



## AGENDA REPORT

**Meeting Date:** January 11, 2011

**Item Number:** G-11

**To:** Honorable Mayor & City Council

**From:** Scott Miller, Director of Administrative Services and CFO  
Noel Marquis, Assistant Director of Administrative Services - Finance

**Subject:** **APPROVALS RELATED TO VARIOUS CITY PURCHASING AND BUDGET TRANSACTIONS AS DESCRIBED HEREIN**

**Attachments:** 1.) Agreement

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**Item A. AMENDMENT NO. 1 TO AN AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND CARL WARREN & COMPANY FOR SELF-INSURANCE ADMINISTRATION SERVICES**

### **RECOMMENDATION**

Staff recommends that the City Council approve Amendment No. 1 to the agreement between the City of Beverly Hills and Carl Warren & Company.

### **INTRODUCTION**

Carl Warren and Company has provided self-insurance claims management services for the City of Beverly Hills since 1976. The current contract expired on August 31, 2010, and City Council approval is requested for a three year extension of the existing contract.

### **DISCUSSION**

Staff was able to negotiate a three year extension of the existing contract with only minor increases for fees. Two of the fees that would increase under the amendment are the Medicare, Medicaid, and SCHIP (State Children's Health Insurance Program) Extension Act of 2007 (MMSEA) fee and the Insurance Services Office (ISO) index fee. The MMSEA fee is a required fee mandated by the Federal Government. This fee is used to

track large claims settlements so that the injuries caused and reimbursed by third parties are not covered with public money. The ISO fee covers our reporting of claims to an insurance database and allows the City to access the same database to check on claimants' claims history. Both fees are a pass-through charge, and were increased to the rates shown in Exhibit B-1 of the amendment. The final fee increase was for mileage, from 47.5¢ per mile to 50¢ per mile. All other expenses and fee, including the hourly rate for services remain at the level of the previous contract.

Staff conducted an informal survey of the pricing for this type of work. The hourly rate being charged to the City of Beverly Hills was found to be significantly lower than the hourly rate charged to other public entities, both by this firm and by other firms. So a continuation of the contract was warranted.

**FISCAL IMPACT**

Funds are budgeted within the Administrative Services Budget, at \$95,000 per year has been budgeted for liability claims management. This budgeted amount should be adequate to cover this service.

  
Noel Marquis  
\_\_\_\_\_  
Finance Approval

  
Scott G. Miller  
\_\_\_\_\_  
Approved By

# **Attachment 1**

AMENDMENT NO. 1 TO AN AGREEMENT BETWEEN THE  
CITY OF BEVERLY HILLS AND CARL WARREN &  
COMPANY FOR SELF-INSURANCE ADMINISTRATION  
SERVICES

NAME OF CONSULTANT: Carl Warren & Company

RESPONSIBLE PRINCIPAL  
OF CONSULTANT: Michael Reed, Corporate Secretary

CONSULTANT'S ADDRESS: 770 S. Placentia Avenue  
Placentia, California 92870-5180  
Attention: Michael Reed, Corporate Secretary

CITY'S ADDRESS: City of Beverly Hills  
455 N. Rexford Drive  
Beverly Hills, CA 90210  
Attention: Karl Kirkman, Risk Manager

COMMENCEMENT DATE: August 1, 2007

TERMINATION DATE: July 31, 2012

CONSIDERATION: Not to exceed \$95,000 per year, based on the  
rates set forth in Exhibit B-1

AMENDMENT NO. 1 TO AN AGREEMENT BETWEEN THE  
CITY OF BEVERLY HILLS AND CARL WARREN &  
COMPANY FOR SELF-INSURANCE ADMINISTRATION  
SERVICES

This Amendment No. 1 is to that Agreement between the City of Beverly Hills ("CITY") and Carl Warren & Company ("CONSULTANT"), identified as Contract No. 475-07, and dated December 5, 2007 ("Agreement") for self insurance administration services, a copy of which is on file in the office of the City Clerk.

