



# CITY OF SACRAMENTO

8

CITY MANAGER'S OFFICE  
**RECEIVED**  
DEC 11 1980

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

JACK R. CRIST  
DIRECTOR OF FINANCE  
FRANK MUGARTEGUI  
ASSISTANT DIRECTOR

December 10, 1980

City Council  
Sacramento, California

Honorable Members in Session:

SUBJECT: RISK MANAGEMENT & INSURANCE CONSULTANT SERVICES

SUMMARY

It is recommended that the City of Sacramento enter into an agreement with the firm of Warren, McVeigh, & Griffin, for the Risk Management and Insurance Consultant Services.

BACKGROUND

On October 14, 1980, staff advised the City Council that it would be inviting proposals for obtaining Risk Management and Insurance Consultant Services (see Exhibit I).

Only four (4) of the seven (7) firms that were invited, submitted proposals (see Exhibit II). Following a review of the proposals by staff, only three (3) firms were interviewed - Mund, McLaurin & Co. of San Francisco, David Warren.CPCU, and Warren, McVeigh & Griffin.

CONCLUSION

All firms submitting proposals were undoubtedly capable and qualified to provide the necessary services. However, staff narrowed its invitation for interview to only three (3) firms. The three (3) Risk Management and Insurance Committee members conducting this interview (Jack Crist, Jim Jackson, and Ron Parker) unanimously chose the firm of Warren, McVeigh & Griffin, based on their proposal, presentation, and exhibited expertise in the field, particularly their overall approach in handling our account.

FUNDING

The FY 1980-81 Risk Management and Insurance Program Budget provides funding for this expenditure.

**APPROVED** *A-80138*  
BY THE CITY COUNCIL

DEC 16 1980

OFFICE OF THE  
CITY CLERK

RECOMMENDATION

It is recommended that the City Council approve this report and adopt the enclosed resolution authorizing the City Manager to enter into an agreement with Warren, McVeigh & Griffin that will provide for —

1. Risk Management and Insurance Consultant Services as specified in their proposal to the City;
2. The terms of the agreement to be for a period of not less than three (3) years, (1/1/81 to 12/31/83), subject to annual review;
3. The monthly fee to include all consulting services and expenses will be —

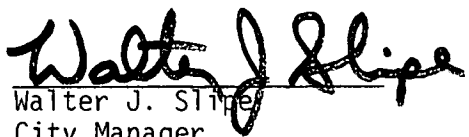
<u>Period</u>	<u>Monthly Fee</u>	<u>Annual Cost</u>
1/1/81 to 12/31/81	\$950	\$11,400
1/1/82 to 12/31/82	420	5,040
1/1/83 to 12/31/83	460	5,520

4. The agreement will provide an option to negotiate a renewal for an additional three (3) years.

Respectfully submitted,

  
 Frank Mugartegui  
 Assistant Director of Finance

RECOMMENDATION APPROVED:

  
 Walter J. Slipes  
 City Manager

All Districts  
 December 16, 1980

FA:80528:FM/ml  
 Enclosures

cc: Risk Management & Insurance Committee



# CITY OF SACRAMENTO

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## DEPARTMENT OF FINANCE

915 I STREET  
ROOM 112

SACRAMENTO, CALIFORNIA 95814  
TELEPHONE (916) 449-5736

JACK R. CRIST  
DIRECTOR OF FINANCE  
FRANK MUGARTEGUI  
ASSISTANT DIRECTOR

December 10, 1980

Budget and Finance Committee  
City Council  
Sacramento, California

Honorable Members in Session:

SUBJECT: RISK MANAGEMENT & INSURANCE CONSULTANT SERVICES

### SUMMARY

The attached report has been concurrently agendized on today's Budget and Finance Committee meeting and City Council meeting. The Chairman of the Budget and Finance Committee will report to the Council on the subject report.

