **Requesting Agency:** Department of Finance

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Devron McMillin-Morrison	Name: Laura Swartz
Email: devron.mcmilllin@denvergov.org	Email: Laura.Swartz@denvergov.org

5. General description or background of proposed request. Attach executive summary if more space needed –

The proposed resolution authorizes the purchase of a Rolling Owner Controlled Insurance Program (ROCIP) to insure new construction projects and contractors working on the National Western Center redevelopment project. Insurance will be procured through the City's insurance broker, Arthur J. Gallagher. Total not to exceed premium over the course of 5 years is \$8,000,000. Executive Summary attached.

6. **City Attorney assigned to this request (if applicable):** Rob Wheeler

7. **City Council District:** Council District 9

8. ****For all contracts, fill out and submit accompanying Key Contract Terms worksheet***

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: _____

Date Entered: _____

Key Contract Terms

Type of Contract: (e.g. Professional Services > \$500K; IGA/Grant Agreement, Sale or Lease of Real Property):
Professional Services > \$500K

Vendor/Contractor Name: Arthur J. Gallagher

Contract control number: FINAN-202580471-00

Location: National Western Center Campus

Is this a new contract? ☒ Yes ☐ No **Is this an Amendment?** ☐ Yes ☒ No **If yes, how many?** _____

Contract Term/Duration (for amended contracts, include existing term dates and amended dates): Insurance term will be FINAN-202580471-00: 12/1/2025 – 12/1/2030

Contract Amount (indicate existing amount, amended amount and new contract total):

<i>Current Contract Amount (A)</i>	<i>Additional Funds (B)</i>	<i>Total Contract Amount (A+B)</i>
\$8,000,000	n/a	\$8,000,000

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
12/1/2025 – 12/1/2030	n/a	n/a

Scope of work:

The proposed resolution authorizes the purchase of a Rolling Owner Controlled Insurance Program (ROCIP) to insure new construction projects and contractors working on the National Western Center redevelopment project. Insurance includes Workers' Compensation (for construction contractors), General Liability, Excess Liability, Builders' Risk, and Contractors Pollution. A loss fund to pay claims is included in the total amount. Insurance will be procured through the City's insurance broker, Arthur J. Gallagher. Total not to exceed premium over the course of 5 years is \$8,000,000. Executive Summary attached.

Was this contractor selected by competitive process? Yes **If not, why not?**

Has this contractor provided these services to the City before? ☒ Yes ☐ No

Source of funds: National Western Center Funds

Is this contract subject to: ☐ W/MBE ☐ DBE ☐ SBE ☐ XO101 ☐ ACDBE ☒ N/A

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**Aurthur J Gallagher Professional Services Agreement
National Western Center Rolling Owner Controlled Insurance Program
Resolution Request Executive Summary**

Traditionally on city construction projects, each individual contractor is required to carry insurance covering their exposures at the worksite. Required coverages were then passed down to subcontractors of all levels. The result is numerous insurance policies all separately covering individual contractors. In the construction insurance industry, it is more common for the owner of large projects to purchase a Rolling Owner Controlled Insurance Program (ROCIP), which is a program insuring all parties working on the construction job site. With a ROCIP, all enrolled parties are covered by one insurance program, ensuring best available terms/conditions and higher limits for the entire project instead of multiple small policies with varying terms/conditions held by individual parties. Denver International Airport has been utilizing ROCIPs for their construction projects since 2013. The City and County of Denver's Risk Management and Workers' Compensation Division established it's first ROCIP for the National Western Center original redevelopment project. This Resolution Request is for a new ROCIP covering the next phase of National Western Center development including the equestrian center, hotel, parking garage and potentially smaller projects such as bridges and roads at the National Western Center site.

Benefits of a ROCIP include:

Insurance Coverage Control

- Guaranteed best coverage terms/conditions
- Higher limits than generally required (\$100M limit covering entire project vs. Contractors \$1M/\$2M)
- Consolidated claims management and legal defense– one policy eliminates finger pointing and determining responsible party, making the claims process quicker and less expensive

Small Business Involvement

- MBE/WBE/DBE may not be able to afford insurance generally required, or insurance may not be as broad, with numerous exclusions
- Owner purchased policy ensures all enrolled parties have guaranteed best terms/conditions and limits

Workplace Safety

- Owner establishes safety standards
- Consolidated loss control
- With concern over enough skilled trades workers, aging workforce, and inexperienced workers, safety is key to a successful program

Potential Cost Savings

- Stability of coverage – fixed price for 5+ years (hardening market will not affect rates during policy term)
- Economies of scale – premium discount for placing all risks under one program vs. multiple separate programs
- Eliminates duplicate coverage
- Eliminates contractor markup on insurance costs

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Estimated costs for the National Western Center ROCIP II (actual/final insurance premiums will be determined post-construction once actual construction costs are finalized)

Coverage	Carrier	Estimated NTE Premium	Limit	Loss Fund Requirement	Payment Terms
Workers' Compensation & Employers Liability	Zurich	\$900,000	Statutory/ \$200,000,000	\$1,650,000	Paid in 16 quarterly installments (\$130k loss control fee paid annually)
Commercial General Liability	Zurich	\$1,329,000	\$2M per occurrence/ \$4M aggregate	Included in the above	Paid in 16 quarterly installments
Primary Excess	Zurich	\$625,000	To \$10,000,000	None	Paid at policy inception
Excess (2 nd Layer)	TBD	\$535,000	To \$25,000,000	None	Paid at policy inception
Excess (3 rd Layer)	TBD	\$450,000	To \$50,000,000	None	Paid at policy inception
Excess (4 th Layer)	TBD	\$415,000	To \$150,000,000	None	Paid at policy inception
Builder's Risk	Zurich	\$1,400,000	Project Construction Value	None	Paid in annual installments
Contractor's Pollution	TBD	\$300,000	\$25,000,000	None	Paid at policy inception

Estimated Insurance Policy Premium: \$5,954,000
Loss Fund: \$1,650,000
Broker Fee: \$396,000
Total Estimated: \$8,000,000

Broker: Arthur J. Gallagher
Term: 2025 – 2030; 8 year completed operations (general liability, excess liability, contractor's pollution)

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