RECITALS

A. CITY entered into a written agreement with CONSULTANT dated December 5, 2007 for self insurance administration services.

B. CITY desires to extend the Termination Date of the Agreement, and amend Exhibit B-1, the Schedule of Rates.

NOW, THEREFORE, the parties agree as follows:

Section 1. The Termination Date shall be amended as set forth above.

Section 2. Exhibit B-1, Schedule of Rates, shall be amended as attached hereto and incorporated herein.

Section 3. Except as expressly modified by this Amendment No. 1, the provisions of the Agreement dated December 5, 2007, between the City of Beverly Hills and Carl Warren & Company, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the \_\_\_\_\_  
day of \_\_\_\_\_, 2010, at Beverly Hills, California.

CITY OF BEVERLY HILLS  
A Municipal Corporation

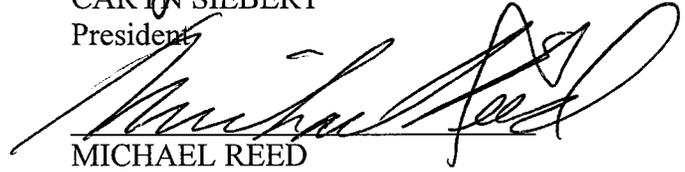
\_\_\_\_\_  
JIMMY DELSHAD  
Mayor of the City of Beverly Hills,  
California

ATTEST:

\_\_\_\_\_  
(SEAL)  
BYRON POPE  
City Clerk

\_\_\_\_\_  
CARL WARREN <sup>§</sup> AND COMPANY  
A California Corporation

  
\_\_\_\_\_  
CARYN SIEBERT  
President

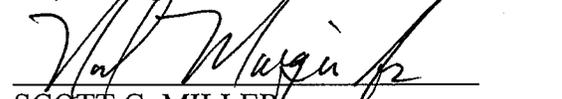
  
\_\_\_\_\_  
MICHAEL REED  
Secretary

APPROVED AS TO FORM:

  
\_\_\_\_\_  
LAURENCE S. WIENER  
City Attorney

APPROVED AS TO CONTENT:

  
\_\_\_\_\_  
JEFFREY KOLIN  
City Manager

  
\_\_\_\_\_  
SCOTT G. MILLER  
Director of Administrative Services/Chief  
Financial Officer

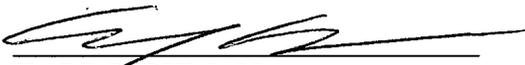
  
\_\_\_\_\_  
KARL KIRKMAN  
Risk Manager

EXHIBIT B-1

SCHEDULE OF RATES

Services	\$72.00 per hour
ISO/Index	\$18.00 per submission
MMSEA Reporting	\$4.85 per bodily injury claimant (beginning Jan. 1, 2011)
Telephone	Included
Mileage	50¢ per mile
Photocopies	Included
Stenographic	Included
Photographs	\$2.50 each
Office Expense	Included
Set up fee	Included
1099 Preparation	\$10.00 each
Miscellaneous	At Cost

CONSULTANT may modify these rates upon giving CITY thirty (30) days prior written notice.

CITY agrees to pay the sum of Sixty-Eight and 00/100ths Dollars (\$68.00) per hour from August 1, 2007 through July 31, 2008 to CONSULTANT as compensation for professional claim handling services; Seventy and 00/100ths Dollars per hour from August 1, 2008 through July 31, 2009; and Seventy-Two and 00/100ths Dollars per hour from August 1, 2009 through July 31, 2012. Said charges shall be billed by CONSULTANT monthly and shall be supported with detailed information setting forth the hours worked, the type of work performed, and the costs incurred.

Incident reports not requiring any claimant contact or investigation will be reviewed and entered into an incident report log for \$30 per incident if CITY so requests.

CITY agrees to pay charges for outside adjusters other than CONSULTANT's adjusters and file related expenses such as medical reports, police reports, etc. on a pass through basis with no additional fees added.