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DEPARTMENT OF  
ADMINISTRATIVE SERVICES  
RISK MANAGEMENT DIVISION

CITY OF SACRAMENTO  
CALIFORNIA

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ROOM 700  
SACRAMENTO, CA  
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October 25, 2001

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City Council  
Sacramento, California

Honorable Members in Session: *AG 2001-220*

**SUBJECT: FIVE YEAR CONTRACT FOR RISK MANAGEMENT  
ACTUARIAL SERVICES IN THE AMOUNT OF \$125,000**

**LOCATION AND COUNCIL DISTRICT:**

City.

**STAFF RECOMMENDATION:**

It is recommended the City Council adopt the attached resolution authorizing and directing the City Manager to contract with Bickmore Risk Services for Risk Management actuarial services.

**CONTACT PERSON:**

Margaret Ann Allen, Risk Manager, 264-5823

**FOR COUNCIL MEETING OF:**

November 27, 2001

**SUMMARY:**

The City of Sacramento, Risk Management Division contracts with actuarial firms to provide loss projections for the upcoming fiscal year(s) for budgeting, estimating outstanding losses at year-end for the balance sheet, evaluating the financial impact of law or benefit changes, as well as various other studies related to the Risk

Management fund. Tillinghast - Towers Perrin served as our actuary for the past five years. Following a competitive bid and evaluation process, Bickmore Risk Services has been selected to provide actuarial services for the next five years.

**COMMITTEE/COMMISSION ACTION:** None.

**BACKGROUND INFORMATION:**

On April 4, 2001, a Request for Proposals for actuarial services was issued to eighteen actuarial service providers for the annual analysis of the City's self-insured workers' compensation and liability programs. Eight firms submitted proposals that were reviewed by an evaluation panel comprised of City staff representing Finance and Human Resources.

The objective of the Request for Proposal process was to determine a provider who could offer the highest quality of service at the most reasonable cost. The performance of the bidders was measured utilizing the following criteria:

- Firm Expertise
- Personnel Experience
- Customer Service
- Pricing

All firms submitting proposals were capable and qualified to provide the required services. After thorough review and reference checks of the service provider selected, the evaluation panel unanimously chose the firm of Bickmore Risk Services.

**FINANCIAL CONSIDERATIONS:**

The billing for routine actuarial services for fiscal year 2001-2002 is \$17,000 with an annual increase of \$1,000 through fiscal year 2005-2006. Additional services including benchmarking, cost of risk allocation, may also be requested. Funding to pay for these services is provided in the Risk Management Budget.

**ENVIRONMENTAL CONSIDERATIONS:**

The subject of this report does not involve a project that requires compliance with the California Environmental Quality Act (CEQA), inasmuch as it does not involve an activity that may cause a direct or indirect change in the environment (Public Resources Code Section 21065).

**POLICY CONSIDERATIONS:**

The extensive evaluation and selection process implemented to procure actuarial services is consistent with City Council direction to ensure sound financial responsibility

by implementing the most effective loss prevention programs possible.


**ESBD CONSIDERATIONS:**

A concerted effort was made to include ESBD companies in the bidding process. Bickmore Risk Services is a certified Small Business Enterprise located in the City of Sacramento.

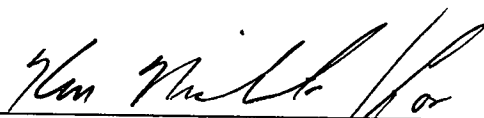
Respectfully submitted,

  
Margaret Ann Allen  
Risk Manager

**CONCURRENCE:**

  
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Terrence Woods  
Director of Human Resources

**APPROVED:**

  
\_\_\_\_\_  
Robert P. Thomas  
City Manager

**RESOLUTION NO. 2001-776**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

**RESOLUTION AUTHORIZING CONTRACT WITH BICKMORE RISK SERVICES  
TO SERVE AS CITY ACTUARY FOR RISK MANAGEMENT PROGRAMS**

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

1. That the City Manager is hereby authorized to execute a contract with Bickmore Risk Services for the purpose of providing actuarial services associated with the City's Risk Management Fund, covering the period of July 1, 2001 through June 30, 2006. The total cost of this five-year contract shall not exceed \$125,000.
2. The Human Resources Department is authorized to pay fees for said services from the Risk Management Administration Budget 421-150-1545-4258. The total cost of this five-year contract shall not exceed \$125,000.

\_\_\_\_\_  
MAYOR

ATTEST:

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

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FOR CITY CLERK USE ONLY

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RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_