



# *CITY COUNCIL AGENDA REPORT*

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**MEETING DATE:** July 2, 2013

**ITEM NUMBER:** Item Number

**SUBJECT:** THIRD PARTY LIABILITY CLAIMS ADMINISTRATION

**DATE:** June 18, 2013

**FROM:** CEO DEPARTMENT / HUMAN RESOURCES DIVISION

**PRESENTATION BY:** LANCE NAKAMOTO, HUMAN RESOURCES MANAGER

**FOR FURTHER INFORMATION CONTACT:** LANCE NAKAMOTO, HUMAN RESOURCES MANAGER, (714)754-5172

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## **RECOMMENDATION:**

Staff recommends that the City Council authorize the CEO to execute a contract for Third Party Liability Claims Administration with Carl Warren and Company; however, the City Council may choose either of the top two firms.

## **BACKGROUND:**

As a self-insured public entity, the City contracts with a third party administrator (TPA) for the necessary claims adjusting services. TPAs have personnel with specialized skills who possess knowledge that allow them to effectively and efficiently work with claimants and attorneys in investigating, negotiating and settling liability claims made against the City. The TPA acts as the primary investigator of liability claims and serves in an advisory role to City staff by making recommendations on the appropriate disposition (settlement or denial) of claims.

The City of Costa Mesa has contracted with Carl Warren and Company, one of the largest and most respected TPAs in the west, since 1989. Services provided by Carl Warren and Company have remained at a consistently high quality level. Due to the fact that it has been five (5) years since the City competitively bid liability TPA services, formal market exploration was necessary to insure the City is getting the best service at a fair price. An RFP was released with the following schedule:

- Release of RFP September 10, 2012
- Deadline for Written Questions September 28, 2012
- Responses to Questions Posted on Web October 12, 2012
- Proposals Due October 18, 2012

## **ANALYSIS:**

In response to the City's RFP, the following proposals were received from six (6) vendors:

- AdminSure
- Carl Warren and Company
- CorVel
- Keenan and Associates
- Tristar Risk Management
- York

Proposals were reviewed by an Evaluation Committee consisting of City staff, a City consultant as well as an outside agency staff member. The proposals were reviewed using the following criteria:

- Qualifications of the entity and key personnel;
- Approach to providing the requested services;
- Price proposal; and
- Innovative and/or creative approaches.

The Evaluation Committee met on November 1, 2012, to review the proposals. References were checked to verify the quality of services provided to agencies serviced by respective firms. Based on the review of each committee member ranking as well as references and financial information, two (2) firms were selected for further consideration and the interview process: Carl Warren and Company and Keenan and Associates.

Interviews were held on November 14, 2012, with both vendors to provide further clarification on their proposals and determine how they would serve the City of Costa Mesa. A list of questions that was addressed by the vendors during the interview is included in Attachment 2. Following the completion of the interview process, the Evaluation Committee reviewed the rankings of the two vendors and determined that Carl Warren and Company met all required qualifications to provide high quality Third Party Liability Claims Administration to the City of Costa Mesa.

Based upon performance in the interviews and representatives who would be assigned to our account, Carl Warren & Company was the firm selected. This is primarily because Carl Warren & Company has extensive municipal claim administration experience. They have also done an excellent job in the overall management and investigation of the claims. They are responsive to the City's needs and their proper reserving techniques have resulted in tight financial controls. In addition Carl Warren and Company guarantees they will deliver as promised in the new contract as well and they are willing to include a performance provision in the agreement that if they do not meet the City's expectations the services will be provided at no cost to the City.

### **INNOVATIVE MERIT:**

Carl Warren and Company continues to update their web-based system as they move towards a paperless environment in accordance with their Go Green initiative. They have an in-house Information Technology Department that works on continually improves the delivery of their services to meet their clients changing needs. Carl Warren and Company has introduced their version of the "Cloud" where clients can access documents associated with a file at anytime and anywhere. In addition, they have an online claims management system where clients can access their adjuster's files and notes for updates at a moments notice.

### **ALTERNATIVES CONSIDERED:**

The City could bring liability claims administration in-house utilizing City staff. The potential cost of an in-house administration program is estimated to exceed anticipated contract costs. A claims adjuster position would cost approximately \$90,000 per year in salary and benefits. In addition, office space and furniture, field investigative equipment, a professional camera for scene photographs, a personal computer and specialized risk management claims software would need to be purchased. Claims software can cost between \$10,000 and \$40,000 per license, not including annual license fees, maintenance and custom programming.

TPA firms such as Carl Warren and Company have a vast array of resources at their disposal including professional appraisers and access to experts such as accident re-constructionists, medical specialists, and undercover investigators which the City would have to contract for as the need arose. Thus, staff believes that the most efficient and effective way to provide these services is to contract out.

### **FISCAL REVIEW:**

The City's insurance premium coverage is budgeted in the Self Insurance Fund. The FY 13-14 adopted budget includes \$40,000 for third party liability claims administration.

Carl Warren proposed a fee of \$39,000 per year. Keenan and Associates proposed a fee of \$72,000 per year. Should City Council select Keenan and Associates, it would also need to direct staff to increase the FY 13-14 Self Insurance Fund budget by \$32,000 for this contract.

### **LEGAL REVIEW:**

A Legal Review is not required at this point, once the CEO executes the contract, the professional services agreement will be reviewed and approved as to form by the City Attorney's Office.

**CONCLUSION:**

As a result of a thorough RFP process, Carl Warren and Company has been selected as the top candidate from the six firms submitting proposals. Carl Warren and Company has extensive experience administering municipal claims programs and currently contracts with most cities in Orange County. In addition, Carl Warren and Company has contracted with the City of Costa Mesa since 1989 and their staff is very familiar with City operations.

It is recommended the City Council approve the professional services agreement with Carl Warren and Company for third party liability claims administration services for a three (3)-year term; however, the City Council may choose either firm.

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LANCE M. NAKAMOTO  
Human Resources Manager

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TAMARA LETOURNEAU  
Interim Assistant Chief Executive  
Officer

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BOBBY YOUNG  
Director of Finance and IT

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THOMAS DUARTE  
City Attorney

DISTRIBUTION: Chief Executive Officer  
Assistant Chief Executive Officer  
City Attorney  
Finance & I.T. Director  
City Clerk  
Human Resources Manager

ATTACHMENTS: 1 [Carl Warren RFP Proposal](#)  
2 [Keenan and Associates RFP Proposal](#)  
3 [Third Party Liability Claims Administration RFP  
Determination Book on CD](#)

File Name

Date

Time



**CARL WARREN & COMPANY**  
Claims Management and Solutions

October 15, 2012

City of Costa Mesa, California  
77 Fair Drive  
Costa Mesa, CA 92626

Attention: Kimberly Wilson  
Regarding: Request for Proposal  
Third Party Liability Claims Administration

Dear Ms. Wilson & Evaluation Committee;

Carl Warren & Company is proud to be the Third Party Claims Administrator for the City of Costa Mesa ("the City"). It is critical to note that while Carl Warren & Company has been under contract with the City since 1977, what we do for the City and how we do it continues to evolve, change and be enhanced such that both of our organizations service the constituents of the City utilizing best practices.

Carl Warren & Company prides itself on delivering on its promise of Gold Level Claim Service. Since the inception of the contract we believe we have fulfilled, and exceeded, our contractual obligations as the City's Third Party Administrator. An independent audit was recently conducted by AmTrust, the City of Costa Mesa's new Excess Insurer. The auditor stated that "knowing that she was coming to Carl Warren, she had high expectations," and she said "she was not disappointed." Further, the City's files were scored "Satisfactory" in all areas and she stated that she has a "good comfort level with Carl Warren's file handling."

We know that we can continue to meet and exceed your needs because of our years of experience, our insight into Public Entity claims as well as our personal experience working with the City of Costa Mesa for the past 35 years.

Thorough prompt investigations, documentation, and liability analysis, Carl Warren & Company has achieved excellent results for the City consistently throughout the life of the contracts. To assist us in ensuring we provide a quality product, our internal quality assurance team audits files monthly and this is done at no cost to the City.

We propose that [REDACTED] continues to oversee the City's program, that [REDACTED] continue on as the primary adjuster and that we introduce [REDACTED] an experienced Public Entity adjuster. He would serve as a back-up adjuster in the event that [REDACTED] needs assistance, is unavailable or need an even stronger interface with your Police Department (Steve is a former

**AN EMPLOYEE-OWNED COMPANY**

770 S. Placentia Avenue | Placentia, CA 92870  
P.O. Box 25180 | Santa Ana, CA 92799-5180

www.carlwarren.com | Tel: 714-572-5200 | 800-572-6900 | Fax: 866-254-4423

CA License No. 2607296



Police Officer). We believe [REDACTED] background and his bilingual abilities in Spanish would bring significant value to the City. Our staff will continue to be available to the City, whenever and wherever needed to attend insurance committee meetings, council meetings, etc.

Our goals as your liability TPA for the City of Costa Mesa are to continue learning, developing, and improving on what we do to deliver Gold Level Claim Service. We never take our relationship for granted and are never complacent. With a 97% customer retention ratio and a 95% employee retention ratio, Carl Warren & Company prides itself on customer satisfaction and longevity. To measure our performance, we welcome the challenges outlined in the Scope of Work and will look forward to exceeding the requirements therein.

As we look to the future, we continue to bring our considerable claims, legal and historic knowledge to bear on behalf of the City but will continue to offer other services as the need arises, such as Trust Account capability and Subrogation services.

We accept all of the terms and conditions proposed in the RFP and have no exceptions to any of the content contained herein. We have received both Amendment No. 1 and Amendment No. 2. Our proposal (including pricing) constitutes a firm offer to the City of Costa Mesa for a period of one hundred and twenty (120) days from October 18, 2012.

On behalf of the employee-owners of Carl Warren & Company, we are proud to serve as representatives of the City of Costa Mesa. We look forward to our continuing relationship and to administering the City's third-party liability program.

Very Truly Yours,  
CARL WARREN & COMPANY

[REDACTED] (Authorized Official)  
Public Entity Service & Retention Leader  
770 South Placentia Avenue  
Placentia, CA 92870









**APPLICATION FOR BUSINESS LICENSE**  
 SEND YOUR CHECK MADE PAYABLE TO THE CITY OF COSTA MESA  
 TREASURY MANAGEMENT DIVISION, PO BOX 1280, COSTA MESA, CA 92624-1280  
 (714) 754-5244 • TDD: (714) 754-5244  
 www.ci.costa-mesa.ca.us

Business Name Carl Warren & Company  
 Parent Company Name \_\_\_\_\_  
 (If Corporate Owned)

Note: Business address will be compared to zoning requirements before approval. Check with the Planning Division regarding the use of the location at (714) 754-5245.

Business Address 770 S. Piacentia Ave, Piacentia, CA 92870  
(if owner is a P.O. Box) Street # Street name Unit # City State Zip

Mailing Address PO Box 25161, Santa Ana, CA 9278906181  
(if not a P.O. Box) Street # Street name Unit # City State Zip

Business Telephone # (714) 572-5200 Costa Mesa Business Start Date 08/1/2012 No. of Employees (on average) 0

Ownership (Check One Only)  
 Sole Owner  Corporation  Partnership  Husband & Wife Co-ownership  Limited Liability Company  
 Limited Liability Partnership

Seller's Permit No. \_\_\_\_\_ Contractor's State No. & Class \_\_\_\_\_  
(If Applicable) (If Applicable)

Federal Employer ID # or Owner's Social Security # 95-2917662 Hours of Operation (M-F) \_\_\_\_\_ (S-SU) \_\_\_\_\_  
(Commercial/Industrial Only)

**OWNER'S OR PRINCIPAL'S NAME(S)**

Name <u>[REDACTED]</u>	Name <u>[REDACTED]</u>
Home Address <u>770 S Piacentia</u>	Home Address <u>770 S Piacentia</u>
City <u>Piacentia</u> Zip <u>92870</u>	City <u>Piacentia</u> Zip <u>92870</u>
Telephone # <u>(714) 572-5200</u> Title <u>President</u>	Telephone # <u>(714) 572-5200</u> Title <u>COO</u>
Drivers License No. _____ DOB _____	Drivers License No. _____ DOB _____

**TYPE OF BUSINESS**

Please Check One:  
 Wholesale  Retail  Manufacturing  Services  
 Non-Profit  Administrative Only  Warehouse  Other

Fully Describe Business Operation:  
Claims Management

Standard Industrial Class Code (SIC) \_\_\_\_\_  
 Alcohol Beverage Control Permit No. \_\_\_\_\_ (If Applicable)  
 Number of Rental Units/Rooms/Spaces \_\_\_\_\_ (If Applicable)  
 Secondhand Dealers and/or Pawn Brokers License Required:  
 Yes  No

**CHOOSE ONE OF THE APPROPRIATE FEES BELOW**

**GENERAL BUSINESS**  
(wholesale, retail, professional, etc.)

Enter Annual Gross Receipts Amount \$ 10,000

And Circle the corresponding category below

Annual Gross Receipts	Tax
\$0.00 to 1,000.00	\$0.00
\$1,000.01 to 25,000.00	\$25.00
\$25,000.01 to 40,000.00	\$35.00
\$40,000.01 to 75,000.00	\$45.00
\$75,000.01 to 200,000.00	\$60.00
\$200,000.01 to 500,000.00	\$100.00
Over 500,000.00	\$200.00

**SHOWS EXHIBITION TREATMENT** Tax on the Promoter's Gross Receipts from the Gross Receipts schedule to the left  
 Enter the tax due amount here \$ \_\_\_\_\_  
 PLUS (if of others \_\_\_\_\_ x \$5 = \$ \_\_\_\_\_)  
 EQUALS Total Tax Due \$ \_\_\_\_\_

**ESTABLISHMENT OFFICE OR PROFESSION**  
(Fees based on annual operating expenses when no receipts generated)  
 Enter annual operating expenses amount \$ \_\_\_\_\_  
 Use Gross Receipts schedule to the left to determine business license tax.

**CONTRACTOR**  
(California Licensed) Total Tax Due \$50.00

**VEHICLE WITHIN POWERTRUCK BUS**  
 Number of Vehicles: \_\_\_\_\_ x \$25.00 = Total Tax Due \$ \_\_\_\_\_

**TAX-EXEMPT ORGANIZATIONS**  
 Attach proof of Tax Exempt Status (required for waiver of tax due)

**TAXI CABS**  
 Taxi Cab: \_\_\_\_\_ Total Tax Due \$ 50.00

Will you store, handle or use 55 gallons, 500 pounds or 200 cubic feet of hazardous materials per year? Yes \_\_\_\_\_ No

Will you have an assembly room with an occupant load of 50 or more persons? Yes \_\_\_\_\_ No

Will you be installing a spray booth? Yes \_\_\_\_\_ No

Will your business produce dust/wood shavings or other material? Yes \_\_\_\_\_ No

Will you be storing or using flammable or combustible liquids or compressed gases? Yes \_\_\_\_\_ No

Will you be warehousing materials higher than 12 feet? Yes \_\_\_\_\_ No

Fire Department approval required for any "Yes" answer. Please make an appointment by calling (714) 327-7400.

Your Business License will be issued under the provisions of Municipal Code Section 9-1. You are cautioned that this License does not permit operation of a business in violation of other Municipal Code Sections. There will be no tax refund if you are found operating illegally after the Certificate has been issued. Your business location will be checked by Planning, Building, and, if necessary, Fire Department officials. If you have any doubt whether your business location and/or building may conform with the requirements of the Municipal Code administered by these departments, you are urged to contact these departments for further information before filing your application. \*\* Sales or use tax may apply to your business activities. You may seek written advice regarding the application of tax to your particular business by writing or visiting the nearest State Board of Equalization. \*\* I declare under penalty of perjury that, to the best of my knowledge and belief, the statements made herein are correct and true and that acceptance of payment does not constitute approval of the Business License Authorization to conduct business is not granted until issuance of the license.

Authorized Signature [REDACTED] Title Controller Date 9/5/12

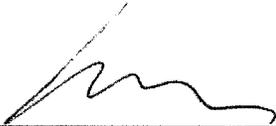
Planning Approval \_\_\_\_\_ Date Approved \_\_\_\_\_ CUP Required? \_\_\_\_\_ CUP # \_\_\_\_\_

**EX PARTE COMMUNICATIONS CERTIFICATION**

Please indicate by signing below one of the following two statements:

**Please sign only one statement.**

I certify that Proposer and Proposer's representatives have not had any communication with a City Councilmember concerning the Third Party Liability Claims Administration RFP at any time after September 9, 2012

  
\_\_\_\_\_

**OR**

I certify that Proposer or Proposer's representatives have communicated after September 9, 2012 with a City Councilmember concerning the Third Party Liability Claims Administration RFP. A copy of all such communications is attached to this form for public distribution.

