



CITY COUNCIL STAFF REPORT

DATE: JUNE 15, 2011

CONSENT CALENDAR

SUBJECT: EXTEND THE CONTRACT SERVICES AGREEMENT FOR CLAIMS ADJUSTMENT AND ADMINISTRATIVE SERVICE WITH CARL WARREN & COMPANY TO JUNE 30, 2012.

FROM: City Clerk and City Attorney

SUMMARY

The City Council will consider extending the current agreement with Carl Warren & Company to June 30, 2012 to provide the City with claims adjustment and administration services.

RECOMMENDATION:

1. Approve Amendment No. 4 to Agreement No. A5322 with Carl Warren & Company extending the Agreement to June 30, 2012.
2. Authorize the City Manager to execute Amendment No. 4 to the Agreement.

STAFF ANALYSIS

Carl Warren & Company has provided claims adjustment and administrative services to the City of Palm Springs and acted as its Third Party Administrator pursuant to an agreement since 2006.

Carl Warren & Company has offered to extend the term of the Agreement, with no increase or modifications to compensation, for an additional year, unless either party issues a thirty (30) day written notice of termination. Such termination may be with or without cause.

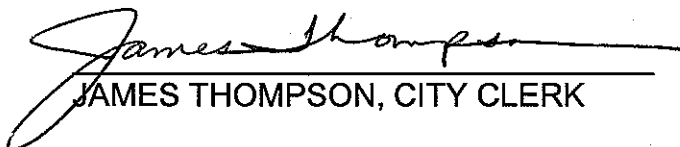
Due to the specialized nature of claims administration, the City Manager, City Attorney and City staff recommend continuing the City's relationship with Carl Warren & Company for as-needed claims administration and adjustment services.


Carl Warren & Company has provided claim and litigation management service since 1944, and serves over 650 clients including but not limited to numerous public agencies throughout the country, including several local cities.

Services will continue to be billed on a time and materials basis and with a “not to exceed” cap of \$65,000. As stated above the rates have not been increased in several years, and remain unchanged for this contract period. Although it is difficult to estimate the number of claims and the complexity of claims filed against the City in any given year, the cap as stipulated by the agreement has not been exceeded by the City.

FISCAL IMPACT:

The overall compensation pursuant to the Agreement remains capped at \$65,000 for the term of the Agreement. This is an approved Fiscal Year 2011-12 budgeted expense, sufficient funds are budgeted in the Risk Fund [Account No. 540-5904-48415] for the anticipated cost of the contract.


JAMES THOMPSON, CITY CLERK


Christina Petteruto, Asst. City Attorney
for Douglas C. Holland, City Attorney


DAVID H. READY, CITY MANAGER

Attachments:
Amendment No. 4

FOURTH AMENDMENT TO CONTRACT SERVICES AGREEMENT
For
Claims Adjustment and Administration Service
(Carl Warren & Company and City of Palm Springs)

THIS FOURTH AMENDMENT TO CONTRACT SERVICES AGREEMENT ("**Amendment**") is made by and between CARL WARREN & COMPANY ("**Contractor**"), and CITY OF PALM SPRINGS, a charter city and a municipal corporation ("**City**"), as of July 1, 2011, and amends that certain Contract Services Agreement dated as of July 27, 2006, by and between Contractor and City ("**Agreement**"). All terms defined in the Agreement shall have the same meaning when used herein.

RECITALS

A. Contractor has agreed to provide to City and City has agreed to purchase from Contractor the Services which are the subject of the Agreement.

B. Contractor and City now mutually desire to amend the Agreement as set forth below.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Contractor and City mutually agree to amend the Agreement as follows:

AGREEMENT

1. Section 5.1 of the Agreement shall be replaced in its entirety and amended to read as follows:

5.1 Term. Unless earlier terminated in accordance with 5.2 of this Agreement, this Agreement shall continue in full force and effect until completion of the Services. The term of this Agreement shall be for a one year period ending June 30, 2012, unless otherwise extended by written approval of the City.

2. Exhibit B, Schedule of Fees, attached hereto and incorporated herein, is hereby restated and replaced.

3. Except as expressly provided herein, all other terms and conditions of the Agreement shall remain in full force and effect.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Contractor and City have executed this Amendment as of the date first written above.

"Contractor"

CARL WARREN & COMPANY

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

"City"

CITY OF PALM SPRINGS, a charter city and a municipal corporation

BY:

David H. Ready, City Manager

ATTEST:

James Thompson, City Clerk

Approved as to form by:

WOODRUFF, SPRADLIN & SMART



Christina Petteruto, Asst. City Attorney
for Douglas C. Holland, Esq., City Attorney



Exhibit B

City of Palm Springs
3200 E. Tahquitz Canyon Way
Palm Springs, Ca. 92262

June 6, 2011

RE: Contract Extension by Letter Agreement – 2011-12

Ladies and Gentlemen:

The undersigned is pleased to be assisting you with your contract for Services between Carl Warren & Company and the City of Palm Springs.

Your Contract for Liability Claims handling will expire as of 6/30/11 and we propose extending it for the Period commencing July 1, 2011 and ending June 30, 2012 at the same rate as the previous year.

Expense Category	Calc. Type	Adj. Service 2011-2012
Hours	Calculation	\$54.00
Telephone	Percentage	Included
Photos	Calculation	2.00 ea
Miles	Calculation	.51
Photocopies	Calculation	Included
Stenographic	Calculation	Included
Adjuster Miscellaneous	Calculation	1.00 pass through
Office Expense	Percentage	45% of services
Office Miscellaneous	Calculation	1.00 pass through
Set up Fee	Calculation	One half-hour of service time
Data Processing	Calculation	\$30.00 per suffix
IndexBureau/ OFAC	Calculation	\$18.00 each / MMSEA \$4.85 per
1099 Issuance	Calculation	Included

The Administration Fee remains as \$400.00 monthly, payable quarterly and the Cap remains at the annual amount of the prior contract, \$65,000.00.

CARL WARREN & CO.

An Employee-Owned Company

CLAIMS MANAGEMENT • CLAIMS ADJUSTERS

770 Placentia Avenue, Placentia, CA 92870-6832

Mail: P.O. Box 25180, Santa Ana, CA 92799-5180

Phone: (714)572-5200 • (800)572-6900 • Fax: (714)961-8131

Should this "Letter Agreement" be acceptable, please so indicate by signing and dating this page. We value our partnership and look forward to continuing our services to you and the City of Palm Springs.

Very Truly Yours,



Michael Reed, Service and Retention Leader
Carl Warren & Company
Email: mreed@carlwarren.com

ACKNOWLEDGED: _____

PLEASE PRINT NAME: _____

TITLE: _____

DATE: _____