

CITY OF SANTA ROSA  
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL

FROM: DOMINIQUE KURIHARA, RISK MANAGER  
HUMAN RESOURCES

SUBJECT: SECOND AMENDMENT TO PROFESSIONAL SERVICES  
AGREEMENT NO. F000889 WITH TRINITY ADJUSTERS, INC.  
DBA RISK MANAGEMENT SERVICES

AGENDA ACTION: RESOLUTION

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RECOMMENDATION

It is recommended by the Human Resources Department that the Council, by resolution, approve the Second Amendment to Professional Services Agreement No. F000889 with Trinity Adjustors, Inc. dba Risk Management Services in an amount not to exceed \$270,000.

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EXECUTIVE SUMMARY

Agreement No. F000889 with Trinity Adjustors, Inc dba Risk Management Services is for liability claims administration services. The Agreement was approved for \$95,000 by the City Manager effective November 10, 2014. The First Amendment was approved by City Council August 2016 providing additional funds of \$80,000 and extending the time of performance. This is the second amendment which will extend the Agreement until June 30, 2020 and increase compensation by \$95,000 for a total amount not to exceed \$270,000.

BACKGROUND

The Risk Management division of the Human Resources Department administers liability claims for the City. In November 2014, the City of Santa Rosa entered into a contract with Trinity Adjustors, Inc dba Risk Management Services, a California Corporation to perform liability claims administration services for the amount of \$95,000. The City received 91 liability claims in calendar year 2015 that required adjustment. As of June 30, 2016, the City has received an additional 58 claims requiring adjustment for calendar year 2016 to date.

PRIOR CITY COUNCIL REVIEW

Not applicable.

ANALYSIS

The City of Santa Rosa, as part of its self-insured liability insurance program, has utilized a contractor for the purpose of providing 24/7 claims administration services in order to effectively and efficiently manage and respond to claims received by the City. With the contract ending, there still is a need to administer existing and new claims. The City received 112 claims in fiscal 16-17 and has received an additional 130 claims for fiscal 17-18. This rise in claims can be largely contributed to the October 2017 fires.

The current claims administration model provides the most cost effective use of funds as services are provided on an as-needed basis rather than hiring an additional Risk Management Analyst at approximately \$9,300 per month to provide full time support. Current costs for the contractor are averaging approximately \$5,200 per month. In a recent audit performed by an independent auditor, Risk Management and Consulting Services, the current contractor received positive ratings for claims administration.

FISCAL IMPACT

Funds were appropriated within the Risk Management fund as part of the Fiscal Year 2018-19 adopted budget and no new appropriations are being requested. Approval of this action does not increase budget or have a fiscal impact on the General Fund.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

SECOND AMENDMENT TO PROFESSIONAL SERVICE AGREEMENT – TRINITY  
ADJUSTERS, INC DBA RISK MANAGEMENT SERVICES, A CALIFORNIA  
CORPORATION  
PAGE 3 OF 3

ATTACHMENTS

- Resolution/Exhibit A – Second Amendment to Agreement

CONTACT

Dominique Kurihara, [dkurihara@srcity.org](mailto:dkurihara@srcity.org), (707) 543-4656