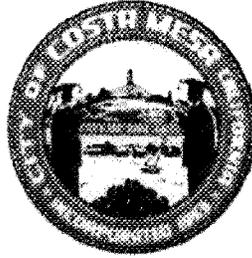
\_\_\_\_\_



**DISCLOSURE OF GOVERNMENT POSITIONS**

Each Proposer shall disclose below whether any owner or employee of the firm currently hold positions as elected or appointed officials, directors, officers, or employees of a governmental entity or held such positions in the past twelve months. List below or state "None."

<b>Name</b>	<b>Title</b>	<b>Entity</b>
NONE.		



**REQUEST FOR PROPOSAL**  
**FOR**  
**THIRD PARTY LIABILITY CLAIMS ADMINISTRATION**



**RELEASED BY**  
**HUMAN RESOURCES DIVISION**  
**CITY OF COSTA MESA**

**RELEASE DATE: September 19, 2012**

**The referenced document has been modified as per the attached Amendment No. 1**

**Please sign this Amendment where designated and return the executed copy with submission of your proposal. This amendment is hereby made part of the referenced proposal as through fully set forth therein. Any questions regarding this amendment should be addressed to Kimberly Wilson, email [Kimberly.Wilson@Costamesaca.gov](mailto:Kimberly.Wilson@Costamesaca.gov)**

**2. SCHEDULE OF EVENTS**

This request for proposal will be governed by the following schedule (All dates are subject to change at the discretion of the City):

Release of RFP.....	September 10, 2012
Deadline for Written Questions .....	September 28, 2012
<del>Responses to Questions Posted on Web .....</del>	<del>October 12, 2012</del>
Responses to Questions Posted on Web .....	October 8, 2012
Proposals are Due .....	October 18, 2012
Interview (if held) .....	November 5 - 9, 2012
Approval of Contract .....	December 4, 2012

Approval of Contract TBD  
All dates are subject to change at the discretion of the City

*All other provisions of the invitation of this proposal shall remain in their entirety.  
Vendors hereby acknowledge receipt and understanding of the above Amendment.*



Signature Date  
10/15/12

  
Public Entity Service Leader  
Typed Name and Title

Carl Warren & Company  
Company Name  
770 South Placentia Avenue  
Placentia, CA 92870  
Address



**REQUEST FOR PROPOSAL**  
**FOR**  
**THIRD PARTY LIABILITY CLAIMS ADMINISTRATION**



**RELEASED BY**  
**HUMAN RESOURCES DIVISION**  
**CITY OF COSTA MESA**

**RELEASE DATE: September 28, 2012**

**The referenced document has been modified as per the attached Amendment No. 2**

**Please sign this Amendment where designated and return the executed copy with submission of your proposal. This amendment is hereby made part of the referenced proposal as through fully set forth therein. Any questions regarding this amendment should be addressed to Kimberly Wilson, email [Kimberly.Wilson@Costamesaca.gov](mailto:Kimberly.Wilson@Costamesaca.gov)**

*Costa Mesa City Clerk*

**2. SCHEDULE OF EVENTS**

This request for proposal will be governed by the following schedule (All dates are subject to change at the discretion of the City):

Release of RFP.....	September 10, 2012
Deadline for Written Questions.....	September 28, 2012
<del>Responses to Questions Posted on Web.....</del>	<del>October 12, 2012</del>
Responses to Questions Posted on Web.....	October 8, 2012
Proposals are Due.....	October 18, 2012
<del>Interview (if held).....</del>	<del>November 5-9, 2012</del>
Interview (if held).....	November 13-16, 2012
Approval of Contract.....	December 4, 2012

Approval of Contract TBD  
All dates are subject to change at the discretion of the City

*Costa Mesa City Clerk*

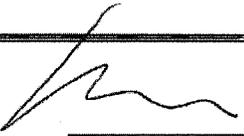
• **Submission of Proposals**

***Complete written proposals must be submitted in sealed envelopes marked and received no later than 12:00 p.m. (P.S.T) on October 18, 2012 to the address below. Proposals will not be accepted after this deadline, with no exceptions. Faxed or e-mailed proposals will not be accepted.***

Costa Mesa City Clerk  
Attn: ~~Jennifer Sommers~~  
Attn: Kimberly Wilson  
77 Fair Drive  
Costa Mesa, CA 92626

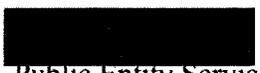
RE: RFP - Third Party Liability Claims Administration

***All other provisions of the invitation of this proposal shall remain in their entirety. Vendors hereby acknowledge receipt and understanding of the above Amendment.***



Signature

10/15/12  
Date



Public Entity Service Leader

Typed Name and Title

Carl Warren & Company

Company Name

770 South Placentia Avenue

Placentia, CA 92870

Address



## **BACKGROUND & PROJECT SUMMARY**

### **Service Office**

As previously mentioned we propose continuing to handle the City's program from our Corporate Headquarters located in Placentia, California just 15 miles away from the City.

**Carl Warren & Company**  
770 South Placentia Avenue  
Placentia, CA 92870  
Tel: 714-572-5200 | Toll Free: 800-572-6900

In addition to their designated personnel, the City also has direct access to the following:

- ※ Subrogation Department
- ※ IT Department which maintains our Risk Management Information System
- ※ Accounting Department for checks and banking matters
- ※ Quality Assurance Team

### **Claim Reporting**

Carl Warren & Company currently maintains an 800 number and a designated e-mail address for claims reporting, available to the City 24/7. The City currently has their assigned staff's cell phone numbers in the event they need to be contacted after hours. There is no additional cost to contact Carl Warren & Company on a 24/7 basis, or additional costs to respond on a 24/7 basis.

Losses are reported by email, fax, online or phone. The most common method is email or fax. If the claim notice is faxed it automatically turns into an electronic document that goes directly to a client assignment folder. The notice is reviewed by the Claim Supervisor and assigned to an adjuster, typically within 2-4 hours. We have bilingual adjusters on staff if the need arises at no additional charge to the client. Via email we confirm receipt of the claim and provide a claim number to the City.

### **File Management**

Where the City determines that an investigation is necessary, the focus of our investigation is the timely gathering of critical information and preservation of potential evidence. Towards that end, we make contact with the claimant, witnesses and the City within 24 hours of receipt of the claim. The facts are obtained, damages assessed and an evaluation is made. The results of the investigation are analyzed and a liability determination is made, taking into consideration the possible comparative fault of the claimant and any applicable contractual indemnity provisions. Within 2 business days of receipt of a new claim, the adjuster enters the claims information into mycarlwarren.com. The initial investigation findings are reported to the City within 7 days with a complete investigative report provided within 45 days. Carl Warren & Company also



investigates and handles through conclusion all telephone-adjusted claims. The goal is to complete a comprehensive evaluation expeditiously and advise the City of the liability exposure. We then act on the City's authority to resolve the claims as quickly, fairly and efficiently as possible.

### Diary Review

Our files are on strict diary (picture inserted below) and are reviewed at pre-established intervals, to ensure the timely investigation and completion of work as well as the adequacy of the established reserves. The system is customized for the City's program. We can set up manager diaries to review files every 10 days, every 30 days or as needed. Adjusters review the diary report weekly and the Claim Supervisor receives reports weekly as to late diaries. The Supervisor also audits at least 10 adjuster files monthly. Any trends or problems found will be addressed internally. The Supervisor reviews all reserve changes, payments and ensures the files are on diary. He can also review files as often as he or the client feels necessary.

Diary	Due	From	Due Date	Completed	Description	Supervise
INVESTIGATION	36	Reported Date	4/14/09	3/30/2009	INVESTIGATION REPORT	<input type="checkbox"/>
STATUS REPORT	90	Creation	6/7/09	6/5/2009	STATUS REPORT	<input type="checkbox"/>

### Reserving Practices & Philosophy

The initial reserve will take into consideration all potential payments related to the loss including liability, codefendants and allocated expenses in an effort to arrive at an ultimate net loss figure. Case reserves are established no later than 7 days of receipt of the claim. They are established on a case by case basis. The liability exposure, expense, venue and anticipated life of the claim are all factors taken into consideration when reserving a file. The first element of proper reserving is a timely and professional investigation into liability and damages. We do not use average case reserving and take all possible steps to avoid stair-stepping on any claim. Reserves are reviewed every thirty days. Any reserve revisions will be clearly explained in the file notes.



### **Excess Carrier Reporting**

When it is determined that a claim meets the reporting guidelines of the City's excess carrier, they are placed on notice with all available information by telephone and followed up with a hardcopy report. Generally, a copy of the file is sent to them within 10 days of notice of claim filing when the type of loss or injury is either known or alleged. The City is also sent a copy of each report and Carl Warren & Company pursues, when appropriate, excess reimbursements from the carrier.

### **Litigation Management**

It is the philosophy of Carl Warren & Company to manage litigation from a two-prong approach - strategy and cost containment. We currently work with the City's approved counsel to meet these goals. A strong working relationship between the adjuster and defense attorney is important since both bring different skills to claims handling and resolution.

A complete copy of the investigative file is transmitted to the defense counsel. Our strategy is to assist in providing an objective analysis of those cases that should be vigorously defended, as contrasted to those that should be settled once limited discovery has been conducted to leverage a negotiated settlement. Defense counsel is asked to provide a liability evaluation with a plan of action, budget and time line for completion of items listed. It will indicate the handling attorney at the defense firm and will be signed by them so everyone has a clear understanding of what is to be done, when and at what price. Additional work must be approved by the managing adjuster before any expense for experts, records, etc. can be obtained. Any non legal work should be referred and completed by the handling adjuster. We are available to work with the selected counsel to develop an intelligent and reasonable litigation plan that will achieve the case goals.

We believe that utilization of structured settlement plans can reduce loss costs in moderate to severe claims. We also believe in the utilization of Alternative Dispute Resolution (ADR) to reduce litigation costs and loss results. We will also continue to assist in the preparation of the defense of a claim by helping to prepare discovery responses, negotiate settlements and subrogation actions.

On litigated claims, we keep the City informed in writing of conferences, hearings and trials. When requested to assist, we will attend trials, hearings, arbitrations, mediations, settlement conferences and any other legal proceedings.

### **Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA)**

Carl Warren & Company is compliant with the Medicare Secondary Payer reporting requirements. We have partnered with ISO using the Universal Format for reporting purposes. All Carl Warren & Company employees have completed their MMSEA training as of June, 2009. We provide training classes and regular updates for our clients.



### **Risk Management Information System (mycarlwarren)**

Carl Warren & Company will continue to deliver information to the City through our online access information system, mycarlwarren. As the City knows, no software installation is required – only access to the internet and a standard internet browser, such as Internet Explorer or Firefox, is necessary. This application is available for review at any time – 24/7/365 – via a desktop, laptop, Blackberry, iPhone, etc. and functions in real time with updates every few hours. Mycarlwarren was created and is maintained by our in-house IT Department.

Mycarlwarren uses technology from the business-intelligence software firm MicroStrategy which sits atop our SQL Data Warehouse and allows the City customized access to their financial and claim information. The system is structured as a risk management tool in addition to providing claims data, and provides City staff easy access to their records.

City staff are also able to access the site to view and sort data, generate graphs, print reports and export information to a variety of formats including, but not limited to, Excel, PDF and TXT.

The City has direct access to the adjuster's file notes, all claimant information, and financial data (including financial summary and payment detail). They are able to access an extranet environment to perform intuitive reporting and ad-hoc analyses on risk and loss prevention data. Here they can link to individual claims information, drill down to a particular payment and read the narrative associated with the payment.

### **Reports**

Carl Warren & Company will continue to provide the City with all desired loss runs and statistical reports at no additional charge. Ad hoc reporting is fully supported as are subscription services for e-mailed reports and event based alerting.

The following reports are standard reports that can be provided to the City.

- ⊗ **Snapshot**

This report provides a graphical overview of the program. It quickly identifies the 5 cause codes that generate the most claims as well as the most severe claims. This report also includes a Claim Count graph for the previous 12 months and a list of the Top 10 Occurrences based on Total Incurred. This report helps the City identify areas that need further investigation.

- ⊗ **Frequency Report**

This report identifies which location codes (or departments) generate the most claims. It specifies the percentage of the program that these claims make up. This report helps determine which departments need help in reducing the number of claims submitted.



※ Severity Report

This report identifies which location codes (or departments) generate the most severe claims. It specifies the percentage of the program these claims make up.

※ Cause Profile

This report lists all cause codes utilized in the program and how many claims have been recorded with each cause code. It also indicates the Total Incurred for each cause code.

※ Reserve Trends

This report lists all open claims and what their total incurred amounts were at different ages, starting at 1 month up to 60 months.



## METHODOLOGY

**An implementation plan that describes in detail the methods, including controls by which Carl Warren & Company manages projects of the type sought by this RFP.**

This section is not applicable as Carl Warren & Company is the incumbent TPA and we currently have possession of all claims and data files.

**Methodology for soliciting and documenting views of internal and external stakeholders.**

Carl Warren & Company, when requested by the City, will sit down with all stakeholders. The purpose of this meeting would be to discuss the status of the program, project management and review any questions or concerns.

**Project management or implementation strategies or techniques that Carl Warren & Company intends to employ in carrying out the work.**

Our 30+ year partnership with the City represents continuity, gold level claims service and the ongoing elevation of our product and services. We are always looking at ways to be innovative and cloud technology (that is discussed in more detail on Page 10) is something that should help with moving to a paperless and "green" process in the future.

**Efforts Carl Warren & Company will undertake to achieve client satisfaction and to satisfy the requirements of the "Scope of Work" section.**

When you select Carl Warren & Company, you are selecting an employee-owned nationally known and respected TPA that has been in business for almost 70 years. Our employees' bonuses and raises are not based on revenue, but on client retention and client satisfaction. We propose annual stewardship reports that focus on identifying trends and addressing concerns using metrics to identify problem departments, claims types or locations. We will continue to work hand-in-hand with the City staff to properly address claims as investigations and those defensible by other methods.

**Detailed project schedule identifying all tasks and deliverables to be performed, durations for each task, and overall time of completion, including a complete transition plan. Include your plan to deal with fluctuation in service needs and any associated price adjustments.**

This section is not applicable to Carl Warren & Company as we are the incumbent on the program. Any transition to another TPA can be negotiated amicably at such time as it occurs and would be based on the trust of our long standing partnership, and on a pro-rata basis financially as applicable to the Annual Fee or Annual Average Fee, depending on the pricing method.

**Detailed description of specific tasks you will require from City staff. Explain what the respective roles of City staff and your staff would be to complete the tasks specified in the Scope of Work.**



We continue to require City assistance with information gathering, the acquisition of internal documents that our staff does not have and the authority for rejection and settlement of claims in process.

**Additional innovative and/or creative approaches for providing the service that will maximize efficient, cost-effective operations or increased performance capabilities.**

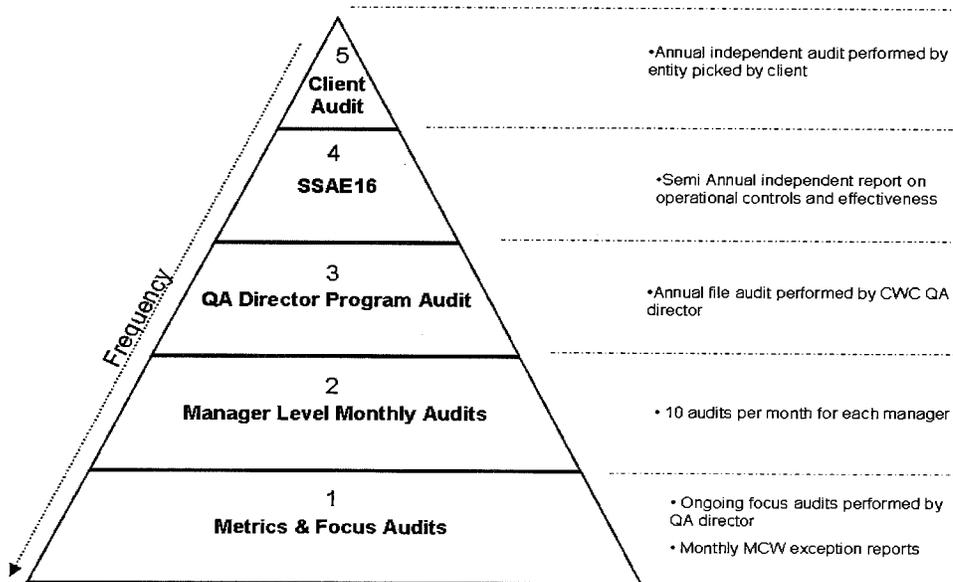
We propose implementing the following additional operations in assistance and continuity with our partnership with the City of Costa Mesa:

#### Annual Stewardship Report/ Claims Meetings

Both the City's claim staff and supervisory personnel on the City's program will continue to be available to attend any claims reviews or meetings. We will also prepare status reports at the request of the City. We feel it is important, as partners in the claims process, to have quarterly meetings. We will provide the City with an annual stewardship report at the end of each policy year [REDACTED] and our Director of Quality Assurance, [REDACTED] will compile this report. Please refer to **Attachment 1** at the end of this section for a sample stewardship report.