Respectfully submitted,

  
Frank Mugartegui  
Assistant Director of Finance

RECOMMENDATION APPROVED:

  
Jack R. Crist  
Director of Finance

December 16, 1980

FA:80530:FM/ml  
Attachments

# RESOLUTION NO. 80-822

Adopted by The Sacramento City Council on date of

## RESOLUTION AUTHORIZING AGREEMENT RISK MANAGEMENT AND INSURANCE CONSULTANT SERVICES.

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

1. That the City Manager is hereby authorized and directed to enter into an agreement with Warren, McVeigh, & Griffin that will provide for —
  - a. Risk Management and Insurance Consultant services as specified in their proposal to the City of Sacramento;
  - b. The terms of the agreement to be for a period of not less than three (3) years (1/1/81 to 12/31/83), subject to annual review;
  - c. The monthly fee to include all consulting services and expenses will be —

<u>Period</u>	<u>Monthly Fee</u>	<u>Annual Cost</u>
1/1/81 to 12/31/81	\$950	\$11,400
1/1/82 to 12/31/82	420	5,040
1/1/83 to 12/31/83	460	5,520
  - d. The agreement will provide for an option to negotiate a renewal for an additional three (3) years.
2. That the Department of Finance is authorized and directed to pay for the said services from the Risk Management and Insurance Program Budget 4-21-5030.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

**APPROVED**  
BY THE CITY COUNCIL

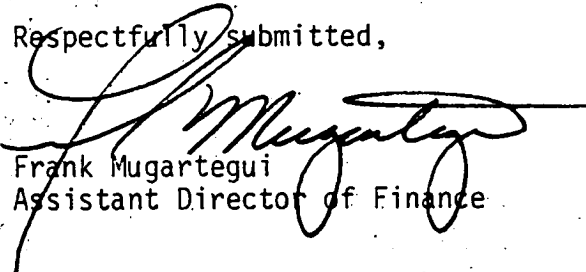
DEC 16 1980

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

FOR COUNCIL INFORMATION ONLY:

William H. Edger

Walter J. Slipe  
City Manager

October 14, 1980  
All Districts

FA:80436:FM/ml

cc: Risk Management Committee  
Donna Giles, Personnel Director



# CITY OF SACRAMENTO

EXHIBIT I

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

DEPARTMENT OF FINANCE  
915 I STREET  
ROOM 112  
SACRAMENTO, CALIFORNIA 95814  
TELEPHONE (916) 448-5738

JACK R. CRIST  
DIRECTOR OF FINANCE  
FRANK MUGARTEGUI  
ASSISTANT DIRECTOR

October 7, 1980

City Council  
Sacramento, California

Honorable Members in Session:

SUBJECT: OBTAINING RISK MANAGEMENT AND INSURANCE CONSULTANT SERVICES

## SUMMARY

This is to advise the City Council that Staff will be inviting proposals from Independent Risk Management and Insurance Consultants based in California.

