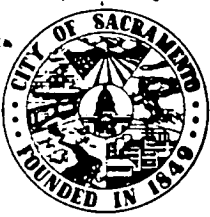


41

# CITY OF SACRAMENTO



CITY MANAGER'S OFFICE  
**RECEIVED**  
OCT 9 1980

DEPARTMENT OF FINANCE  
915 I STREET SACRAMENTO, CALIFORNIA 95814  
ROOM 112 TELEPHONE (916) 449-5736

October 8, 1980

JACK R. CRIST  
DIRECTOR OF FINANCE  
FRANK MUGARTEGUI  
ASSISTANT DIRECTOR

City Council  
Sacramento, California

Honorable Members in Session:

SUBJECT: INVITING PROPOSALS FOR UNEMPLOYMENT COMPENSATION  
CLAIMS ADMINISTRATOR

SUMMARY

This is to advise the City Council that Staff will be inviting proposals for the administration of claims for Unemployment Compensation. The City agreement with its current administrator expires December 31, 1980.

BACKGROUND

With the passage of AB-644 on January 30, 1978, mandatory unemployment compensation benefits were extended to local government employees. The City chose the "Individual Reimbursement Method" of funding this exposure and entered into a contract with R. E. Harrington to administer its claims.

"Individual Reimbursement Method" — City agrees to reimburse the State of California Unemployment Fund for each dollar of unemployment insurance benefits paid to ex-employees of the City. No advance payment is required. Funds are under City control.

Staff has not been extremely impressed with Harrington's performance, therefore we are not recommending to extend the agreement as provided for, without looking into other administrators.

Enclosed herewith for your information is a copy of the City's Invitation for Proposal for Unemployment Compensation Claims Administrators.

FINANCIAL

The annual cost for the past three (3) years has been \$2.00 per active employees (including part time, seasonal, temporary, and limited term employees) or approximately \$7,200. Funding is provided in the FY 1980-81 Budget for this expenditure. Also, it is our position that the City cannot assume the administration of unemployment claims for \$7,200 annual cost.

**APPROVED**  
BY THE CITY COUNCIL

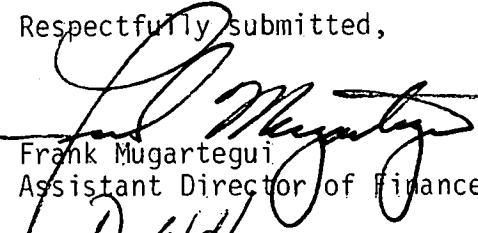
OCT 14 1980

OFFICE OF THE  
CITY CLERK

RECOMMENDATION


No Council action required at this time. Staff will return to the Council when selection has been made.

Respectfully submitted,

  
Frank Mugartegui  
Assistant Director of Finance

  
Dunbar Heins  
Employee Services Administrator

FOR COUNCIL INFORMATION ONLY:



*Se* Walter J. Slife  
City Manager

October 14, 1980  
All Districts

FA:80440:FM/ml  
Enclosure

cc: Risk Management Committee  
Donna Giles, Personnel Director

CITY OF SACRAMENTO

Invitation for Proposals for  
Unemployment Compensation Claims Administrator

The City of Sacramento intends to select and appoint a firm that will represent the City in Unemployment Compensation matters under the State of California Unemployment Compensation Law. The City is presently serviced by a Claims Administrator and now seeks a renewal or new selection of claims administrator to be effective January 1, 1981. The claims administrator will be appointed for a period of not less than three (3) years, with an option to renew for an additional three (3) years. The arrangement will be subject to cancellation by either party upon ninety (90) days notification.

To accomplish this task, the City is desirous of obtaining proposals from interested and qualified claims administrators prior to 10:00 a.m., Tuesday, November 18, 1980. Claims administrators who are interested in serving the City of Sacramento are to prepare a written proposal responding to the following:

- A. Name and address of the firm, date established and brief description of historical background.
- B. Does your firm sell insurance?
- C. Is firm's income entirely from client fees? \_\_\_\_\_  
If answer is no, please explain.
- D. Describe clients presently serviced on a continuing consulting basis; Particular emphasis should be placed on political sub-division clientele.
- E. Specifically detail the manner in which your firm is prepared to service the City's needs for unemployment compensation claims management.
- F. Please outline those activities you envision as being necessary in accomplishing this task.
- G. All fees for services should be quoted on an annual basis (quarterly payments) with scheduled increases, if any, over the three (3) year period.
- H. Provide resume of personnel who would be assigned to work on the City's account.
- I. Include any additional information about your firm which you feel might be of aid to the City in evaluating your firm's competence, capabilities, resources, references, and professional organizations.