#### Quality Assurance

The Carl Warren & Company Quality Assurance Program ensures consistency, integrity and discipline in how claims handling skills, practices and results are measured. The overarching purpose of this plan is to support the goals and values of the City of Costa Mesa and Carl Warren & Company. The quality assurance process for Carl Warren & Company consists of 5 distinct levels. Each individual level has a specific purpose which is designed to support the individual area of review as well as the integrity of the entire Quality Assurance program.





### 1. Metrics and Focus Audits

Through the use of the management reports we pull monthly reports that identify claims which might fall outside of agreed upon handling guidelines.

These reports include:

- ⊗ Files which haven't been assigned to an adjuster
- ⊗ New files without notes 10 days after receipt of claim
- ⊗ Ongoing files without notes in the last 60-90 days
- ⊗ Past due diary
- ⊗ Files without reserves
- ⊗ Files which haven't been indexed (ISO)

This approach allows us to take corrective action early and before an issue becomes a problem. In addition, Carl Warren & Company's Director of Quality Assurance (QA) completes a number of focus and data quality audits through out the year. These include but are not limited to the following:

- ⊗ Open / Closed file reconciliations
- ⊗ Reserve analysis and development
- ⊗ File Inactivity reviews
- ⊗ Data coding reviews (cause , location, reserves, unknown claimant)
- ⊗ ISO & MMSEA usage reviews
- ⊗ Diary compliance audits

### 2. Manager Level Monthly Audits

Managers are required to complete a minimum of 10 Gold Standard reviews each month. The reviews will be completed on the standard audit template and will be submitted to the quality assurance director each month. Our Director of QA is responsible for monitoring and ensuring compliance. On a semiannual basis our Director of QA will compute and summarize the results of each audit into a trend based report.

### 3. Director of Quality Assurance Program Audit

The yearly audit will involve a best practice based audit. The audit will consist of:

- ⊗ Claim file reviews using the Carl Warren & Company audit template.
- ⊗ Interviews of managers and staff - file reviews are only part of the story, interviews are needed to gain the complete picture of the operation.
- ⊗ Job observation - to understand first hand the workflows and processes used in the office.

### 4. SSAE16 Audit Compliance

Statement on Standards for Attestation Engagements, SSAE16 (previously SAS70) is an internationally recognized auditing standard that was developed by the American



Institute of Certified Public Accountants (AICPA) in 1992. SSAE16 is known as "report on controls placed in operation" and "tests of operating effectiveness".

The final deliverable for the audit is commonly called the SSAE16 Service Auditor's Report, a lengthy document which contains a multitude of information regarding the service organization, its overall control structure, framework, test of controls along with adjunct and supporting documentation, such as the Independent Accountant (or Service Auditor's) Report, possible exceptions noted during testing, and any additional information provided by the service organization.

#### 5. Client Audit

This is an independent audit of claims handling practices of Carl Warren & Company in respect to the client profile and industry best practices. The City determines the frequency and entity performing this audit. The results will serve not only to evaluate our claims handling results, but as a tool to calibrate our internal audit activities.

#### Subrogation

Carl Warren & Company would welcome the opportunity to take on the responsibility of the identification, evaluation, administration, collection and deposit of all of the City's subrogation funds. We have established subrogation programs for many public entities with excellent results.

Each claim is investigated to determine if subrogation or recovery potential exists. This evaluation will be clearly posted to the claim file and/or the on-line claim system. The City will be contacted for approval to pursue and/or review contracts before any notice is given to a potential third party. Once approval is obtained from the City, recovery from responsible third parties will be aggressively pursued by the appropriate claim representative.

We have an in-house subrogation team which handles recovery nationwide for our clients. In each 2010 & 2011, this team collected over \$1.2 million for our clients, most of whom pay us based on a sliding scale contingency basis. Over 90% of these funds were recovered within 60 days of the file being given to us for recovery pursuit.

#### Green Initiatives

Carl Warren & Company is making a continuous effort to implement and utilize green initiatives. Our staff sends documents electronically whenever possible to avoid both the costs and paper associated with printing and mailing. If interested, the City has the option of moving over to the Cloud, a virtual storage space for digital documents. As our adjusters work on claims, they can upload documents that they create or receive to the Cloud. Then City users can access these documents via mycarlwarren. We know that our clients are always looking for ways to reduce costs and resolve claims as quickly as possible, as we are always exploring technology that helps everyone achieve these goals in a secure and timely manner.



## STAFFING

With the City's consent, we propose that staffing on the City's program remains the same as before, but recommend adding an additional adjuster to the program in the event [REDACTED] needs assistance or is on vacation. [REDACTED], the City's current adjuster, has an average caseload of around 150 files. We are proud of the fact that there has been no turnover on the City's program for the past 8 years. We do not anticipate a personnel change during the contract period, but should the need arise to assign different personnel to the City, we agree to submit their names and qualifications to the City for approval before the commencement of work.

### [REDACTED], Claim Supervisor & Service & Retention Leader

[REDACTED] has been an employee-owner since 1983 and has been on the City's account since program inception back in 1977 and we propose that [REDACTED] continues to directly oversee the program. He currently oversees many of our Southern Public Entity clients. [REDACTED] is an Officer of the Company and would be responsible for all services required under the engagement. Mike's current clients include the Cities of Newport Beach, Anaheim, Huntington Beach, Whittier and Garden Grove.

### [REDACTED], Primary Adjuster

[REDACTED] has been an employee-owner since 1990 and has been on the City's account since 2004 and has close to 30 years experience handling claims. [REDACTED] will continue to be the City's primary contact and will continue to take all necessary steps to assure that the City's expectations are met. [REDACTED] is responsible for the daily administration of Carl Warren & Company's activities under the contract with the City and will complete a thorough investigation into each claim that is received. The scope of [REDACTED]'s work includes but is not limited to conducting scene investigations and preparation of photos and diagrams, reporting, placing the excess carrier on notice once investigation and coverage analysis has taken place, negotiation, settlement and reserving of litigated and non-litigated claims from inception to conclusion.

### [REDACTED], Back-Up Adjuster

[REDACTED] has been an employee-owner since 2010. We recommend [REDACTED] on the City's program due to his extensive knowledge in both the public entity sector and with police claims. [REDACTED] background includes time as a police officer and 13 years claims handling experience. [REDACTED] is also bilingual (Spanish). He will be the back-up adjuster in the event [REDACTED] needs assistance or is unavailable.

[REDACTED]  
[REDACTED] has been an employee-owner since 1995 and will continue to provide clerical support for the adjusters on the City's program.

Please refer below for resumes of the aforementioned technical personnel.



[REDACTED]  
**Public Entity Service Leader/Corporate Secretary**  
**Employee Owner Since 1983**

**EXPERIENCE**

- ⊗ Currently oversees many of Carl Warren & Company's Southern California public entity clients.
- ⊗ Over 30 years experience handling and supervising claims.

**WORK HISTORY**

1983 - Present

**Carl Warren & Company**

***Public Entity Service Leader, Claim Supervisor, Adjuster***

- ⊗ Current Supervisor for City of Costa Mesa (1988 - Present), City of Newport Beach (2001 - Present), County of Imperial, Imperial County Schools JPA, LA County Sanitation District, Orange County Sanitation District, City of Newport Beach and for some member cities of California Joint Powers Insurance Authority (CJPIA)
- ⊗ Prior work experience includes adjusting work for OCRMA (Irvine, Laguna Beach, San Clemente, Tustin, etc.)

1978 - 1983

**Nationwide Insurance**

***Multi-Line Adjuster (all personal & commercial lines)***

**EDUCATION**

- ⊗ Orange Coast College - Associate Degree
- ⊗ UC Berkeley - BS Business Administration
- ⊗ Nationwide Insurance Basic School 1978
- ⊗ Nationwide Insurance Material Damage School 1979
- ⊗ Nationwide Insurance Fire School 1980
- ⊗ Employment Practices Liability/ Government Tort Liability



[REDACTED]  
**Claims Adjuster - Placentia, CA**  
**Employee Since 1990**

**EXPERIENCE**

- ※ 29 years insurance industry claims adjusting experience, 22 years in public entity.
- ※ Investigates and manages a wide variety of claims against public entities including: bodily injury claims (auto-traffic/trips and falls/wrongful death); Civil Rights claims (ADA/discrimination/false arrest/wrongful imprisonment/ excessive force/ sexual harassment); property damage claims (auto/ sewer backups/ falling trees/ tree root claims/ and inverse condemnation).

**WORK HISTORY**

1990 - Present

**Carl Warren & Company**

***Claims Adjuster - Account Administrator***

- ※ Claims Investigator, handler and loss run tracker for the City of Costa Mesa (since 2004); Public Entity clients currently include City of Costa Mesa and the Cities of Duarte, Hawaiian Gardens, San Marino, Lake Elsinore, La Verne, Irwindale, Needles, Apple Valley, Loma Linda, Temple City and Laguna Hills.

1987 - 1990

**Elite Investigations**

***Claims Adjuster***

- ※ Claims investigation and management for several large national coinsurance carriers and self-insured companies.

1983 - 1987

**California Indemnity Consultants**

***Claims Adjuster***

- ※ Claims investigation with a strong emphasis on fraud for various insurance carriers such as State Farm, Fireman's Fund, Ohio Casualty and Wawanesa.

**EDUCATION**

- ※ Bachelor of Arts, University of Michigan
- ※ Master of Arts, University of Michigan

**MEMBERSHIPS & REGISTRATIONS**

- ※ California Licensed Private Investigator, #009494 - Current
- ※ California Association of Independent Insurance Adjusters



[REDACTED]  
**Back-Up Claims Adjuster - Placentia, CA**  
**Employee Since 2009**

**EXPERIENCE**

- ⌘ Makes initial contacts upon receipt of a claim, sets reserves and conducts investigations including, but not limited to, recorded interviews of all parties and witnesses.
- ⌘ Conclude claim through litigation if necessary and monitor defense counsel; obtain settlement authority, review billings for accuracy, and account for all file expenses.
- ⌘ Negotiates settlement of bodily injury claims.
- ⌘ Directs the defense of litigated files and made appearances at court hearings, including mediations, arbitration and mandatory settlement conferences.

**WORK HISTORY**

2009 - Present      Carl Warren & Company  
*Claims Adjuster*

2006 - 2009        21<sup>ST</sup> Century Insurance  
*Claim Supervisor*

- ⌘ Oversaw operational aspects of claims branch. Responsible for hiring and monitoring performance. Reviewed files over Manager authority.

1999 - 2006        AIG Personal Lines Claims  
*Unit Manager, Senior Claims Representative & Claims Unit Representative/Special Investigations Unit*

- ⌘ Managed field representatives, appraisers and casualty adjusters, including theft/fire specialist, some handling a pending of 100 to 150 files. Completed AIG Material Damage Assessment training.

**ADDITIONAL EXPERIENCE**

- ⌘ Fluent in English & Spanish.
- ⌘ Police officer experience which includes patrol and canine handler. The handler training program covered basic and advance obedience, criminal apprehension, building and area searches, handler and vehicle protection, and article recovery. Additional courses included narcotics detection which trained the canine in scent association.

**EDUCATION**

- ⌘ Certification through Wicklander-Zulawski interview and interrogation techniques.
- ⌘ Rio Hondo Police Academy Graduate.
- ⌘ Currently enrolled to be certified as a Senior Claim Law Associate.



## QUALIFICATIONS

### History of Firm

Carl Warren & Company was founded in Los Angeles, California, in 1944. Originally, an independent adjusting company specializing in liability claims, we have subsequently developed into one of the preeminent claim administration firms in terms of quality in the country. Many view us as a specialized firm where personalized service, attention and customized solutions are the key to our success.

In 1973, our firm began to serve the needs of self-insured organizations, starting with California's public entities. Within a few years, working as a TPA had become our primary focus and we now manage self-insured programs from coast to coast. In 1975, the company decided to become an entirely employee-owned corporation, using an Employee Stock Ownership Plan (or ESOP) to accomplish this. That ESOP now owns 100% of the company and is participated in by all of our employees.

### Description of Firm

Carl Warren & Company has over 300 employee owners on staff to assist in the adjusting and investigation of claims. Our adjuster's average 17 years experience in the industry. We have a stable workforce with 97% employee retention. A stable work force provides consistent claims handling and account management and equates to a high level of client retention. Our client retention is 98% over the last four years.

### Awards/Recognitions

- ⊗ SSAE 16 Audit Compliant
- ⊗ 2012 California/Western States Chapter ESOP Company of the Year 
- ⊗ Recommended by A.M. Best 
- ⊗ Award of Excellence for Civil Litigation - Los Angeles County Sheriff's Department
- ⊗ 2010 Best Places to Work in Insurance 

### Public Entity Experience

Carl Warren & Company has been administering claims for public entities for over 60 years. We administer claims for more than 195 cities and all other types of public entities throughout the country. We are extremely proud of the fact that several cities have been clients since the 1970's. We know that dedicated clients like these enjoy an excellent working relationship



which will continue well into the future. In addition, we have been handling the City of Costa Mesa's liability claims since 1978.

Over 60% of our business in California is with public entities and we have been providing liability claims services within the state for close to 40 years. This experience and expertise is a necessary element in the successful handling of claims. Claims that we handle for these public entities include, but are not limited to, employment practices, property damage, personal injury, bodily injury, sexual harassment, transit, marine, inverse condemnation and civil rights claims. Our municipal/governmental entity client base includes: cities, counties, transit systems, school districts, joint powers authorities, pools, water districts, sanitation districts, port authorities, airports, fire districts & police districts.

### Subcontractors

All claims handling services are handled in-house. We currently utilize PDA Corporation for auto appraisals and with the City's authorization; we would like to continue utilizing their services.

#### PDA Corporation

██████████, Supervisor

P.O Box 545

Brea, CA 92822

Tel: 714-632-7244

██

PDA Client Service Center - (800) 872-4732

Main Switchboard - (800) 749-7324

### Key Staff

With the City's approval, we propose the following staff for the program:

- ☒ ██████████ Claim Supervisor/Public Entity Service Leader
- ☒ ██████████, Primary Adjuster
- ☒ ██████████, Back-Up Adjuster
- ☒ ██████████, Clerical Support

Please refer to **Attachment 2** at the end of this section for organizational charts for both the Company and for the City's designated team.

### References

The following clients are similar in size and scope to the City and also have claims of a similar nature.



City of Huntington Beach

Client Since 1988

██████████, Risk Manager

2000 Main Street

Huntington Beach, CA 96248

Tel: 7 ██████████ | ██████████

As with many of our other long-term clients from the 1970's, the City of Huntington Beach comprised a triumvirate with Costa Mesa and Newport Beach that pooled their information for contract outsourcing. Through the years, this was a way to save on duplication, lower expenses and maximize the depth of shared risk information where the three Cities had overlapping interests or where they faced similar risks. We are pleased to have been a part of Risk Administration for these Cities over the past 10 to 30+ years.

City of Newport Beach

Client Since 2001

██████████, Risk Manager

3300 Newport Blvd.

Newport Beach, CA 92658

Tel: ██████████ | ██████████

Carl Warren & Company has been the primary and only Third Party Liability Claims Administrator for the City of Newport Beach since 2001, providing the full service handling of claims, the tracking of loss and expense information via the Loss Run and the monitoring and direction of defense counsel on litigation matters while working in conjunction with the City Attorney's Office. We continue to provide full investigatory services for both the smallest and the largest claims filed with the City on a daily basis, and to provide a professional assessment of those matters following our investigation with a clear pathway to the resolution or defense of same.

