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Title: APPROVE CONTRACT AMENDMENT NO. 1 TO THE CARL WARREN AND COMPANY CONTRACT FOR THE PERIOD JULY 1, 2017 THROUGH JUNE 30, 2018 (CITY COUNCIL)

Sponsors:

Indexes:

Code sections:

Attachments: 1. General Liability TPA Rating Sheet, 2. Carl Warren Amendment No. 1 Contract, 3. Carl Warren Amendment Proposal 12.1.16, 4. Carl Warren Original Contract 2014

Date	Ver.	Action By	Action	Result
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Report to Mayor and City Council

Tuesday, January 24, 2017

Consent

SUBJECT:

APPROVE CONTRACT AMENDMENT NO. 1 TO THE CARL WARREN AND COMPANY CONTRACT FOR THE PERIOD JULY 1, 2017 THROUGH JUNE 30, 2018 (CITY COUNCIL)

I. SUMMARY

The City has been self-insured for its General Liability Program since its incorporation in 1968. The City maintains a contract with a third party liability claims administrator (TPA) to administer the self-insured general liability program. Carl Warren and Company (Carl Warren) has provided TPA services to the City since 1978. On May 20, 2014 the City Council awarded a three-year contract with two one-year renewal options. City staff (Staff) negotiated favorable terms for the first year of the two-year contract extension, which covers the period July 1, 2017 to June 30, 2018. Staff is seeking consideration by the City Council to review the contract amendment and, if acceptable, approve a one-year contract extension covering the period July 1, 2017 to June 30, 2018.

II. RECOMMENDATION

1. APPROVE a one-year contract amendment with Carl Warren for the period

\$277.50 per month.

The Carl Warren's December 1, 2016 contract renewal proposal letter is attached (Exhibit 3). Staff believes the proposed fee increase is reasonable given the substantial increase in liability claims volume.

Carl Warren has been providing professional general liability claims service to the City since 1978 and provides this service to approximately 150 cities, many in Southern California. Carl Warren's claims administrator assigned to the City has extensive knowledge of general liability claim issues and is very familiar with City facilities, streets, public works, maintenance and staff. The claims administrator provides excellent customer service to residents and other claimants.

Staff does not believe that going out to bid is necessary at this time as the last RFP process was completed mid-2014 with the awarding of a new contract to Carl Warren that started on July 1, 2014. Staff believes that Carl Warren has provided remarkable service to the City given the significant increase in claims volume and litigation.

Staff is seeking consideration by the City Council to review the contract amendment and, if acceptable, approve the first one-year contract extension covering the period July 1, 2017 to June 30, 2018.

V. FISCAL IMPACT

Funds for the first year of this contract amendment will be included in FY 2017/18 general fund budget.

VI. EXHIBITS

1. TPA Evaluation Rating Sheet (pg. 4)
2. Carl Warren Contract Amendment (pgs. 5 to 9)
3. Carl Warren December 1, 2016 One-Year Contract Extension Proposal
(pg. 10)
4. Carl Warren Contract (pgs. 11 to 34)

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