General Information:

- A. Scope of work desired but not necessarily limited to —
1. Collecting and storing payroll and separation information required to process claims for unemployment compensation benefits;
  2. Evaluating qualifications of claimants for eligibility for benefits, including a review of the type of separation, the nature of resignations and discharges (whether with or without cause), base period employment, weekly benefit amount, maximum potential liability, and share of charges if more than one employer is responsible;
  3. Timely completing and processing all claim forms;
  4. Timely protesting all incorrect charges and claims;
  5. Representing City and arranging for appropriate testimony at all unemployment compensation hearings, including appeals before administrative law judges and the Unemployment Insurance Appeals Board, unless City notifies Administrator of City's intent to represent itself at such hearings;
  6. Providing continuing educational and training programs at least annually, including classroom training, for City personnel at City facilities, as required due to changes in applicable laws and/or procedures;
  7. Providing quarterly detailed reports within thirty (30) days after the end of each quarter (or, if the State has not provided Administrator with the information necessary prepare such reports in such time period, not less than ten (10) days prior to the deadline established by the State for reimbursement of the quarterly charge statement) of all claims made against City, including information regarding payment of claims to date, and claims pending;
  8. Filing all required information with the State of California, except quarterly payroll information reports;
  9. Preparing periodic analytic reports, such as but not limited to, reports analyzing City's unemployment compensation experience and City's method of financing unemployment compensation costs compared with alternative

financing methods and reports analyzing City's separation experience and unemployment compensation costs; and

10. Performing a fiscal audit of any and all invoices received by City from State of California regarding benefits paid and applying to the State for any refunds or adjustments on behalf of City.
- B. Approximately 3,500 employees (including CETA, part-time, seasonal, temporary, and limited term).
- C. Account Activity Summary (see Exhibit I).
- D. An Unemployment Compensation Claims Administrator will be selected from the proposals received based upon (1) the adequacy and appropriateness of the written proposal; (2) the demonstrated ability and capacity to provide said service; (3) calls to references or others who may know the quality of the Consultant's work; (4) an interview; and (5) fee for services.

Bids must be submitted and enclosed in a sealed envelope marked "Sealed Proposal for Unemployment Compensation Claims Administrator Services".

For consideration, proposals in response to this invitation must be submitted prior to 10:00 a.m., Tuesday, November 18, 1980, to:

City Clerk  
City of Sacramento  
915 "I" Street, Room 308  
Sacramento, CA 95814

Attention: Lorraine Magana

The bids will be opened at 10:15 a.m., Tuesday, November 18, 1980, in the Council Chamber, Second Floor, 915 "I" Street, Sacramento, CA.

Any questions that may arise in the process of developing your proposal should be addressed to:

Mr. Frank Mugartegui  
Assistant Director of Finance  
Phone: (916) 449-5736

or

Mr. Dunbar Heins  
Employee Services Administrator  
Phone: (916) 449-5665

UNEMPLOYMENT COMPENSATION  
ACCOUNT ACTIVITY SUMMARY

EXHIBIT I

CITY OF SACRAMENTO  
801 NINTH ST ROOM 201  
SACRAMENTO CA 95814

CALIFORNIA  
U.C.NO. 000440488

APR. 1, 1979 THROUGH JUN. 30, 1979

	NUMBER	POTENTIAL LIABILITY
CLAIMS FILED THIS PERIOD		
LACK OF WORK	31	31,144.00
QUIT	13	12,483.00
DISCHARGE	8	10,070.00
RETIREMENT	2	
NOT SEPARATED - CASUAL, ON CALL, PART TIME	1	1,315.00
TOTAL THIS PERIOD	55	55,012.00
CLAIMS FILED PRIOR TO THIS PERIOD	219	130,563.60
TOTAL ACTIVE CLAIMS	274	185,575.60
PROTESTS AND APPEALS		
EMPLOYER	85	67,026.00
CLAIMANT	1	214.00
STATUS OF PROTESTS AND APPEALS		
PENDING	15	2,906.00
DISQUALIFICATIONS	2	
DEFERRED	39	32,484.00
RULED ELIGIBLE	29	31,850.00
CHARGES AND CREDITS THIS PERIOD		AMOUNT
CHARGES FOR BENEFITS		32,476.00
CREDITS-PROTESTED CLAIMS/OTHER		234.00-
CREDITS-PROTESTED CHARGES		1,844.00-
TOTAL -NET- THIS PERIOD		30,398.00
CHARGES AND CREDITS PRIOR TO THIS PERIOD -NET-		31,022.00
REMAINING POTENTIAL LIABILITY		124,155.60
* PAY THIS AMOUNT -----		\$30,398.00

*Revd*  
*8/1/80*