City of Garden Grove

Client Since 1984

██████████, Risk Management/Finance

11222 Acacia Parkway

Garden Grove, CA 92842

Tel: ██████████ | ██████████

The City of Garden Grove is one of our long-term clients and has been using Carl Warren & Company for a full range of Third Party Claims Administration Services for 28 years. At the client's request we perform investigations, evidence gathering, reporting and risk analysis. These functions are memorialized in a loss fun that can easily be accessed by Risk Management for trends, historical data and other analysis as may be required.



## FINANCIAL CAPABILITY

---

Carl Warren & Company's D&B Supplier Evaluation Report shows that we have a Supplier Risk Score of 1, the lowest risk.

Carl Warren & Company has been selected by the California / Western States Chapter of The ESOP Association as the 2012-13 Company of the Year. This award recognizes an ESOP company from the entire region, comprised of California, Nevada, Utah, Arizona and Colorado, for excellence in a plethora of categories including communication, employee & customer retention, business success, values and integrity, community service, sustainability, education and encouragement of ownership attitudes.

Our ESOP was created in 1975. Since then, management has exercised due care and proper conservative investment practices which have resulted in the extraordinary financial strength and stability of the ESOP. The majority of earnings are committed to the funding of the ESOP for perpetuity, remaining within the Company as retained earnings.

Carl Warren & Company is incorporated as a subchapter S corporation, owned entirely by the Carl Warren & Company Employee Stock Ownership Plan (ESOP). As an ESOP, one of the Company's primary endeavors is to fund the stock repurchase obligation of the ESOP, which fluctuates annually based on the actuarial mix of retiring employees, deaths, disabilities and other statutorily required distribution provisions ("triggers"). The funding of the ESOP is accomplished via cash contributions to the ESOP plan. As a subchapter S corporation, the liability for taxes is deferred to the shareholders, which is the ESOP, a qualified pension plan. Thus, Carl Warren & Company's contributions to the ESOP are a deductible business expense, and as the recipient is an ESOP, no taxes are payable until the funds are paid to the individual ESOP participants at retirement. Additionally, Carl Warren & Company pays its current employees bonuses based upon results achieved on a pre-ESOP funding and pre-bonus payout basis. This approach is used to motivate current employees and is part of their total compensation.

As a Third Party Administrator we are often named as a third party in lawsuits, but there are no pending lawsuits directly against Carl Warren & Company.

Please refer to **Attachment 3** at the end of this section for a copy of Carl Warren & Company's most recent audited financial statements.



## DISCLOSURE

As the incumbent Third Party Administrator, Carl Warren & Company's designated team interacts with the staff on a regular basis. Our staff has not discussed this Request for Proposal with any City staff.

The business relationships in place and individuals that our team communicates with are:

- ☒ [REDACTED]
- ☒ [REDACTED]
- ☒ [REDACTED]

## ACCEPTANCE OF AGREEMENT

We have reviewed Appendix B, the Professional Services Agreement, and accept all content in this form.

# PRICING PROPOSAL FORM

## THIRD PARTY LIABILITY CLAIMS ADMINISTRATION

Provide hourly rates, along with estimated annual pricing in accordance with the City's current requirements, as set forth in section 3 Scope of Work. Also provide your firm's proposed Staffing Plan on a separate sheet of paper. Proposer should use a separate form to state pricing for any added value.

Pricing shall remain firm for a minimum of two (2) years. Any and all requests for pricing adjustments for follow-on contract renewal periods shall be provided no later than sixty (60) days prior to the end of the contract period. Any such proposed price adjustments shall not exceed The Bureau of Labor Statistics Consumer Price Index (CPI) data for Los Angeles-Riverside-Orange County, CA, All Items, Not Seasonally Adjusted, "annualized change comparing the original proposal month and the same month in the subsequent year. (This information may be found on the U.S. Department of Labor's website at [www.bls.gov](http://www.bls.gov).)

Employee	Hourly Rate	Hours worked	Total Cost	Overtime rate
Supervisor	\$ 60.00	80	\$4,800	\$ N/A
Primary Adjuster	\$ 54.00	290	\$15,660	\$ N/A
Back-Up Adjuster	\$ 54.00	156	\$8,424	\$ N/A
	\$			\$
Overhead	\$		\$10,109.40	\$
	\$			\$

Total Estimated Annual Price	\$ 38,993.40
Flat Fee Per Month	\$ 3,250.00

ADD ANY ADDITIONAL COST PROPOSAL SHEETS HERE

# **Attachment 1**

## **Sample Stewardship Report**



**CARL WARREN & COMPANY**  
Claims Management and Solutions

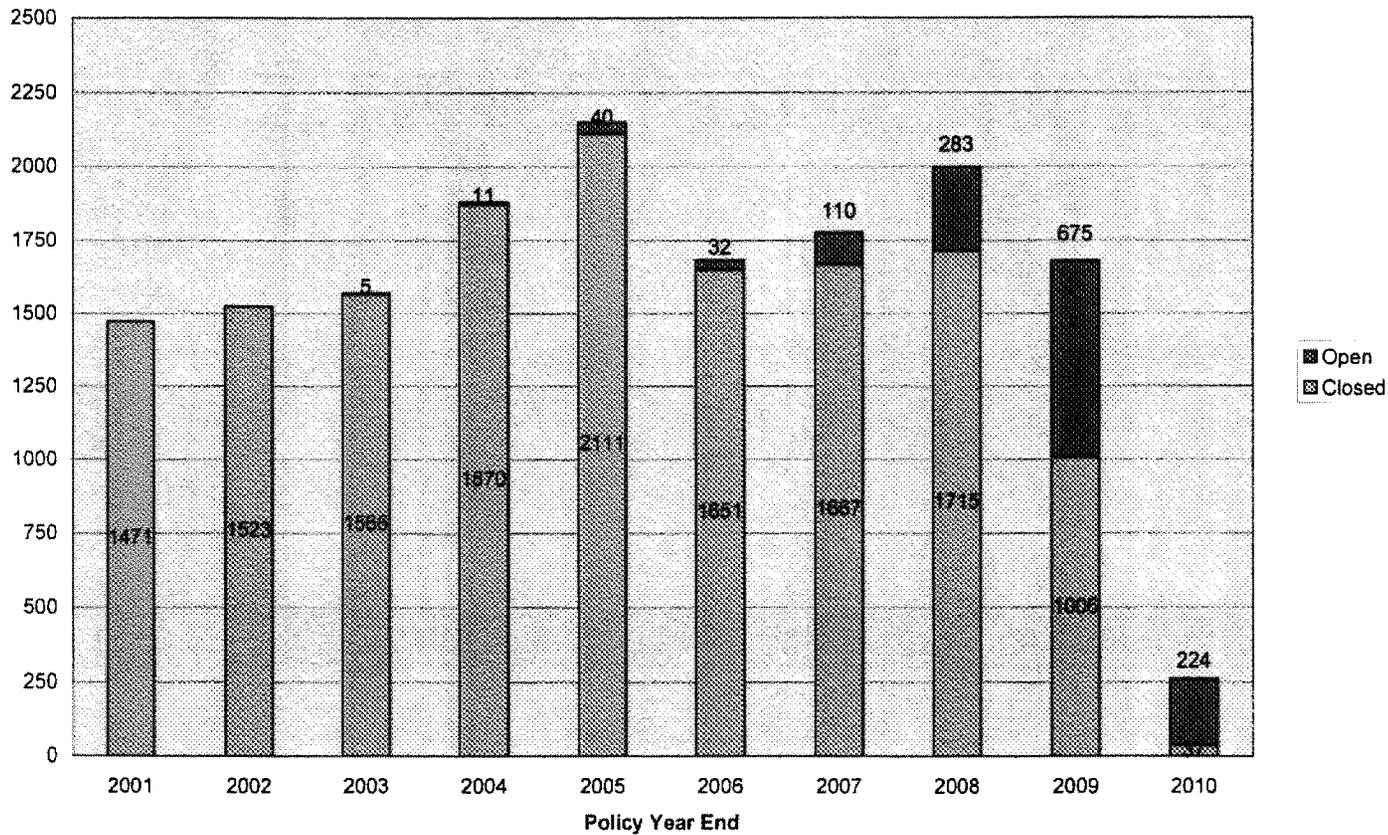
# Sample Annual Stewardship Report Public Entity

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# New Claim Count

New Claim Count



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# Claim Count by Stratification

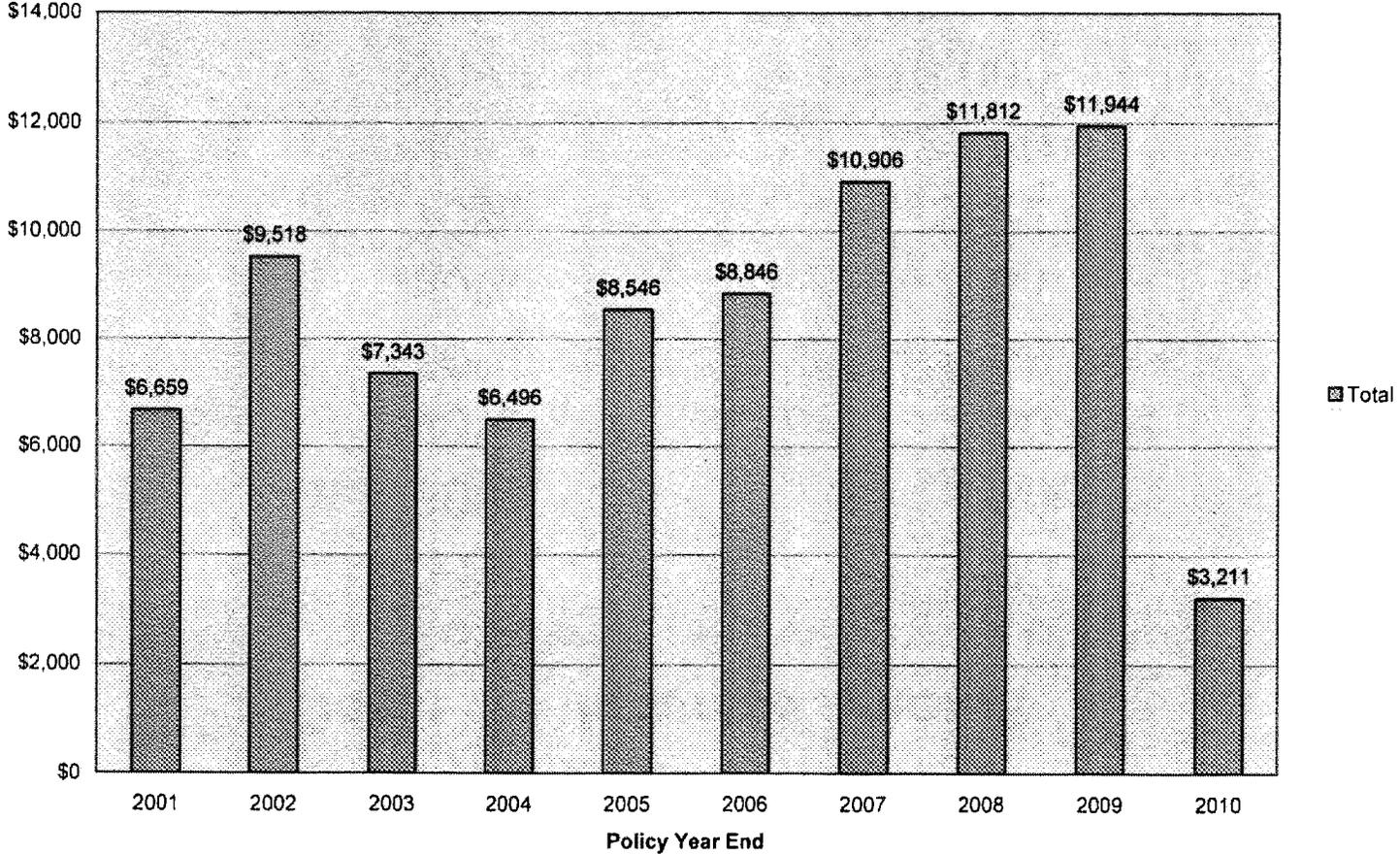
PY END	Under 30k	From 30k to 750k	Greater then 750k	Grand Total
6/30/2001	1,400	69	2	1,471
6/30/2002	1,439	79	5	1,523
6/30/2003	1,494	74	3	1,571
6/30/2004	1,794	80	7	1,881
6/30/2005	2,025	114	12	2,151
6/30/2006	1,580	97	6	1,683
6/30/2007	1,661	110	6	1,777
6/30/2008	1,846	150	2	1,998
6/30/2009	1,563	117	1	1,681
6/30/2010	257	4		261
Grand Total	15,059	894	44	15,997

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# Average Incurred (Claims 750K and Below)

Average Incurred (Claims 750k and Below)



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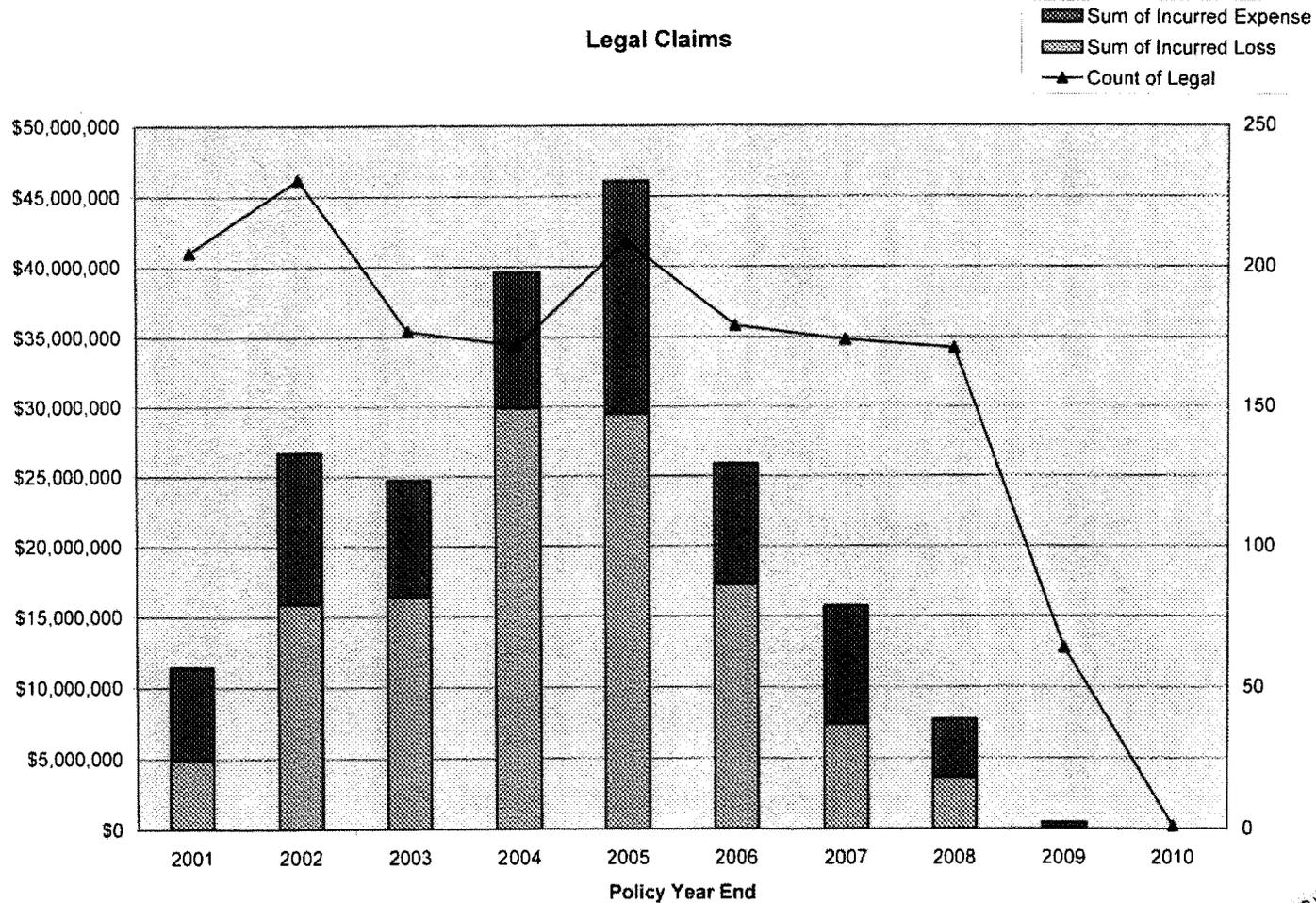
## 10 Year Decile Report

