

RESOLUTION NO. 2011-525

Adopted by the Sacramento City Council

September 20, 2011

AGREEMENT FOR LIABILITY CLAIMS ADMINISTRATION AND SUBROGATION SERVICES

BACKGROUND

- A. The City utilizes a third party claims administrator to adjust the City's general and automobile liability claims. The claims administrator's personnel servicing the City are located within the City's Risk Management Division due to the frequent interactions between the claims administrator's staff and the City Attorney's Office and Risk Management staff. This is an efficient and effective method of handling the City's liability claims.
- B. The Risk Management Division is responsible for the collection of funds from responsible third parties that damage City assets. Subrogation is a specialized field that requires knowledge of claims administration and collections. Utilizing a third party vendor that specializes in claims administration and subrogation will increase the funds collected from responsible third parties and increase revenues to the City.
- C. A Request for Proposal for Self-Insured General and Automobile Liability Claims Administration and Subrogation Services was issued on July 8, 2011. A four member committee of external and internal individuals selected York Risk Services Group, Inc., as the City's third party liability claims administrator and subrogation vendor.
- D. There is sufficient funding in the risk management budget (Fund 6502) and the corresponding expenditure budgets are established for the duration of the contract subject to funding through the annual budget process.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Manager or designee is authorized to execute an agreement with York Risk Services Group, Inc. for liability claims administration and subrogation services for a term of thirty-six (36) months at an annual cost not to exceed \$479,532 for year one, \$479,532 for year two, and \$481,532 for year three. The not to exceed amount for the optional fourth year is \$497,728 and the not to exceed amount for the optional fifth year is \$511,676. The total not to exceed amount for the contract period for liability claims administration and subrogation services is \$2,450,000.

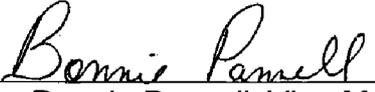
Adopted by the City of Sacramento City Council on September 20, 2011 by the following vote:

Ayes: Councilmembers Ashby, Cohn, D Fong, R Fong, McCarty, Pannell, Schenirer, Sheedy.

Noes: None.

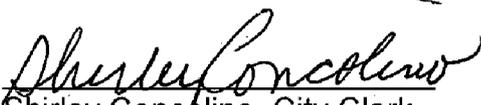
Abstain: None.

Absent: Mayor Johnson.



Bonnie Pannell, Vice-Mayor

Attest:



Shirley Concolino, City Clerk