



## **CITY OF SALINAS COUNCIL STAFF REPORT**

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**DATE:** September 5, 2017 - *Tabled*  
September 19, 2017

**DEPARTMENT:** CITY ATTORNEY'S OFFICE

**FROM:** Christopher A. Callihan, City Attorney  
Rhonda Combs, Sr. Deputy City Attorney

**TITLE:** CONTRACT FOR LIABILITY CLAIMS ADJUSTMENT SERVICES

### RECOMMENDED MOTION:

A motion to approve a Resolution selecting York Risk Services Group, Inc. ("York") as the City's third party administrator for liability claims and authorizing the City Manager to enter into an agreement with York to provide such services.

### RECOMMENDATION:

It is recommended that the City Council select York as the City's third party administrator of liability claims and authorize the City Manager to enter into an agreement with York to provide such services.

### EXECUTIVE SUMMARY:

Since June 21, 2011, the City of Salinas has contracted with Cannon Cochran Management Services ("CCMSI") for third party administration services for liability claims brought against the City. CCMSI's contract expired July 31, 2017, and following that expiration the City released a Request for Proposals ("RFP") to identify the best-qualified third party administrator to provide such services on an on-going basis. The City received five responsive proposals and an RFP committee comprised of three staff members, two from the City Attorney's Office and one from the Police Department, evaluated and ranked all five proposals and interviewed the top three proposers. The selection committee identified York as the best qualified to meet the City's liability claims adjusting needs.

### BACKGROUND:

York has been providing third party liability services to public entities throughout California and has presented a qualified team of employees who will be providing services to the City. Included among their services will be review and evaluation of all liability claims filed against the City to

determine the extent of financial exposure. This will involve a review of all liability claims to determine the extent of insurance coverage, if any, and investigation of all liability claims.

The proposed agreement provides for a three-year term with compensation provided on an annual basis over the three years. The total amount of flat fee compensation to be paid to York under the proposed agreement will not exceed \$80,169 for year 1, \$81,772 for year 2, and \$83,407 for year 3. The annual compensation amounts are higher than those paid to CCMSI under the previous agreement; however, CCMSI indicated that to continue providing services to the City the City would need to significantly increase the amounts of compensation being paid under a renewed agreement and it is expected that York will provide a higher level of service which warrants the higher level of compensation and which may result in an overall cost-savings to the liability program.

#### CEQA CONSIDERATION:

**Not a Project.** The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378).

#### STRATEGIC PLAN INITIATIVE:

Approving the proposed Resolution is consistent with the City Council's goal of an effective and efficient government.

#### FISCAL AND SUSTAINABILITY IMPACT:

The City's General Fund Budget has adequate funding to cover the proposed agreement. Additionally, through the review and the selection process, York indicated methods which can be implemented into the City's program which may result in an overall cost-savings.

#### ATTACHMENTS:

Resolution  
Proposed Agreement and Attachments

**RESOLUTION NO. \_\_\_\_\_ (N.C.S.)**

**A RESOLUTION SELECTING YORK RISK SERVICES GROUP, INC. FOR  
LIABILITY CLAIMS THIRD PARTY ADMINISTRATION SERVICES**

**WHEREAS**, City of Salinas issued a Request for Proposal on July 12, 2017 for general liability and automobile claims administration services; and

**WHEREAS**, upon evaluation of proposals and interview of top three proposers, City's RFP Committee has recommended York Risk Services Group, Inc. as the best qualified proposer to meet the City's liability claims adjusting needs; and

**WHEREAS**, the contract is for a three-year term with an option for a two-year renewal with the first three service years to be provided on a guaranteed annual flat fee basis in the amount of \$80,126 for year one, \$81,772 for year two, and \$83,407 for year three; and

**NOW, THEREFORE, BE IT RESOLVED** that the Salinas City Council hereby awards a contract for liability claims administration services to York Risk Services Group, Inc.; and

**BE IT FURTHER RESOLVED** that the City Manager is authorized to sign an agreement with York to provide such services to the City.

**PASSED AND APPROVED** this 5th day of September, 2017, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

**APPROVED:**

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Joe Gunter, Mayor

**ATTEST:**

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Patricia M. Barajas, City Clerk