Decile	Incurred Amount
10%	\$0
20%	\$0
30%	\$0
40%	\$0
50%	\$0
60%	\$1
70%	\$571
80%	\$2,150
90%	\$10,000
100%	\$15,025,659

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# Legal Claims

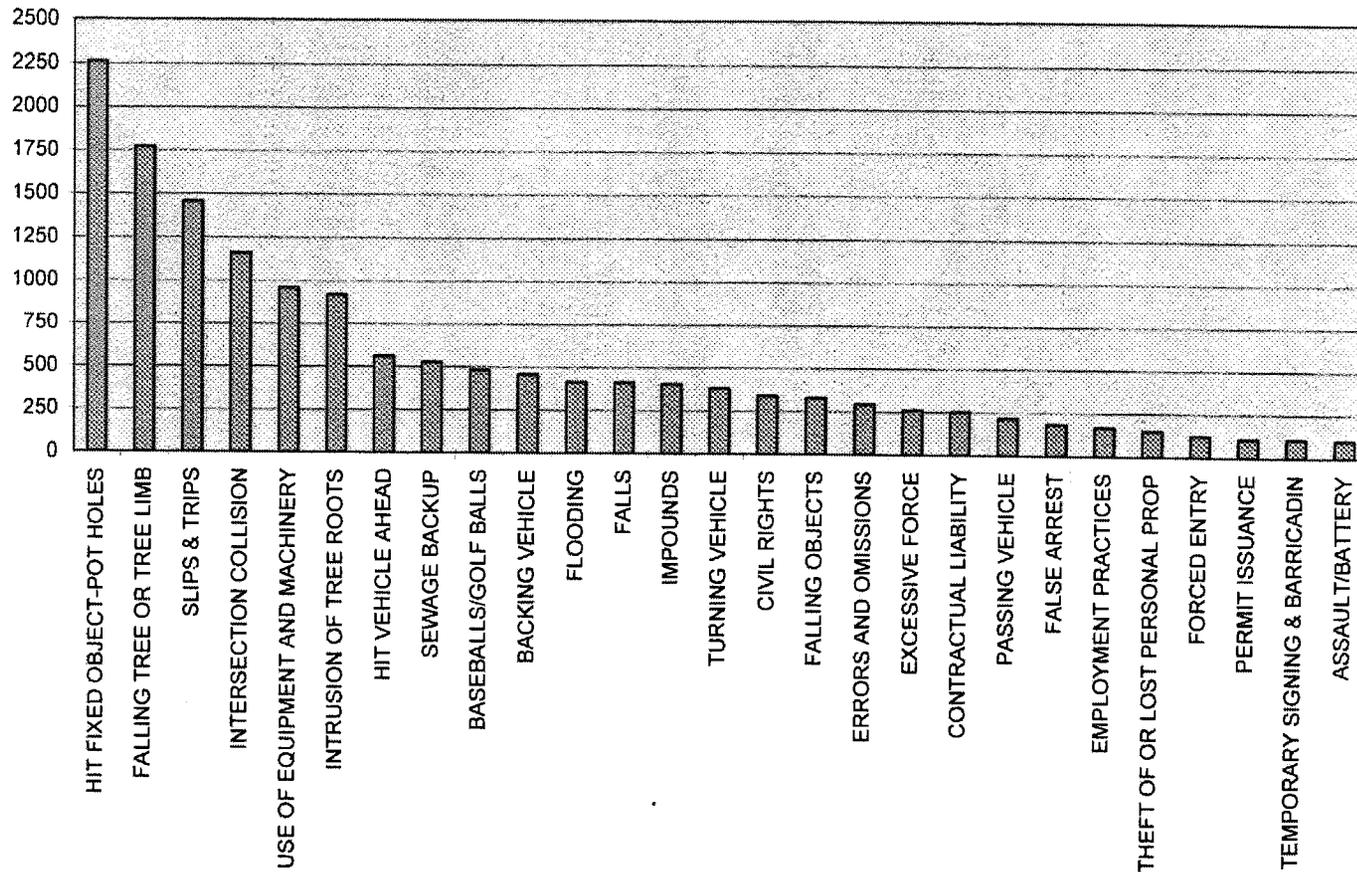


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# 10 Year Claim Count Total – By Cause Code

10 Year Claim Count Total - By Cause Code



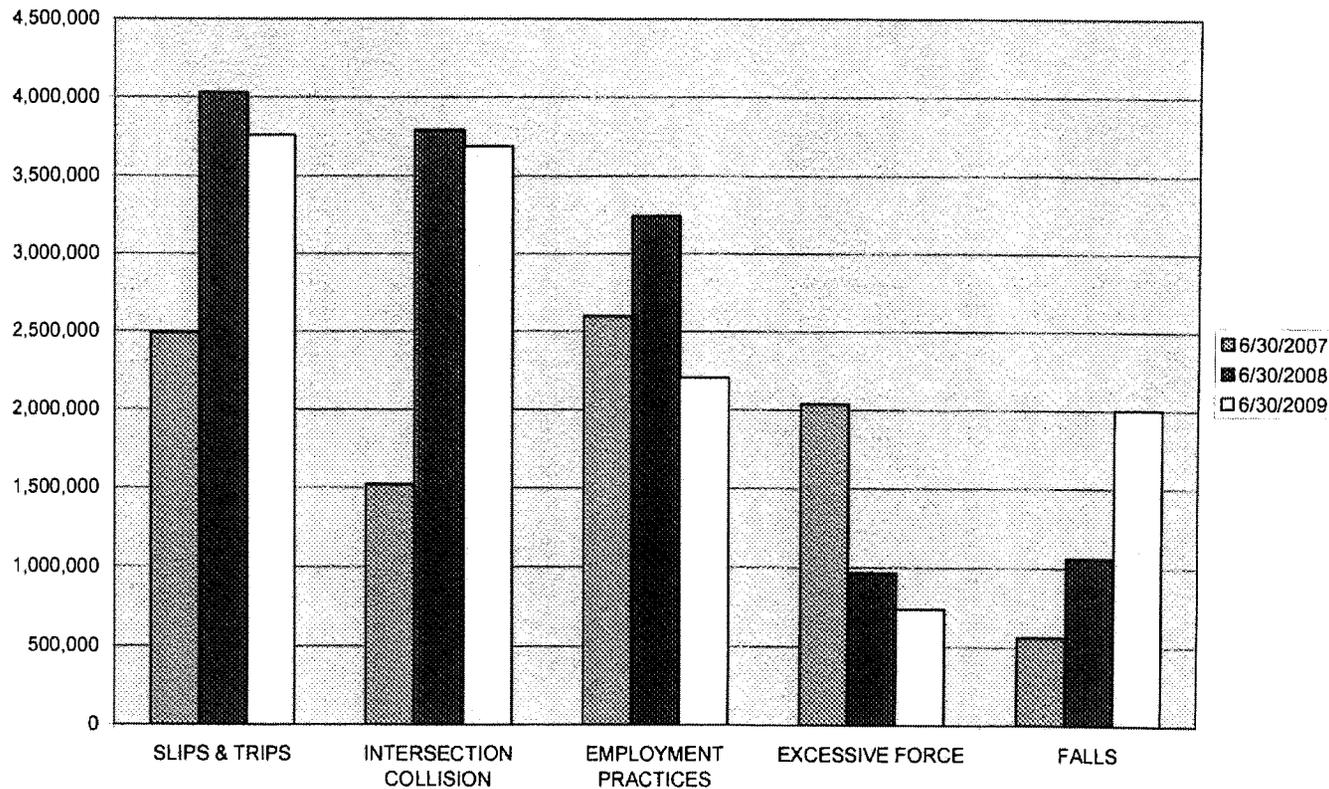
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# Total Incurred By Policy Year - Top 5 Cause Codes

(Excludes Claims Over 750K)

Total Incurred By Policy Year - Top 5 Cause Codes  
(Excludes Claims Over 750k)



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## **Attachment 2**

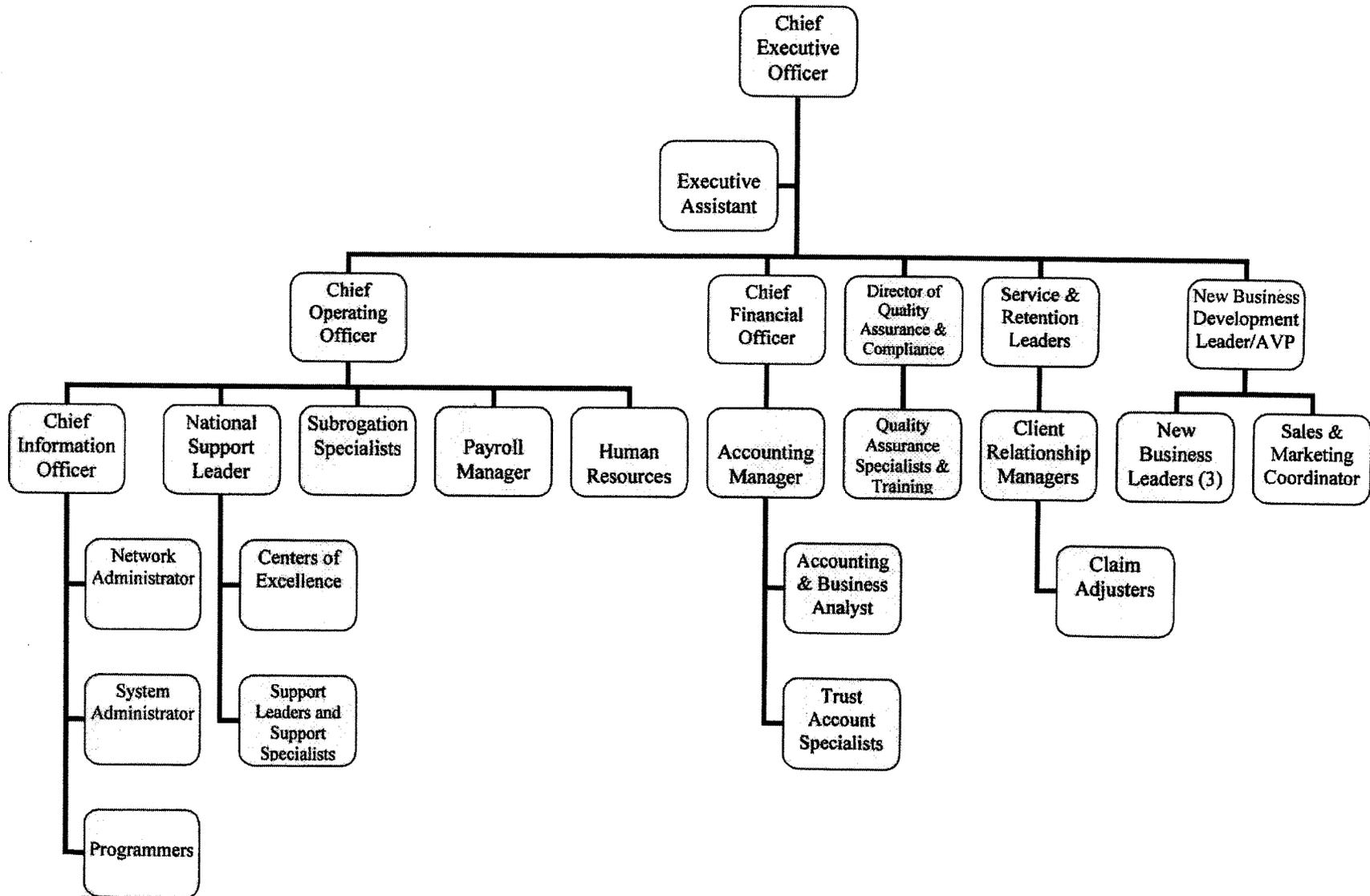
# **Organizational Charts**



**CARL WARREN & COMPANY**  
Claims Management and Solutions



### Company Organizational Chart



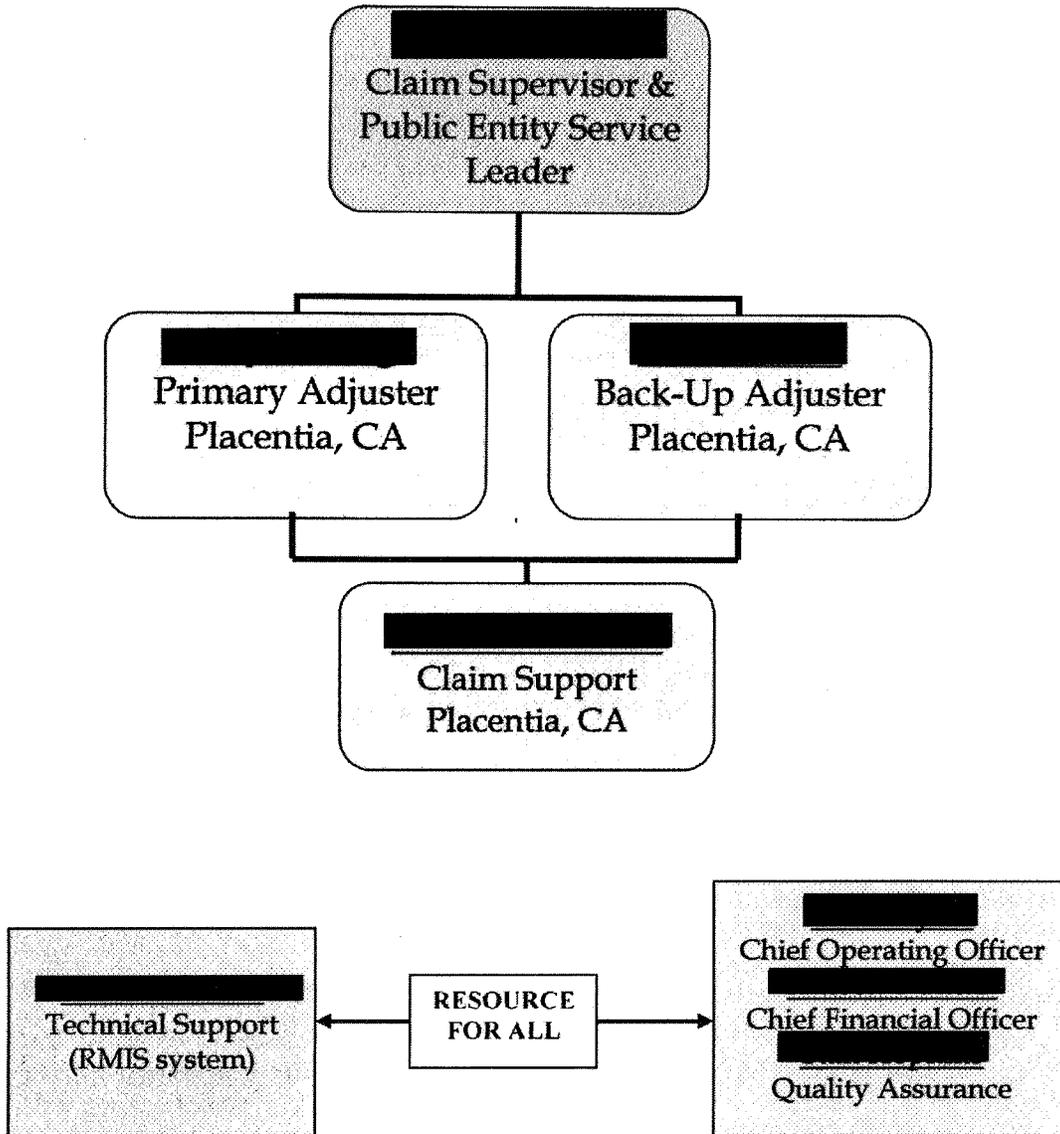


**CARL WARREN & COMPANY**

Claims Management and Solutions



**Key Personnel for the City of Costa Mesa**



# **Attachment 3**

## **Audited Financial Statements**

**CONFIDENTIAL & PROPRIETARY**

# RESPONSE TO REQUEST FOR PROPOSAL

CITY OF COSTA MESA

Third Party Liability Claims Administration

October 18, 2012

Presented By:

***Keenan***  
*Associates*

[REDACTED]  
4240 Riverwalk Parkway, Suite 400  
Riverside, CA 92505  
Cell: [REDACTED]  
Toll Free: (800) 654-8347, [REDACTED]  
Fax: (951) 788-8013  
E-mail: [REDACTED]

[REDACTED]  
Vice President  
4240 Riverwalk Parkway, Suite 400  
Riverside, CA 92505  
Cell: [REDACTED]  
Fax: (951) 788-8013  
E-mail: [REDACTED]

# TABLE OF CONTENTS

<b>COVER LETTER/RFP VENDOR APPLICATION FORM .....</b>	<b>1</b>
<b>PROPOSAL REQUIRED RESPONSES.....</b>	<b>5</b>
BACKGROUND AND PROJECT SUMMARY.....	5
METHODOLOGY .....	8
STAFFING.....	11
QUALIFICATIONS .....	13
FINANCIAL CAPACITY .....	14
FEE PROPOSAL.....	14
DISCLOSURE .....	15
SAMPLE AGREEMENT.....	15
<b>EXHIBITS .....</b>	<b>16</b>



# *Keenan*

*Associates*

2355 Crenshaw Blvd.  
Suite 200  
Torrance, CA 90501  
P.O. Box 4328  
Torrance, CA 90510

310 212-3344  
310 328-6793 fax Main  
[www.keenan.com](http://www.keenan.com)  
License No. 0451271

October 18, 2012

Ms. Kimberly Wilson  
City of Costa Mesa  
77 Fair Drive  
Costa Mesa, CA 92626

**Re: RFP for Third Party Liability Claims Administration**

Dear Ms. Wilson,

Thank you for allowing Keenan & Associates the opportunity to participate in the City of Costa Mesa's RFP process for Third Party Liability Claims Administration. We are pleased to be able to present our proposal in accordance with the received RFP and believe that our firm will be able to provide the best value added services to you not just in the administration of your claims but also in managing efficiency.



