

RESOLUTION NO. 2005-4

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE
AUTHORIZING AN AMENDED AGREEMENT WITH GEORGE HILLS COMPANY,
INC. FOR LIABILITY CLAIMS ADJUSTING AND ADMINISTRATION SERVICES**

WHEREAS, on March 1, 2002, the City contracted with George Hills Company, Inc. to perform Liability Claims Adjusting and Administration Services; and

WHEREAS, they serve in the capacity of Third Party Administrator (TPA) for the investigation, adjustment, and recommendation for settlement of liability claims made against the City; and

WHEREAS, as the City has increased in size and matured; and so has the frequency of claims, resulting in additional time to adjust and administer these claims; and

WHEREAS, this resolution increases the current agreement amount from \$20,000 to an annual not-to-exceed amount of \$60,000.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Elk Grove hereby authorizes the City Manager or his designee on behalf of the City of Elk Grove to execute an amended agreement with George Hills Company, Inc. for Liability Claims Adjusting and Administration Services for a total maximum yearly aggregate amount of \$60,000.

PASSED AND ADOPTED by the City Council of the City of Elk Grove on this 5th day of January 2005.



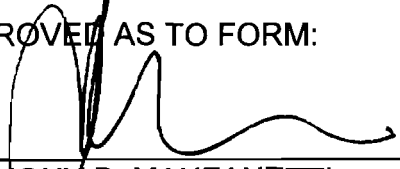
DANIEL BRIGGS, MAYOR of the
CITY OF ELK GROVE

ATTEST:



PEGGY E. JACKSON, CITY CLERK

APPROVED AS TO FORM:



ANTHONY B. MANZANETTI,
CITY ATTORNEY

LIABILITY CLAIMS ADJUSTING AND ADMINISTRATION

SERVICE CONTRACT

This contract is made and entered into this 30th day of September, 2004 by and between the CITY OF ELK GROVE, hereinafter called the "CITY," and GEORGE HILLS COMPANY, INC., hereinafter referred to as the "CLAIM ADMINISTRATOR."

The CLAIM ADMINISTRATOR is a California Corporation doing business as licensed, independent insurance adjusters and administrators, with Michael J. Kielty in charge of daily operations. The company's principal place of business is located at 3017 Gold Canal Drive, Suite 400, Rancho Cordova; California, 95670, telephone (916) 859-4800.

IT IS HEREBY AGREED by and between the parties signing this agreement as follows:

I. GENERAL

The CITY is desirous of availing itself of liability claims adjusting and administrative services. The CLAIM ADMINISTRATOR is a claim administrative firm experienced in the handling of self-insured claims and is ready and capable of performing such services for the CITY.

II. SERVICES

The CLAIM ADMINISTRATOR agrees to initiate prompt investigation. The CLAIM ADMINISTRATOR will NOT accept any responsibility arising out of incidents not reported to it for examination and review.

III. REPORTS AND PROCEDURES

Within thirty (30) days of assignment, or sooner if practicable, the CLAIM ADMINISTRATOR will provide the CITY with a full factual report, showing name(s) of claimant(s), type of claim, date of loss, comments on liability, reserve recommendations, settlement recommendations, and other pertinent information. Subsequent to the initial thirty (30) day report, the CLAIM ADMINISTRATOR will report at least every thirty (30) days until the claim closes unless extended diary is appropriate.

All original reports, documents, and claim data of every kind or description that are prepared in whole or in part by or for the CLAIM ADMINISTRATOR in connection with this

agreement shall be CITY'S property and constitute the CLAIM ADMINISTRATOR'S work product for which compensation is paid. A copy of all reports, documents, and claim data of every kind or description that is in whole or in part by or for the CLAIM ADMINISTRATOR is the property of the CLAIM ADMINISTRATOR in accordance with Title 10, Article 6, Section 2691.14, of the California Code of Regulations. Additional copies of original reports, documents, and data requested by the CITY will be at the CITY'S expense in accordance with this agreement.

IV. DENIAL, COMPROMISE, OR SETTLEMENT OF CLAIMS

It is agreed that the CITY has designated \$ -0- authority to the CLAIM ADMINISTRATOR for the purpose of compromising and/or settling any claims against the CITY being handled by the CLAIM ADMINISTRATOR. Prior approval to compromise or settle any claim will be obtained from the designated CITY officer or employee on matters exceeding \$ -0-.

