

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL

FROM: CHRISTOPHER JEFFERY, INTERIM RISK MANAGER
HUMAN RESOURCES

SUBJECT: FIRST AMENDMENT TO PROFESSIONAL SERVICE
AGREEMENT – TRINITY ADJUSTORS, INC DBA RISK
MANAGEMENT SERVICES, A CALIFORNIA CORPORATION

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Human Resources Department that the Council, by resolution, approve the First Amendment to Professional Services Agreement – Trinity Adjustors, Inc dba Risk Management Services, a California Corporation, to perform liability claims administration services for an additional amount not to exceed \$80,000. The total cumulative amount of this agreement will not exceed \$175,000.

EXECUTIVE SUMMARY

Contract F000889 with Trinity Adjustors, Inc dba Risk Management Services, a California Corporation for liability claims administration services expired on December 31, 2015. The original contract was approved for \$95,000 by the City Manager effective November 10, 2014. This is the first amendment to this contract which will extend the contract until September 30, 2017.

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 91 claims in 2015 and has received an additional 57 claims through June 30, 2016.

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 \$5,100 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 2016-17 adopted budget and no new appropriations are being requested. There were existing encumbered funds remaining to cover expenses for the gap between January and June 2016. 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.

FIRST AMENDMENT TO PROFESSIONAL SERVICE AGREEMENT – TRINITY
ADJUSTORS, INC DBA RISK MANAGEMENT SERVICES, A CALIFORNIA
CORPORATION
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ATTACHMENTS

- Attachment 1 – First amended Professional Services Agreement – Trinity Adjusters, Inc
- Resolution/Exhibit A (Agreement)

CONTACT

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