Founded in 1972, Keenan & Associates has 40 years of experience in property and liability claim administration for public agencies (i.e., municipalities, community colleges, public school districts and special districts) of similar size and complexity as the City of Costa Mesa. Statewide, we provide casualty administration services to more than 100 public sector entities including 65 trusts and joint power authorities (JPA) programs.

With Keenan & Associates as your TPA Partner, we will provide proactive claims management, resources and assistance. Resources will include our most experienced municipal Claims Adjuster who will be dedicated to the City's account and a Claims Manager to assist with many aspects of claims handling, including best practices and the most cost effective claims resolution. We will extend significant resources to you to help manage your claims exposures and contain costs.

We provide our clients with Administrative, Adjustment and Investigative Services.

**ADMINISTRATIVE SERVICES:**

- Monthly status reports on all active claims, indicating the open or closed status of each reported claim assigned to Keenan, the details of each claims, the payments during the month and the reserve status.
  - Establish/maintain a trust account from which claims are paid, at the City's request.
  - Provide for the payment of claim losses and expenses according to the agreed guidelines.
- 

**ADJUSTMENT SERVICES:**

- Periodic review and adjustments of reserves on all open Claims.
- With the City's authority, investigate, evaluate and adjust all Claims by a covered party.
- Notification to primary and excess coverage providers of all Claims. Seek reimbursements for loss in excess of retention or deductible.
- Pursue and direct subrogation/third-party recovery against any party responsible or partially responsible for loss.
- Recommendation of rejection of claims when appropriate.
- Obtain Release Agreements in connection with the settlement of claims.

**INVESTIGATIVE SERVICES:**

- Review all reported claims.
- Initiate investigation through in-house review of claims when warranted or when requested by client.
- Provide a report to client with the findings of such investigation and information regarding any potential for subrogation/third-party recovery.

We look forward to having the opportunity to meet with the selection committee to discuss the specific details contained in our proposal, which is valid for 90 days from the proposal due date of October 18, 2012.

If you have any questions regarding our proposal, please feel free to contact [REDACTED] Senior Vice President, at ( [REDACTED] ) or via e-mail at [REDACTED] or [REDACTED] Vice President, at [REDACTED] or via e-mail at [REDACTED]. As Vice President, I am authorized to bind Keenan & Associates to a contract.

Respectfully submitted,

[REDACTED]  
Vice President

INSERT APPENDIX A PAGE 1

INSERT APPENDIX A PAGE 2

# PROPOSAL REQUIRED RESPONSES

## BACKGROUND AND PROJECT SUMMARY

*The Background and Project Summary Section should describe your understanding of the City, the work to be done, and the objectives to be accomplished.*

Keenan's Property & Liability Claims Administration is a full-service, multi-faceted, Third Party Administrator (TPA). Our specialized work with public entities gives us a thorough working knowledge of all California Government Code provisions affecting your program. Our seasoned claims professionals have extensive experience with California municipalities and special districts, police, fire, transit and utility services.

Keenan has extensive experience providing property and casualty claims administration services to 100 public agency clients throughout California. We handle claims from first dollar up through various reinsurance and excess layers and have been successful in establishing positive and professional relationships with both reinsurers and excess carrier partners. We retain full responsibility through to final resolution always keeping the client's and carrier partner's best interest in mind.

Keenan's approach to Third Party Administration mirrors that of the City of Costa Mesa. Our goal is to offer a quality claims delivery program that emphasizes communication with both the client and the claimants, reduces litigation and controls costs. Keenan integrates Liability Claims Administration services to effectively and efficiently address public agency risk management and insurance needs. As an industry specialist, we provide focused, relevant information, leading to fast, effective problem solving and enhanced budget performance.

It is the philosophy of Keenan to provide our clients with the highest level of service and the best attainable result in the handling of claims. We believe that each claim is unique, requiring careful analysis of all facts to develop a cost effective strategy for resolution. We will work closely together with the City representative, attorneys and other vendors to achieve the most favorable outcomes. Our aggressive claims handling enables us to be very successful in obtaining numerous defense verdicts and summary judgments.

Our integrated approach gives our clients the optimum balance of prevention, risk retention, rapid claims resolution and cost savings. Our teams are coordinated and work together to provide you with improved performance, reduced administration, and enhanced business efficiency to accommodate all tasks specified in the Scope of Work provided in this RFP.

## CLAIMS SERVICE ADVANTAGE

- **Partnership:** Critical aspects of our service include interaction involving you in the decision making process of your claims.

- **Our Niche:** We exclusively manage public sector property and liability claims. We have dedicated adjusters who have years of handling claims for cities, counties and special districts and interface with legal defense firms that have specialized municipality expertise.
- **Catastrophe Action Plan:** Mandates that when disasters or serious losses occur that our claims people have immediate involvement to arrange for a specialized investigation to preserve evidence.
- **Customer First:** Our passion to provide superior service drives us to understand each client's need.
- **High touch, High quality:** Our dedicated experienced staff does not treat a claim as just another loss, but as a situation which must be aggressively handled to provide the most beneficial resolution to the *client's* interest.
- **Corporate Best Practices:** We effectively communicate our policies and operational goals to our internal and external strategic business units.
- **Dedicated Service Team:** To ensure you receive quality support.

**OUR SERVICES AT A GLANCE**

Our experienced Claims Team empowered to meet your needs	Commitment to customer service	Medicare Set-Aside Experts
Application of Government Code	Court Appearances	Proactive Field Investigation
Experience with the public risk, police, fire, transit and utilities services environment	Trust Account Management	Investigations to preserve essential evidence
24-7 Emergency Hot Line Service	Computerized Loss Runs	Attendance / Presentations at JPA Meetings
Excess/Reinsurance Program Management	Prepare and file reports with the Index Bureau	Ongoing adjuster training
Litigation Management	Third Party Carrier Liaison	Internal quality assurance audit team

## CLAIM HANDLING GUIDELINES

Once the City of Costa Mesa's appointed administrator notifies Keenan's claims manager of a potential claim via correspondence or by phone, Keenan will initiate and follow the following process:

➤ File Set Up Procedures and Core Claims Services

1. In the initial set up process, the manager will request additional documentation relevant to each loss from the City as needed.
2. The manager assigns the new loss to the designated adjuster.
3. Each new claim is set up within 24 hours of the initial notification.
4. An acknowledgement letter is submitted to the City within 24 hours of receipt of the claim.
5. The adjuster will contact with the City of Costa Mesa within 48 business hours of receiving the claim file.
6. The adjuster will discuss the plan of action directly with the City of Costa Mesa's appointed administrator to include the investigation of the claim.
7. Throughout the life of the claim, the adjuster will make the appropriate contact with the third parties involved.
8. Should a claim become litigated, the adjuster will work closely with the City of Costa Mesa's appointed administrator and/or legal counsel.
9. All settlement recommendations are submitted to the City of Costa Mesa for a signed authorization. Once the adjuster has secured the signed approval, negotiations begin.
10. If awarded this contract, Keenan can establish and manage the City's trust account should the City request one.
11. The adjuster will make initial contact with the claimant and provide information regarding the claims process.
12. Files are maintained on a regular diary in accordance to the status of the claim file.
13. Periodic status reports will be forwarded to the City of Costa Mesa as necessary.
14. Adjuster will provide the City of Costa Mesa with a recommended plan of action for claims handling.

15. All recommendations including settlements, rejections, or claim strategies are submitted to the City of Costa Mesa for review and authorization.

## METHODOLOGY

*Provide a detailed description of the approach and methodology to be used to accomplish the Scope of Work of this RFP. The Methodology Section should include:*

- 1) *An implementation plan that describes in detail (i) the methods, including controls by which your firm or entity manages projects of the type sought by this RFP; (ii) methodology for soliciting and documenting views of internal and external stakeholders; (iii) and any other project management or implementation strategies or techniques that the respondent intends to employ in carrying out the work.*

Our sample implementation plan is included in **Exhibit 1**.

- 2) *Detailed description of efforts your firm or entity will undertake to achieve client satisfaction and to satisfy the requirements of the "Scope of Work" section.*

Please see our detailed response to the Background and Project Summary section.

- 3) *Detailed project schedule, identifying all tasks and deliverables to be performed, durations for each task, and overall time of completion.*

Our sample implementation plan is included in **Exhibit 1**.

- 4) *Detailed description of specific tasks you will require from City staff. Explain what the respective roles of City staff and your staff would be to complete the tasks specified in the Scope of Work.*

We anticipate working closely with City staff in the third party liability claims administration process including frequent meaningful communication throughout the life of the claim. This includes but is not limited to prompt claim reporting, discussions surrounding the details of the claim, investigation and claims resolution strategies. We understand that this communication may extend beyond finance, risk management and human resources. We strive to create working relationships throughout the agency to ensure that, as your administrator, we capture all of the pertinent information conducive to logical claim resolution.

- 5) *Proposers are encouraged to provide additional innovative and/or creative approaches for providing the service that will maximize efficient, cost-effective operations or increased performance capabilities. In addition, the City will consider proposals that offer alternative service delivery means and methods for the services desired.*



As an added value to our claims administration expertise and product offering, Keenan provides **P&C Bridge**, a Web based portal that will enable the City of Costa Mesa to bridge compliance, training, communication, analysis and Risk Management in one secure platform.

Following is an overview of **P&C Bridge**, our cutting edge technology offered exclusively to our Property & Casualty clients.

This innovated Web-based product, already in use by other public entities, provides:

- A customizable home page with current news, claims dashboards, safety tips and insurance updates.
- A "cost of risk" section that allows you, on one page, to monitor and manage claims within your self-insured retention (SIR).
- General Liability reports and analytic section allows detailed reports to be run, in real time, on demand.
- Ad hoc reporting in P&C Bridge allows users to create multidimensional views of claim data, providing a means to pinpoint types of losses by location or exposure, to allow for immediate action to prevent future losses.
- Keenan U training offering on-line courses in subjects such as claim prevention, risk management, claim reporting and many others.

#### **KEENAN ONLINE U – WEB BASED ON-LINE TRAINING**

Public Entity resources are becoming more scarce and limited with the current economic conditions still facing the State. Almost every public entity is trying to do more with less. **Keenan Online U** is an online safety training and tracking system designed **specifically for public agency employees**. All courses are written by expert authors and are set in a public entity environment. More than 30 courses are currently available with more being added periodically. The courses are categorized in the following five workplace colleges:

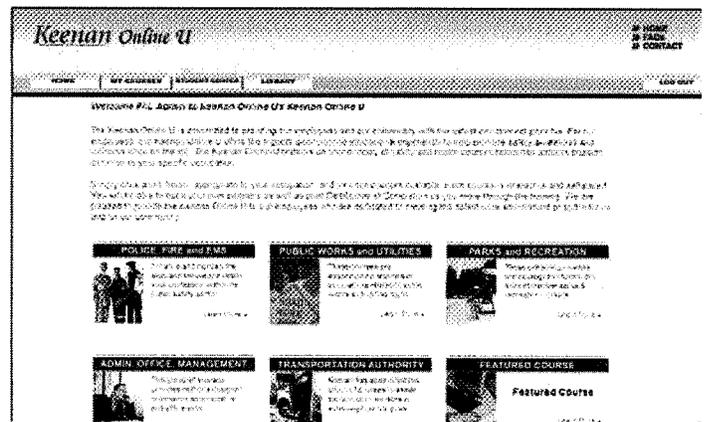
- Police, Fire and EMS
- Public Works and Utilities
- Parks and Recreation
- Transportation Authority

- Administrative, Office, and Management

Online learning and safety training is a **cost effective alternative** to conventional live instructor training. Online training with Keenan Online U gives you **better compliance** and **less time away from the workplace** because employees take the courses at their own pace from their own computer.

- Keenan Online U training can provide substantial savings to the City as opposed to instructor led courses.
- Produces a 60-percent faster learning curve than instructor-led training alone
- All learners are taught the same consistent, correct information
- Achieves a high retention rate, making e-learning more valuable for employees

- Data management system allows entities and supervisors to monitor utilization and record completions in one convenient data base.
- Complements instructor-led training to reinforce important topics



- Relevant, engaging, timely courses are dynamic and consistently updated
- Allows learners to bookmark course in case of interruption
- Convenient, Secure Access to Safety and Compliance Courses

Keenan Online U reduces travel costs, time out of office, materials, and instructor costs. Online learning brings learning to people instead of people to learning. Employees can securely access Keenan Online U anytime, anywhere from any computer that connects to the Internet.

### Automated Assignment, Tracking and Record Management

Keenan Online U lets you assign courses to specific groups or individuals, and automatically tracks and reports on each learner as they complete their training assignments. Employees can print their own completion certificates, while the compliance records are automatically updated.

Screenshots of our recently enhanced **Keenan Online U** are included in **Exhibit 2**.

**STAFFING**

*Provide a list of individual(s) who will be working on this project and indicate the functions that each will perform and anticipated hours of service of each individual. Include a resume for each designated individual.*

**KEY PERSONNEL ASSIGNED TO THE CITY OF COSTA MESA**

Key Personnel	Job Title / Functional Role
[REDACTED]	Vice President, Account Executive
[REDACTED]	Senior Vice President, Account Executive
[REDACTED]	Vice President, Property & Casualty
[REDACTED]	Claims Manager
[REDACTED]	Claims Adjuster, Liability

The key personnel indicated above will provide oversight and support for the Third Party Claims Administration services provided to the City of Costa Mesa. Each of these key personnel has extensive experience with public agencies.

Additional adjusters will be assigned to support the City, as required. We will work with the City to ensure that the number of support personnel provided by Keenan, allows for appropriate staffing levels throughout the course of the contract.

Should the City desire to explore the option of dedicated staff we are willing to work with the City to discuss specific terms for a dedicated staffing model.

**[REDACTED] – Senior Vice President**

[REDACTED] has over 40 years of experience in workers' compensation, both as a consultant and as the co-founder and president of third party administrator Colen and Lee (Adminsure). After 25 years he sold his interest in that firm, he became a Workers' Compensation Specialist for the law firm of Lister, Martin & Thompson, responsible for client relations, expert testimony, business development and retention, litigation file preparation, research, claim background investigation, lien trials and negotiations and appearances at the Workers' Compensation Appeals Board. He is also certified by the state of California as a Workers' Compensation Claims Administrator.