## BACKGROUND

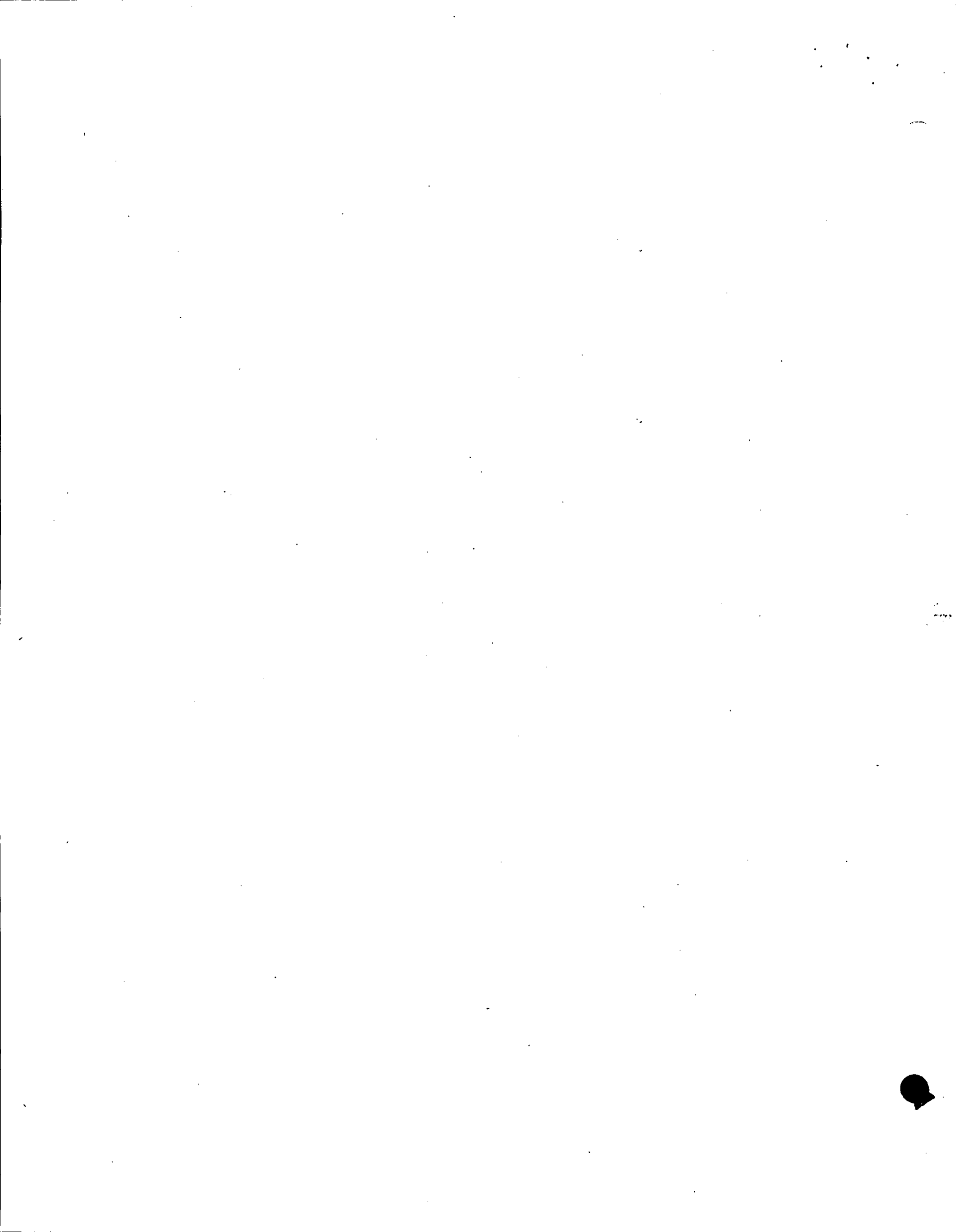
Since September of 1970 the City has utilized the services of Mund, McLaurin and Co. of San Francisco, as its Risk Management and Insurance Consultant. They have and continue to serve us well; however, with the recent changes in the Presidency of the Company due to death, it is felt that we should invite proposals for the subject services.

Invitations for proposals will be solicited only from pure Risk Management Consultants - those whose entire income is derived from client fees, freeing them from direct or indirect influence from insurance placements.

Enclosed herewith for your information, are copies of 1) City's Invitation for Proposal and 2) list of members of Institute of Risk Management Consultants, Inc. (IRMC).

## FINANCIAL

The annual retainer paid to Mund, McLaurin & Co. has been \$4,200. It is anticipated the proposals should not exceed \$6,000 per year. Funding has been provided for this expenditure in the FY 1980-81 Budget.



CITY OF SACRAMENTO

Invitation for Proposals from  
Independent Risk Management and Insurance Consultants

The City of Sacramento intends to select and appoint an independent risk management/consultant and advisor. The City is presently serviced by a consulting firm and now seeks a renewal or new selection of consultant to be effective January 1, 1981. The consultant will be appointed for a period of not less than three (3) years. The arrangement will be subject to cancellation by either party upon ninety (90) days notification.

It has been the City's practice to periodically review the selection of risk management consultant in an effort to evaluate and maintain a proper blend of service and professional management of risk.

