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DEPARTMENT OF
FINANCE

RISK MANAGEMENT &
INSURANCE DIVISION

CITY OF SACRAMENTO
CALIFORNIA

January 17, 1989
RM:89002WP:WR/eb

CITY HALL
ROOM 14
915 I STREET
SACRAMENTO, CA
95814-2685

916-449-5556

WILLIAM REDMOND
MANAGER

Budget and Finance Committee
Sacramento, California

Honorable Members in Session:

SUBJECT: RENEWAL OF THE CITY'S AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION SERVICES

SUBJECT

Attached is a report to Council recommending the City Council adoption of the attached resolution authorizing the renewal of Sacramento's Auto and General Liability Claims Administration Services as presented in the attached letter to the City Council.

RECOMMENDATION

It is recommended that the Budget and Finance Committee approve the attached report and forward it to the full Council for adoption.

Respectfully submitted,

William Redmond
Risk Manager

Attachment

RECOMMENDATION APPROVED:

Jack Crist
Deputy City Manager

January 17, 1989
All Districts



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WILLIAM REDMOND
MANAGER

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: RENEWAL OF CITY'S AUTO AND GENERAL LIABILITY CLAIMS
ADMINISTRATION SERVICES

SUMMARY

This report requests that the City Council authorize the renewal of the city's contract with Adjustco (formerly known as L.J.R. Insurance Services, Inc.) to provide the City of Sacramento with auto and general liability claims administration services.

BACKGROUND

On January 14, 1986, the City Council awarded a contract to L.J.R. Insurance Services (Adjustco) for a period of not less than three years (3) with an option for a three year (3) renewal starting January 20, 1986 through January 19, 1989, subject to annual review after January 19, 1989.

L.J.R. Services was selected after a very intensive RFP review of seven (7) well qualified proposals. L.J.R. Services was the unanimous choice by the Risk Management Committee based upon all factors included in the review process.

Their performance to date has been judged excellent by the Risk Management Committee and the City Attorney. Their proposal to continue their administrative services is considered to be an excellent value considering both the quality of their performance and the price proposed.

FINANCIAL DATA

Funding is provided in the FY 1988-89 budget for the subject service.

For claims commencing at the starting date of the contract Adjustco, Inc. is to perform all administrative services in this proposal.

The following fees are proposed and will be subject to an annual increase of five percent in years two (2) and three (3). A flat annual fee of \$105,310 per annum for up to 525 new claimants per year. Any claims over 525 per annum will be billed at a rate of \$199 each.

RECOMMENDATION

It is the recommendation of the City's Risk Management Committee that the City Council adopt the attached resolution awarding a claims administration contract to Adjustco, Inc. for a period not less than three (3) years, subject to annual review.

Respectfully submitted,



William Redmond
Risk Manager

RECOMMENDATION APPROVED:

Walter J. Slipe
City Manager

All Districts
January 17, 1989

RESOLUTION No.

Adopted by The Sacramento City Council on date of

**RESOLUTION APPROVING AWARD OF AUTO AND
GENERAL LIABILITY CLAIMS ADMINISTRATION SERVICE**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. That the City Manager is hereby authorized and directed to contract with Adjustco, Inc. for a period of not less than three (3) years, starting January 20, 1989, through January 19, 1992, subject to annual review, for Auto and General Liability Claims Administration Services for the City.

2. The estimated cost for the service is as follows: For claims commencing at the renewal date January 20, 1989, of the contract, Adjustco, Inc. is to perform all administrative services offered in this proposal. The following fees are proposed and will be subject to an annual increase of five (5) percent. A flat annual fee of \$105,310 for up to 525 new claimants for the first year. Claims over 525 per annum will be billed at a rate of \$199 each.

The second and third year will be subject to a 5% increase of both flat annual fee and for claims over 525 billed.

3. That the Department of Finance is authorized and directed to pay annual fee for said coverage from the Risk Management and Insurance Program budget 4-21-110-1152-0000-4258.

MAYOR

ATTEST:

CITY CLERK