**[REDACTED] – Vice President**

[REDACTED] joined Keenan & Associates in 2009 as Vice President in the Property and Casualty Division. His career in risk management and insurance spans a period of over twenty years. Before joining Keenan, [REDACTED] industry experience included serving as the Regional Vice President of the Western region of ESIS Inc. a large insurance services firm and a subsidiary of ACE USA. [REDACTED] also held roles in management for Kemper Services, Broadspire, GAB Robins and Crawford & Company. In addition to

these leadership roles his experience includes the production and servicing of accounts, including public agencies, health care groups, hospitals, staffing and business service companies in the Fortune 1000. [REDACTED] attended the California State University and is currently pursuing his Chartered Property and Casualty Underwriter (CPCU).

**[REDACTED] – Vice President, Property Liability Claims Administration**

[REDACTED], Vice President Property & Casualty for Keenan & Associates in Torrance, CA, has overall responsibility for the claims administration of all Property & Liability Claims.

[REDACTED] joined Keenan & Associates in 2005 but started his 33-year career in the insurance industry working for Allstate. He has also worked at companies such as American Reserve, Farmers Insurance Group, G. J. Sullivan Company, Reinsurance and was an independent consultant for a number of years. Steve has experience in primary, excess and reinsurance claims, dealing mostly with large complex losses and reinsurance recovery. On a management level, [REDACTED] has managed multiple departments with responsibility for the development and implementation of new systems, policies and procedures.

[REDACTED] graduated from California State University, Long Beach with a Bachelor of Science degree and from California State University, Dominguez Hills with a Master's degree in Negotiation and Conflict Management.

**[REDACTED] – Assistant Vice President**

[REDACTED], Assistant Vice President/Branch Manager has more than 21 years of experience in the industry. [REDACTED] has been with Keenan & Associates for the last 14 years and has managed the day to day operations of the Torrance claims department for the last six years. Arlene has extensive experience in public entity claims and has experience in handling; employment liability, complex general liability, auto, property, and product liability as well as medical malpractice claims.

Prior to joining Keenan & Associates in 1998, she worked for Crawford and Company as a Senior Outside Claims Adjuster. She was responsible for national self-funded accounts. Arlene graduated from Mount St. Mary's College with a Bachelor of Arts Degree in Liberal Arts, and received her Master of Arts in Clinical Psychology at Pepperdine University. As Torrance's Claims Manager, Arlene administers and supervises the day-to-day activities of the branch claims operation and staff. She is also responsible for litigation management.

**[REDACTED] – Claims Adjuster, Liability**

[REDACTED] joined Keenan & Associates in 2006. She has more than 29 years of experience in the industry, with more than 13 years with self-funded companies (Von's, Ralph's and Thrifty Drug Store). She has experience in handling public liability claims which include first and third party auto claims. For the first ten years of her career she

worked for insurance companies handling third party commercial and personal auto claims as well as general liability claims (Harbor Insurance Co./Surplus Line Claims Adjusting Co., Home Insurance Co, INA/Aetna). [REDACTED] has an Associate of Arts degree from Los Angeles City College.

*Upon award and during the contract period, if the contractor chooses to assign different personnel to the project, the Contractor must submit their names and qualifications including information listed above to the City for approval before they begin work.*

Keenan understands and agrees to this stipulation.

#### QUALIFICATIONS

*The information requested in this section should describe the qualifications of the firm or entity and key staff performing projects within the past five years that are similar in size and scope to demonstrate competence to perform these services. Information shall include:*

*Names of assigned personnel dedicated to the account and their specific responsibilities with respect to this scope of work. Please include an organizational chart that reflects the titles of key staff and management contacts of each individual assigned to provide services under this contract.*

Please see the staffing section. We have included an organizational chart in **Exhibit 3**.

*A summary of your firm's demonstrated capability, including length of time that your firm has provided the services being requested in this Request for Proposal.*

Please see the Background and Project Summary Section.

*Provide at least three references that received similar services from your firm. The City of Costa Mesa reserves the right to contact any of the organizations or individuals listed. Information provided shall include:*

- *Client Name*
- *Project Description*
- *Project start and end dates*
- *Client project manager name, telephone number, and e-mail address.*

Keenan provides numerous services to the clients listed below. We are proud to offer the City of Costa Mesa the following client references and encourage you to contact any of them and ask about our resources, responsiveness and results:

CITY OF PALM SPRINGS	
Point of Contact:	[REDACTED]
Address:	3200 Tahquitz Canyon Way PO Box 2743 Palm Springs, CA 92263-2743
Phone:	( [REDACTED] )

RIVERSIDE COUNTY OFFICE OF EDUCATION	
Point of Contact:	[REDACTED] Chief Personnel Officer
Address:	Division of Personnel Services PO Box 868 Riverside, CA 92502
Phone:	( [REDACTED] )

MOUNT SAN JACINTO COMMUNITY COLLEGE DISTRICT	
Point of Contact:	[REDACTED] Dean of Business Services
Address:	1499 North State Street San Jacinto, CA 92583
Phone:	( [REDACTED] )

**FINANCIAL CAPACITY**

*Provide the Proposer's latest audited financial statement or other pertinent information such as internal unaudited financial statements and financial references to allow the City to reasonably formulate a determination about the financial capacity of the Proposer. Describe any administrative proceedings, claims, lawsuits, or other exposures pending against the Proposer.*

Our most recent audited financial statement is included in **Exhibit 4**. There are no administrative proceedings, claims, lawsuits or other exposures pending against Keenan & Associates which would impact our ability to provide services to the City of Costa Mesa.

**FEE PROPOSAL**

*All Proposers are required to use the form in Appendix D to be submitted with their proposal. Pricing instructions should be clearly defined to ensure fees proposed can be compared and evaluated. Proposals shall be valid for a minimum of 90 days following submission.*

Our fee proposal is detailed in **Exhibit 5**. Please note we are able to provide translator services at an additional fee.

## DISCLOSURE

*Please disclose any and all past or current business and personal relationships with any current Costa Mesa elected official, appointed official, City employee, or family member of any current Costa Mesa elected official, appointed official, or City employee. Any past or current business relationship may not disqualify the firm from consideration.*

Keenan has no past or current business and/or personal relationships with any current Costa Mesa elected official, appointed official, City employee, or family member of any current Costa Mesa elected official, appointed official, or City employee.

## SAMPLE AGREEMENT

*The firm selected by the City will be required to execute a Professional Services Agreement (PSA) with the City. The form of the Agreement is enclosed as Appendix B, but may be modified to suit the specific services and needs of the City. If a Proposer has any exceptions or conditions to the Agreement, these must be submitted for consideration with the proposal. Otherwise, the Proposer will be deemed to have accepted the form of Agreement. See Section 13, below.*

Keenan accepts the PSA as is and presents no proposed changes.

## EXHIBITS

Exhibit 1	Sample Implementation Plan
Exhibit 2	Keenan Online U Screenshots
Exhibit 3	Organizational Chart
Exhibit 4	Keenan Audited Financial Statement
Exhibit 5	Fee Proposal
Exhibit 6	Required Forms and Certifications



**EXHIBIT 1**

**SAMPLE IMPLEMENTATION PLAN**

**EXHIBIT 2**

**KEENAN ONLINE U SCREENSHOTS**

**EXHIBIT 3**

**ORGANIZATIONAL CHART**

**EXHIBIT 4**

**KEENAN AUDITED FINANCIAL STATEMENT  
CONFIDENTIAL**

**EXHIBIT 5**

**FEE PROPOSAL**

# EXHIBIT 6

## REQUIRED FORMS AND CERTIFICATIONS

- **Ex Parte Communications Certification**
- **Disqualification Questionnaire**
- **Disclosure of Government Positions**
- **Addendum 1**
- **Addendum 2**



**RFP DETERMINATION BOOK  
FOR  
THIRD PARTY LIABILITY CLAIMS ADMINISTRATION**



**RELEASED BY  
HUMAN RESOURCES DIVISION  
CITY OF COSTA MESA**



# **THIRD PARTY LIABILITY CLAIMS ADMINISTRATION**

## **INDEX**

1. Project Chronology
2. RFP Notice
3. RFP Docs
4. Questions & Answers
5. Vendor List
6. Proposals
7. Interview Materials
8. Evaluation Documents
9. Reference Checks
10. Proposal Evaluation Scores
11. Interview Evaluation Scores



# **PROJECT CHRONOLOGY**

**This section is a list of the significant events from the release of the RFP to the Interview phase of the evaluation process.**



# **Project Chronology for THIRD PARTY LIABILITY CLAIMS ADMINISTRATION**

09/10/12	RFP released & posted with a due date of 10/18/12
09/19/12	First Amendment posted changing the date Questions & Answers would be posted to the City website from 10/12/12 to 10/08/12
09/28/12	Question Submittal Deadline
09/28/12	Sent compiled list of questions to Risk Management to answer
09/28/12	Second Amendment posted changing the Interview date from the week of November 5 – 9 to the week of November 13 – 16 and submission of proposals was changed to Kimberly Wilson
10/08/12	Questions & Answers were posted to the City Website
10/10/12	Outside evaluator is identified
10/18/12	Proposals Received
10/23/12	Evaluation packets were distributed
10/26/12	Reference Letters Sent Out
11/01/12	Evaluator Team Meeting
11/14/12	Interviews
11/27/12	Follow-up Meeting with selected proposer



# **RFP NOTICE**

**This is a requirement under the Costa Mesa Municipal Code, Title 2-Administration, Chapter V. Finance, Article 2 Purchasing, Section 2-166 Procedure for purchases exceeding fifty thousand dollars (a) (1)**





Los Angeles Times

# CLASSIFIED ADVERTISING PROOF

Printed by: 0602 Patricia Gamino  
Salesperson:  
Phone:

Sep 5, 2012, 9:32 am

Ad # 35175392



Los Angeles Times

### Account Information

Phone #: (714) 754-5216  
Name: City of Costa Mesa (Parent)  
Address: 77 Fair Dr  
Costa Mesa, CA 92626  
Acct #: CU00067980  
Client: Human Resources  
Placed by: Jennifer Sommers  
Fax #: (714) 754-4942

### Ad Information

Start date 09-11-12  
Stop date 09-11-12  
Insertions 1  
Rate code &Legal Costa Mesa  
Taken by 0602 Patricia Gamino  
Size 1 x 57.470  
Billed size 6.00 TCN Inch  
Keyword  
Ad type Liner  
Gross price: \$ 57.00  
Net price: \$ 57.00  
Amt Due: \$ 57.00

Class: 13000 - Legal Notices  
Pubs: TCN Daily Pilot

Note: Amount Due is subject to change due to discounts, miscellaneous fees, or other charges.

### Ad Copy:

#### City of Costa Mesa Request for Proposals for Third Party Liability Claims Administration

NOTICE IS HEREBY GIVEN that sealed proposals shall be received by the City of Costa Mesa to wit: The City of Costa Mesa, City Clerk, Attn: Jennifer Sommers, P.O. Box 1200, Costa Mesa, California 92628-1200, on or before the hour of **12:00 p.m. (P.S.T.) on Thursday October 18, 2012.** It shall be the responsibility of the offeror to deliver his proposal to the City Clerk by the announced time. Delivery Location: City of Costa Mesa, City Clerk's Office - 1st Floor, 77 Fair Drive, Costa Mesa, California 92626.

Proposal shall be returned to the attention of Jennifer Sommers, HR Analyst, within said time limit, in a sealed envelope identified on the outside with the Offeror's Business Name, Proposal Identity RFP for Third Party Liability Claims Administration and the due date.

There will be no public opening of proposals.

The Request for Proposal may be downloaded from the website at

[www.costamesaca.gov](http://www.costamesaca.gov). Please contact Kim Wilson, Purchasing Coordinator, at (714) 754-5062, 77 Fair Drive, Costa Mesa, California 92626.

Dated September 4, 2012  
Published Newport Beach/Costa Mesa Daily Pilot September 11, 2012.



# **RFP**

**The RFP (Request for Proposal) provides information on the service level improvements, key elements for this particular solicitation, an overview and solicitation protocol. Also included are any amendments to the RFP that were posted to the web.**





**REQUEST FOR PROPOSAL  
FOR  
THIRD PARTY LIABILITY CLAIMS ADMINISTRATION**



**RELEASED BY  
HUMAN RESOURCES DIVISION  
CITY OF COSTA MESA**

**RELEASE DATE: September 10, 2012**



**THIRD PARTY LIABILITY CLAIMS ADMINISTRATION**

**REQUEST FOR PROPOSAL (RFP)**

Dear Proposers:

The City of Costa Mesa (hereinafter referred to as the “City”) is requesting proposals from a qualified firm, to establish a contract for third party liability claims administration.

The contract term shall be for three (3) years with two (2) one-year options to renew.

**1. BACKGROUND**

The City of Costa Mesa is a general law City, which operates under the council/manager form of government with a General Fund budget of over \$111 million and a total of over \$132 million of fiscal year 2012-2013.

The City of Costa Mesa, incorporated in 1953, has an estimated population of 116,479 and has a land area of 16.8 square miles. It is located in the southern coastal area of Orange County, California, and is bordered by the cities of Santa Ana, Newport Beach, Huntington Beach, Fountain Valley and Irvine.

The City is a “full service City” and provides a wide range of services. These services include: police and fire protection; animal control; emergency medical aid; building safety regulation and inspection; street lighting; land use planning and zoning; housing and community development; maintenance and improvement of streets and related structures; traffic safety maintenance and improvement; and full range of recreational and cultural programs.

The City of Costa Mesa is home of the Segerstrom Center for the Arts, Orange County Fairgrounds, South Coast Repertory Theater and the South Coast Plaza Shopping Center, which is the single largest commercial activity center in the City. The volume of sales generated by South Coast Plaza, secures its place as the highest volume regional shopping center in the nation.

**2. SCHEDULE OF EVENTS**

This request for proposal will be governed by the following schedule (All dates are subject to change at the discretion of the City):

Release of RFP.....	September 10, 2012
Deadline for Written Questions .....	September 28, 2012
Responses to Questions Posted on Web .....	October 12, 2012
Proposals are Due .....	October 18, 2012
Interview (if held) .....	November 5 – 9, 2012
Approval of Contract .....	December 4, 2012

### 3. SCOPE OF WORK

**ASSIGNED PERSONNEL:** Administrator shall designate a Principal Adjuster to be assigned to this account to act as the primary contact for the City. The City must approve the Principal Adjuster and any other personnel assigned to perform services for the City (hereafter collectively referred to as “assigned personnel”). If for any reason the City finds, in its sole discretion, that the service provided by any assigned personnel is unsatisfactory, the Administrator will agree to assign replacement personnel that must also be approved by the City. Adjusters assigned to the account must have a minimum of five (5) years full time experience as a general liability adjuster and a minimum of three (3) years experience with public agency liability claims adjusting. Associate in Claims designation is preferred.

**AUDIT:** The Administrator will cooperate with the City and make available any and all claim files and records available for audits. The City will have reasonable access to the necessary portions of the Administrator's facilities, records and files for review or audit purposes.

**PROGRAM ADMINISTRATION:** Program administration services shall, at a minimum, include the following:

1. Provide professional and technical staff to perform the services as agreed upon under separate contract with the City and this Request for Proposal.
2. Represent the City in all matters related to the set-up, investigation, adjustment, processing, negotiation and resolution of liability claims against the City.
3. Inform the City of changes or proposed changes in statutes, rules and regulations and case law affecting the general liability program.
4. Assist in the development of policies and procedures relating to the general liability claims program.
5. Provide information and guidance regarding the general liability program and specified claims.
6. Inform the City of problem areas or trends, both potential and perceived, and provide recommendations and/or solutions to address problem areas or trends.
7. Provide copies of file correspondence and documentation as requested.
8. Attend appointments, including but not limited to meetings, conferences, Court appearances, and scene investigations at request of the City.
9. Provide 24-hour on-call service. This can be accomplished by providing the City with a 24-hour phone number, pager, beeper or telephone number for key personnel. The 24-hour on-call service may include, but not be limited to, responding to an incident scene, attending meetings, and conducting investigations.
10. Conduct risk management related seminars for department heads and/or the City staff at request of the City.
11. Maintain and store all hardcopy files for five (5) years after file is closed.

**CLAIMS ADMINISTRATION:** Claims administration services shall, at a minimum, include the following:

1. Create and enter new claim files into the computer within 48 hours of receipt of loss notice from the City.
2. Maintain a hardcopy file for each claim.