V. PAYMENT FOR SERVICES

Monthly Claims Administration fee is \$75.00. Time and expense charges will be incurred only when necessarily required in the form of adjuster's fees. Time and expense fees at the inception of the contract will be as follows:

- a) Adjuster's Fee: \$52.00 per hour
- b) Auto Expense: \$.50 per mile, with probable increase during contract based upon cost to operate a compact vehicle
- c) Office Overhead: 24% x services
- d) Photocopies: \$.30 per page
- e) Official Reports: Actual Cost
- f) Adjuster's Expense: Actual Cost
- g) Communication Expense: 5% x services
- h) Photographs: \$2.00 each
- l) Audio Cassettes: \$3.00 each
- j) Video Cassettes: \$10.00 per tape
- k) File Set Up: \$35.00
- l) Stenographic:* 12% x services

*Transcription of recorded statements \$3.50 per page

The above time and expense services apply to work billed during the term of this contract.

The CLAIM ADMINISTRATOR will submit its bills and payment by the CITY shall be within a reasonable period of time, not to exceed thirty (30) days. In the event a claim is

open three (3) months or exceeds three (3) hours time, the CLAIM ADMINISTRATOR may submit an interim bill for payment. In no event shall the yearly aggregate PAYMENT FOR SERVICES to the CLAIM ADMINISTRATOR exceed sixty thousand dollars (\$60,000.00) per year.

VI. TERM

The term of this contract shall be from **September 30, 2004**, to and including **September 30, 2007**. This contract shall be terminated by either party, for any reason, upon sixty (60) days written notice.

This contract may be renewed on a yearly basis subject to the same terms and conditions, except that Paragraph V, PAYMENT FOR SERVICES, herein may be renegotiated by the parties hereto.

VII. CONFLICT OF INTEREST

In the event the CLAIM ADMINISTRATOR receives a claim from the CITY in which there arises a "conflict of interest," the CLAIM ADMINISTRATOR shall immediately notify the CITY. The CITY may then choose to hire another well-qualified claims firm to handle that particular claim to a conclusion.

VIII. INDEPENDENT CONTRACTOR

In performing claims administrative services herein agreed upon, the CLAIM ADMINISTRATOR shall have the status of an independent contractor and shall not be deemed to be an officer, employee, or agent of the CITY.

IX. INDEMNIFICATION

The CLAIM ADMINISTRATOR will defend, indemnify, and hold harmless the CITY from and against all claims, demands, actions, or causes of action which may arise from the action, conduct, or failure to act by CLAIM ADMINISTRATOR personnel. The CITY will defend, indemnify, and hold harmless the CLAIM ADMINISTRATOR from and against all claims, demands, actions, or causes of action which may arise from the action, conduct, or failure to act by the CITY. The CITY will defend, at no cost to the CLAIM ADMINISTRATOR, in those cases wherein the CLAIM ADMINISTRATOR is named in a filed or verified complaint simply by virtue of the fact it is the claim administration firm on a given claim.

X. INSURANCE

The CLAIM ADMINISTRATOR shall provide the CITY with Certificates of Insurance duly executed by the insurance company or companies authorized to transact business in /t:contacts/liabilityclaims

the State of California, and said Certificates shall certify that the CLAIM ADMINISTRATOR has in full force and effect \$1,000,000.00 coverage applying to bodily injury, personal injury, property damage, errors and omissions coverage, statutory workers compensation coverage, and shall also maintain an employee fidelity bond in the amount of \$500,000.00.

Thirty (30) days notice in writing prior to cancellation or reduction in coverage will be provided.

XI. EMPLOYEE SOLICITATION

During the period of this contract, and for a period of one (1) year thereafter, the CLAIM ADMINISTRATOR agree not to solicit for employment any CITY employee contacted during the performance of this agreement; the CITY agrees not to solicit for employment, or employ, during the period of this contract, and for a period of one (1) year thereafter, any employee of the CLAIM ADMINISTRATOR contacted by the CITY during the performance of this agreement.

CITY OF ELK GROVE

BY

Date

John Danielson, City Manager

Approved as to form:

Anthony Manzanetti, City Attorney

GEORGE HILLS COMPANY, INC.

BY

Date

Michael J. Kielty, ARM, President

**CERTIFICATION
ELK GROVE CITY COUNCIL RESOLUTION NO. 2005-4**

STATE OF CALIFORNIA)
COUNTY OF SACRAMENTO) ss
CITY OF ELK GROVE)

I, Peggy E. Jackson, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on the 5th day of January 2005 by the following vote:


AYES 4: COUNCILMEMBERS: Briggs, Leary, Scherman, Soares

NOES 0: COUNCILMEMBERS:

ABSTAIN 0: COUNCILMEMBERS:

ABSENT 1: COUNCILMEMBERS: Cooper





**Peggy E. Jackson, City Clerk
City of Elk Grove, California**