



# City of Rialto

## Legislation Details (With Text)

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**Title:** Request City Council to: (1) Adopt Resolution No. 7817 Authorizing Retention of George Hills as the Third-Party Administration for General Liability Claims and Approving a Professional Services Agreement Therefore; and (2) Authorize the City Manager to Execute All Documents. (ACTION)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. RESO George Hills RFP.pdf, 2. PSA George Hills.pdf, 3. George Hills Conflict of Interest.pdf

Date	Ver.	Action By	Action	Result
12/14/2021	1	City Council		

For City Council Meeting December 14, 2021

**TO:** Honorable Mayor and City Council

**APPROVAL:** Marcus Fuller, City Manager

**FROM:** Scott Pilch, Director of Human Resources and Risk Management

Request City Council to: (1) Adopt **Resolution No. 7817** Authorizing Retention of George Hills as the Third-Party Administration for General Liability Claims and Approving a Professional Services Agreement Therefore; and (2) Authorize the City Manager to Execute All Documents.

**(ACTION)**

### **BACKGROUND**

The City of Rialto currently manages general liability claims as a self-insured agency, with a self-insured retention (SIR) of \$500,000. The City utilizes a third-party administrator (TPA) to administer its general liability ensuring efficient and effective claim management. The duties of the TPA include but are not limited to claims administration and adjustment within legal deadlines, setting of and monitoring reserves, subrogation recovery services, comprehensive factual investigations, litigation management, identification of possible defenses, and negotiation and preparation of settlement payments.

### **ANALYSIS/DISCUSSION**

On August 13, 2021, the City released a Request for Proposal (RFP) No. 21-064 to twenty-nine (29) vendors and published the Notice Inviting Proposals on the City of Rialto's and PlanetBids website. The deadline for receipt of proposals closed on September 10, 2021, in which four proposals were received in response to the RFP from the following firms (listed in alphabetical order):

1. Carl Warren & Company

2. Copper Claims Services, Inc.
3. George Hills
4. Tristar

An evaluation panel was assembled to evaluate the four (4) proposals based on the following criteria:

- Proposer's understanding of the RFP and ability to meet the scope of work.
- Proposer's approach to providing the requested services.
- Proposer's staff and firm's qualifications.
- Proposer's fees.

From the evaluations, the panel invited two (2) firms for an interview, Carl Warren & Company and George Hills; those interviews took place by Zoom on Monday, November 8, 2021. Based on the interviews, the panel recommends the City Council select George Hills as the third-party administrator for general liability.

A Professional Services Agreement (PSA) has been prepared with George Hill for a term of three years. The management fee for providing third party administration services is a \$45,000 fixed fee escalating to \$51,925 in Year 2, and escalating to \$53,485 in Year 3. Reimbursable and other expenses will also apply. A copy of the PSA and the conflict disclosure form are attached to this staff report.

### **ENVIRONMENTAL IMPACT**

The proposed action does not meet the definition of a project as defined by Section 15378 California Environmental Act (CEQA). A "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or reasonably foreseeable indirect physical change in the environment, and excludes the following:

1. Continuing administrative or maintenance activities, such as purchases for supplies, personnel related action, general policy and procedure making.
2. Organizational or administrative activities of government that will not result in direct or indirect physical changes in the environment.

### **GENERAL PLAN CONSISTENCY**

This action plan is consistent with Guiding Principle 3A in the General Plan:

Our City government will lead by example, and will operate in an open, transparent, and responsible manner that meets the needs of the citizens and is a good place to do business.

### **LEGAL REVIEW**

The City Attorney has reviewed and recommends this staff report.

### **FINANCIAL IMPACT**

#### **Operating Budget Impact**

Funding has been proposed in the FY2021-2022 budget in the general liability fund, account number 730-500-2148-2011.

Capital Improvement Budget Impact

This action has no impact on the Capital Fund Budget.

Licensing

Prior to execution of the agreement, George Hills shall submit a business license application and pay a Business License tax at the rate of \$160, as well as Administration and State fees.

**RECOMMENDATION**

Staff recommends that the City Council:

- (1) Adopt Resolution No. \_\_\_\_\_ Authorizing Retention of George Hills as the Third-Party Administration for General Liability Claims and Approving a Professional Services Agreement Therefore; and
- (2) Authorize the City Manager to Execute All Documents.