To accomplish this task, the City is desirous of obtaining proposals from interested, qualified and independent consultants prior to 10:00 a.m., Tuesday, November 18, 1980. Consultants 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 clientel.
- E. Specifically detail the manner in which your firm is prepared to service the City's needs for practical risk management.
- F. Please outline those activities you envision as being necessary in accomplishing this task.
- G. All fees for services should be quoted on a monthly basis, with scheduled increases, if any, over the three 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 (i.e. ICS, IRMC, etc.).



The risk management and consulting services are to be provided for all lines of insurance except Life, Accident, Health and Employee Benefits.

General Information:

Scope of work desired but not necessarily limited to —

- a. Audit of the overall Risk Management program;
- b. Preparation of bid specifications;
- c. Evaluation of proposals;
- d. Review of insurance contract provisions, etc.; and
- e. Provide advice on client's questions.

Exhibit I provides you with a schedule of insurance and related services currently being utilized by the City.

An Independent Risk Management and Insurance Consultant 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 Risk Management and Insurance Consultant 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

C A N A D A

BRITISH COLUMBIA

P. D. Norman & Associates (B.C.) Ltd.  
Marina Place, 8331 River Road  
RICHMOND, BRITISH COLUMBIA V6X 1Y1  
(604) 273-3033

Mr. Peter Norman

ONTARIO

Peter Armour Insurance Counselling Ltd.  
23 Westmore Drive, Suite 401  
TORONTO, ONTARIO M9V 3Y7  
(416) 745-2141  
Mr. Peter Armour

P. D. Norman & Associates (B.C.) Ltd.  
111 Richmon Street West  
TORONTO, ONTARIO M4H 294  
(416) 366-3916  
Mr. Peter Norman

UNITED STATES OF AMERICA

CALIFORNIA

Thomas J. Hammond & Company  
3701 Wilshire Boulevard, Suite 1038  
LOS ANGELES, CALIFORNIA 90010  
(213) 480-3833

\*Mr. Thomas J. Hammond, Jr.  
Ms. Joan C. Morris

Mund, McLaurin & Co.  
600 S. Commonwealth Avenue  
LOS ANGELES, CALIFORNIA 90005  
(213) 385-3201

\*Mr. Virgil R. Howell  
Mr. William J. Pinckney  
Mr. Donald Voller

Warren, McVeigh & Griffin  
1420 Bristol Street North  
NEWPORT BEACH, CALIFORNIA 92660  
(714) 752-1058

Mr. C. C. Griffin

Mr. David Warren  
58 Diablo View Drive  
ORINDA, CALIFORNIA 94563  
(415) 254-9472

The Wyatt Company  
1 Post Street  
SAN FRANCISCO, CALIFORNIA 94104  
(415) 986-6568

Mr. Tom Briggin

CONNECTICUT

Risk Planning Group, Inc.  
722 Post Road  
DARIEN, CONNECTICUT 06820  
(203) 655-9791

\*Mr. H. Felix Kroman  
Mr. Mitchell Cole  
Mr. Charles F. Moody, Jr.

ILLINOIS

Corporate Policyholders Counsel, Inc.  
20 N. Wacker Drive  
CHICAGO, ILLINOIS 60606  
(312) 372-8225

Mr. William Leinheiser  
Mr. Lawrence P. Mulvaney  
\*Mr. William R. Rich  
Mr. John W. Sabol  
Mr. Ron Seaver

The Wyatt Company  
233 S. Wacker Drive  
CHICAGO, ILLINOIS 60606  
(312) 876-1616

\*Mr. Warren G. Brockmeier  
Mr. Michael W. Cetera  
Mr. Michael G. Haske

INDIANA

Insurance Audit & Inspection Co.  
6525 East 82nd Street, Suite 206  
INDIANAPOLIS, INDIANA 46250  
(317) 849-2700

Mr. Frank C. Alderson  
Mr. Jack Harris  
\*Mrs. Mary Coate Houtz  
Mr. John W. Wall

LOUISIANA

Felton Associates  
3255 Fritchie Drive  
BATON ROUGE, LOUISIANA 70809  
(504) 925-2833

Mr. Robert Felton

MARYLAND

Insurance Buyers Council, Inc.  
22 West Road  
BALTIMORE, MARYLAND 21204  
(301) 828-1656

- \*Mr. Carroll E. Henkel
- Mr. Bernard J. McGovern
- Mr. Milton A. Sorrell, Jr.

MASSACHUSETTS

George Betterley Consulting Group  
200 Clarendon Street  
BOSTON, MASSACHUSETTS 02116  
(617) 267-4300

- \*Mr. George M. Betterley
- Mr. Donald B. Dalbeck
- Mr. William D. Hahn
- Mr. C. Robert Laforme
- Mr. Charles T. Tagman, Jr.

D. A. Betterley Risk Consultants  
446 Main Street  
WORCESTER, MASSACHUSETTS 01608  
(617) 754-1704

- Mr. Delbert A. Betterley

MICHIGAN

The Wyatt Company  
200 First National Building  
DETROIT, MICHIGAN 48226  
(313) 961-5485

- \*Mr. Adolph E. Baron
- Mr. Henry P. Devlin

MINNESOTA

Risk Control Inc.  
354 2nd Street  
EXCELSIOR, MINNESOTA 55331  
(612) 474-5204

- Mr. Jerry L. Brecke

NEW JERSEY

Blades & Macaulay  
2444 Morris Avenue  
UNION, NEW JERSEY 07083  
(201) 687-3735

- Mr. Arthur Macaulay, Jr.

NEW YORK

Aldrich & Cox, Inc.  
274 Delaware Avenue  
BUFFALO, NEW YORK 14202  
(716) 856-2991

- Mr. Herbert C. Cox

S. B. Ackerman Associates  
605 Third Avenue  
NEW YORK, NEW YORK 10016  
(212) 599-1717

- Mr. Bernard A. Salwen

TEXAS

The Wyatt Company  
1900 Republic National Bank Tower  
DALLAS, TEXAS 75201  
(214) 748-5867

- Mr. Frederick B. Gillette

WISCONSIN

T. E. Brennan Company  
250 E. Wisconsin Avenue  
MILWAUKEE, WISCONSIN 53203  
(414) 271-2232

- Mr. J. William Foran
- Mr. Greig K. Forrest
- Mr. Thomas E. Gold
- \*Mr. John Hayes
- Mr. Donald L. Pass

LIFETIME MEMBERS

Mr. R. Maynard Toelle  
703 Thunderbird Avenue  
Sun City Center, Florida 33570  
(813) 634-4975

Mr. Arthur M. Clark  
5200 Dobson  
Skokie, Illinois 60076  
(312) 674-2558

Mr. Nathan H. Siegel  
41389 Leidel Court  
Northville, Michigan 48167  
(313) 349-4608

\*Principal Contact

CITY OF SACRAMENTO  
 SCHEDULE OF FIRMS INVITED TO SUBMIT PROPOSALS FOR  
 RISK MANAGEMENT AND INSURANCE CONSULTANT PROPOSAL

<u>Firm/Location</u>	<u>Annual Fee</u>	<u>Ranking of Proposal</u>	<u>Invited for Interview</u>	<u>Ranking After Interview</u>
EBASCO Newport Beach, CA	No response	N/A		
Thomas J. Hammond & Co. Los Angeles, CA	No response	N/A		
Mund, McLaurin & Co. of Los Angeles, CA	No response	N/A		
Mund, McLaurin & Co. of San Francisco, CA	\$400/month per 3 yrs 3 yr total \$14,400	2	X	2+
David Warren CPCU Orinda, CA	1st yr \$775/month 2nd yr \$300/month (approx) 3rd yr \$336/month (approx) 3 yr total \$1.6,932	2	X	2
Warren, McVeigh & Griffin San Francisco/Newport Beach, CA	1st yr \$950/month 2nd yr \$420/month 3rd yr \$460/month 3 yr total \$21,960	1	X	1
The Wyatt Co. San Francisco, CA	1st yr \$750/month 2nd yr \$825/month 3rd yr \$908/month 3 yr total \$20,796	3		