3. Review all new claims for liability and provide an assessment of liability to the City no later than 30 days from receipt of loss notice from the City.
4. Identify and notify possible co-defendants.
5. Tender claims to other potentially responsible parties.
6. Process all claims in accordance with the City's instructions and policies.
7. At the direction of the City, contact claimant, or their attorney, within five (5) days of receipt of claim and maintain appropriate contact until the claim is closed.
8. Review status of claims and adequacy of reserves on all active cases at least every 90 days.
9. Provide narrative reports to the City when recommending disposition of a claim, when a claim goes to trial, or any other significant events that have or will occur. Reports must be clear and concise and be provided in a format as approved by the City.
10. Negotiate settlements within authority limits.
11. Obtain a signed release upon settlement of claims.
12. Review vendors for appropriateness of work and cost-effectiveness.
13. Diary all files at appropriate intervals to allow for timely completion of required activity.
14. Files will clearly and concisely document action taken on the claim.
15. Telephone calls from the City staff, claimants or claimant's attorneys shall be returned within 24 hours. If the Administrator's appropriate staff member called is not available to return the call within this time frame, another designated staff member shall return the call.
16. Have translators available to assist with non-English speaking claimants.

**INVESTIGATIONS:** Investigative services shall, at a minimum, include the following:

1. Take statement of facts from all claimants when not represented by an attorney or with the attorney's permission. Statements will be preserved by recording or by taking hand written signed statements.
2. As warranted, conduct further investigation of a claim and advise the City when further investigation is deemed warranted. Further investigation may include, but not be limited to, on-site investigation, photographs, interviewing witnesses, verification of damage or loss, taking measurements, obtaining maps/diagrams from the City or other sources, obtaining medical releases, police reports, paramedics reports, marine department or other reports as may be necessary, obtaining building permits or other records as required.
3. If claimant is represented by an attorney, direct all communication to the claimant's attorney regarding the investigation, negotiation, and evaluation of any claims leading to a settlement as may be appropriate.
4. Report all Bodily Injury claims to the Index Bureau. Conduct Index Bureau searches for repeat claimants. Conduct additional Index Bureau searches at request of the City.
5. Obtain approval from the City before engaging the services of an outside vendor for an investigative assignment.
6. At the request of the City, investigate inverse condemnation claims.
7. Arrange, with prior the City approval, for expert services including but not limited to professional photography, independent medical examinations, professional engineering services, and laboratory services.

**LITIGATION MANAGEMENT:** Litigation management services shall, at a minimum, include the following:

1. As requested by the City, the Administrator shall contact the City Attorney assigned to handle the case and provide any and all information concerning the claim and investigation.
2. Maintain liaison with the City Attorney's Office and any outside defense counsel and provide such investigation as required during the entire litigation process, including but not limited to additional investigations for pre-trial and trial that may be requested by either the City Attorney's Office or defense counsel.
3. Assist the City Attorney and defense counsel in preparing and/or answering discovery as requested.
4. Assist the City personnel in Small Claims Court actions filed by and against the City, including but not limited to, obtaining witness information, evidence, assistance in preparing the case for trial and appearance at the trial if deemed necessary by the City.

**STATISTICAL REPORTS:** Administrator shall, at a minimum, include the following:

1. Specified standard reports must be received within 10 days after the end of the month/quarter, as mutually agreed upon by the parties.
2. Submit monthly reports during the term of the agreement. The monthly reports shall indicate the status and detail of every open claim assigned to the Administrator, including but not limited to the reserves assigned for each claim, summary of each loss by type, department, year, litigation status, and coded as to cause.
3. The Administrator will enter into its computer any and all files handled in-house by the City. The City will provide the Administrator with all information necessary for such input.
4. Special reports to be provided as requested by the City.

**EXCESS INSURANCE REPORTING:** Administrator shall, at a minimum, provide the following services regarding excess insurance reporting:

1. Report to any excess insurance carrier (s) in accordance with policy provisions. The City will provide the names and addresses of excess insurance carriers. Provide the City with written notification that the required notice has been made to the excess carrier within ten (10) days of the notice of claim.
2. Seek reimbursement from the excess insurance carrier for any losses in excess of the City's self-insured retention.

#### **4. PROPOSAL FORMAT GUIDELINES**

Interested firms are to provide the City of Costa Mesa with a thorough proposal using the following guidelines:

Proposal should be typed and should contain no more than 20 typed pages using a 12-point font size, including transmittal letter and resumes of key people, but excluding Index/Table of Contents, tables, charts, and graphic exhibits. Each proposal will adhere to the following order

and content of sections. Proposal should be straightforward, concise and provide “layman” explanations of technical terms that are used. Emphasis should be concentrated on conforming to the RFP instructions, responding to the RFP requirements, and on providing a complete and clear description of the offer. Proposals which appear unrealistic in terms of technical commitments, lack of technical competence or are indicative of failure to comprehend the complexity and risk of this contract may be rejected. The following proposal sections are to be included in the Proposer’s response:

- **Vendor Application Form and Cover Letter**

Complete Appendix A “Request for Proposal-Vendor Application Form” and attach this form to the cover letter. A cover letter, not to exceed three pages in length, should summarize key elements of the proposal. An individual authorized to bind the consultant must sign the letter. The letter must stipulate that the proposal price will be valid for a period of at least 90 days. Indicate the address and telephone number of the contractor’s office located nearest to Costa Mesa, California and the office from which the project will be managed.

- **Background and Project Summary Section**

The Background and Project Summary Section should describe your understanding of the City, the Scope of Work for the project, and the objectives to be accomplished.

- **Methodology Section**

Provide a detailed description of the approach and methodology to be used to accomplish the Scope of Work of this RFP. The Methodology Section should include:

1. An implementation plan that describes in detail (i) the methods, including controls by which your firm manages projects of the type sought by this RFP; (ii) methodology for soliciting and documenting views of internal and external stakeholders; (iii) and any other project management or implementation strategies or techniques that the respondent intends to employ in carrying out the work.
2. Detailed description of efforts your firm will undertake to achieve client satisfaction and to satisfy the requirements of the "Scope of Work" section.
3. Detailed project schedule, identifying all tasks and deliverables to be performed, durations for each task, and overall time of completion, including a complete transition plan. Include your plan to deal with fluctuation in service needs and any associated price adjustments.
4. Detailed description of specific tasks you will require from City staff. Explain what the respective roles of City staff and your staff would be to complete the tasks specified in the Scope of Work.
5. Proposers are encouraged to provide additional innovative and/or creative approaches for providing the service that will maximize efficient, cost-effective operations or increased performance capabilities. In addition, the City will

consider proposals that offer alternative service delivery means and methods for the services desired.

- **Staffing**

Provide a list of individual(s) who will be working on this project and indicate the functions that each will perform and anticipated hours of service of each individual. Include a resume for each designated individual.

Upon award and during the contract period, if the contractor chooses to assign different personnel to the project, the Contractor must submit their names and qualifications including information listed above to the City for approval before they begin work.

- **Qualifications**

The information requested in this section should describe the qualifications of the firm or entity and key staff performing projects within the past five years that are similar in size and scope to demonstrate competence to perform these services. Information shall include:

Names of assigned personnel dedicated to the account and their specific responsibilities with respect to this scope of work. Please include an organizational chart that reflects the titles of key staff and management contacts of each individual assigned to provide services under this contract.

A summary of your firm's demonstrated capability, including length of time that your firm has provided the services being requested in this Request for Proposal.

Provide at least three references that received similar services from your firm. The City of Costa Mesa reserves the right to contact any of the organizations or individuals listed. Information provided shall include:

- Client Name
- Project Description
- Project start and end dates
- Client project manager name, telephone number, and e-mail address.

- **Financial Capacity**

Provide the Proposer's latest audited financial statement or other pertinent information such as internal unaudited financial statements and financial references to allow the City to reasonably formulate a determination about the financial capacity of the Proposer. Describe any administrative proceedings, claims, lawsuits, or other exposures pending against the Proposer.

- **Fee Proposal**

All Proposers are required to use the form in Appendix D to be submitted with their proposal. Pricing instructions should be clearly defined to ensure fees proposed can be compared and evaluated. Proposals shall be valid for a minimum of 90 days following submission.

- **Disclosure**

Please disclose any and all past or current business and personal relationships with any current Costa Mesa elected official, appointed official, City employee, or family member of any current Costa Mesa elected official, appointed official, or City employee. *Any past or current business relationship may not disqualify the firm from consideration.*

- **Sample Agreement**

The firm selected by the City will be required to execute a Professional Services Agreement (PSA) with the City. The form of the Agreement is enclosed as Appendix B, but may be modified to suit the specific services and needs of the City. If a Proposer has any exceptions or conditions to the Agreement, these must be submitted for consideration with the proposal. Otherwise, the Proposer will be deemed to have accepted the form of Agreement. See Section 13, below.

- **Checklist of Forms to Accompany Proposal**

As a convenience to Proposers, the following is a list of the forms, included as appendices to this RFP, which should be included with proposals:

- (1) Vendor Application Form
- (2) Ex Parte Communications Certificate
- (2) Price Proposal Form
- (3) Disclosure of Government Positions
- (4) Disqualifications Questionnaire

## 5. **PROCESS FOR SUBMITTING PROPOSALS**

- **Content of Proposal**

The proposal must be submitted using the format as indicated in the proposal format guidelines.

- **Preparation of Proposal**

Each proposal shall be prepared simply and economically, avoiding the use of elaborate promotional material beyond those sufficient to provide a complete, accurate and reliable presentation.

- **Number of Proposals**

Submit one original, five (5) hard copies, plus one disk copy of your proposal in sufficient detail to allow for thorough evaluation and comparative analysis. In the event of a conflict between the original and any hard copy or disk copy, the original shall control.

- **Submission of Proposals**

*Complete written proposals must be submitted in sealed envelopes marked and received no later than 12:00 p.m. (P.S.T) on October 18, 2012 to the address below. Proposals will not be accepted after this deadline, with no exceptions. Faxed or e-mailed proposals will not be accepted.*

Costa Mesa City Clerk

Attn: Jennifer Sommers

77 Fair Drive

Costa Mesa, CA 92626

RE: RFP - Third Party Liability Claims Administration

- **Inquiries**

*Questions about this RFP must be directed in writing, via e-mail to:*

Kim Wilson, RFP Facilitator

[Kimberly.Wilson@Costamesaca.gov](mailto:Kimberly.Wilson@Costamesaca.gov)

The City reserves the right to amend or supplement this RFP prior to the proposal due date. All amendments, responses to questions received, and additional information will be posted to the Costa Mesa Procurement Registry, [Costa Mesa - Official City Web Site - Business - Bids & RFP's](#); Proposers should check this web page daily for new information. The City will endeavor to answer all written questions timely received no later than September 28, 2012. The City reserves the right not to answer all questions.

From the date that this RFP is issued until a firm is selected and the selection is announced, firms are not allowed to communicate outside the process set forth in this RFP with any City employee other than the contracting officer listed above regarding this RFP. The City reserves the right to reject any proposal for violation of this provision. No questions other than written will be accepted, and no response other than written will be binding upon the City.

- **Conditions for Proposal Acceptance**

This RFP does not commit the City to award a contract or to pay any costs incurred for any services. The City, at its sole discretion, reserves the right to accept or reject any or all proposals received as a result of this RFP, to negotiate with any qualified source(s), or to cancel this RFP in part or in its entirety. The City may waive any irregularity in any proposal. All proposals will become the property of the City of Costa Mesa, USA. If any proprietary information is contained in the proposal, it should be clearly identified.

## 6. EVALUATION CRITERIA

The City's evaluation and selection process will be conducted in accordance with Chapter V, Article 2 of the City's Municipal Code (Code). In accordance with the Code, the lowest responsible bidder will be determined based on evaluation of qualitative factors in addition to

price. At all times during the evaluation process, the following criteria will be used. Sub-criteria are not necessarily listed in order of importance. Additional sub criteria that logically fit within a particular evaluation criteria may also be considered even if not specified below.

1. Qualifications of Firm and Key Personnel-----25%

Includes ability to provide the requested scope of services, the Proposer's financial capability, recent experience conducting work of similar scope, complexity, and magnitude for other public agencies of similar size, references.

2. Approach to Providing the Requested Scope of Services-----35%

Includes an understanding of the RFP and of the project's scope of services, knowledge of applicable laws and regulations related to the scope of services.

3. Price Proposal-----30%

Price Proposals will be evaluated on the basis of the Total Estimated Annual Price submitted in Appendix D.

4. Innovative and/or creative approaches to providing the services that provide additional efficiencies or increased performance capabilities.-----10%

**7. EVALUATION OF PROPOSALS AND SELECTION PROCESS**

In accordance with its Municipal Code, the City will adhere to the following procedures in evaluating proposals. An Evaluation/Selection Committee (Committee), which may include members of the City's staff and possibly one or more outside experts, will screen and review all proposals according to the weighted criteria set forth above. While price is one basic factor for award, it is not the sole consideration.

**A. Responsiveness Screening**

Proposals will first be screened to ensure responsiveness to the RFP. The City may reject as non-responsive any proposal that does not include the documents required to be submitted by this RFP. At any time during the evaluation process, the City reserves the right to request clarifications or additional information from any or all Proposers regarding their proposals.

**B. Initial Proposal Review**

The Committee will initially review and score all responsive written proposals based upon the Evaluation Criteria set forth above. The Committee may also contact Proposer's references. Proposals that receive the highest evaluation scores may be invited to the next stage of the evaluation process. The City may reject any proposal in which a Proposer's approach, qualifications, or price is not considered acceptable by the City. An unacceptable proposal is one that would have to be substantially rewritten to make it acceptable. The City may conclude the evaluation process at this point and recommend award to the lowest responsible bidder. Alternatively, the City may elect to negotiate

directly with one or more Proposers to obtain the best result for the City prior to making a recommendation or selection.

C. **Interviews, Reference Checks, Revised Proposals, Discussions**

Following the initial screening and review of proposals, the Proposers included in this stage of the evaluation process may be invited to participate in an oral interview. Interviews, if held, are tentatively scheduled for November 5–9, 2012 and will be conducted at City of Costa Mesa City Hall, 77 Fair Drive, Costa Mesa, CA 92626. This date is subject to change. The individual(s) from Proposer's firm that will be directly responsible for carrying out the contract, if awarded, should be present at the oral interview. The oral interview may, but is not required to, use a written question/answer format for the purpose of clarifying the intent of any portions of the proposal.

In addition to conducting an oral interview, the City may during this stage of the evaluation process also contact and evaluate the Proposer's references, contact any Proposer to clarify any response or request revised or additional information, contact any current users of a Proposer's services, solicit information from any available source concerning any aspect of a proposal, and seek and review any other information deemed pertinent to the evaluation process.

Following conclusion of this stage of the evaluation process, the Committee will again rank all Proposers according to the evaluation criteria set forth above. The Committee may conclude the evaluation process at this point, and make a recommendation for award, or it may request Best and Final Offers from Proposers. The City may accept the proposal or negotiate the terms and conditions of the agreement with the highest ranked firm, which shall be determined to be the lowest responsible bidder. The City may recommend award without Best and Final Offers, so Proposers should include their best proposal with their initial submission.

Recommendation for award is contingent upon the successful negotiation of final contract terms. Negotiations shall be confidential and not subject to disclosure to competing Proposers unless an agreement is reached. If contract negotiations cannot be concluded successfully within a time period determined by the City, the City may terminate negotiations and commence negotiations with the next highest scoring Proposer or withdraw the RFP.

**8. PROTEST PROCEDURES**

Failure to comply with the rules set forth herein may result in rejection of the protest. Protests based upon restrictive specifications or alleged improprieties in the proposal procedure which are apparent or reasonably should have been discovered prior to receipt of proposals shall be filed in writing with the RFP Facilitator at least 10 calendar days prior to the deadline for receipt of proposals. The protest must clearly specify in writing the grounds and evidence on which the protest is based.

Protests based upon alleged improprieties that are not apparent or which could not reasonably have been discovered prior to submission date of the proposals, such as disputes over the staff recommendation for contract award, shall be submitted in writing to the RFP Facilitator, within forty-eight hours from receipt of the notice from the City advising of staff's recommendation for

award of contract. The protest must clearly specify in writing the grounds and evidence on which the protest is based. The RFP Facilitator will respond to the protest in writing at least three days prior to the meeting at which staff's recommendation to the City Council will be considered. Should Proposer decide to appeal the response of the RFP Facilitator, and pursue its protest at the Council meeting, it will notify the RFP Facilitator of its intention at least two days prior to the scheduled meeting.

## **9. CONFIDENTIALITY**

The California Public Records Act (Cal. Govt. Code Sections 6250 et seq.) mandates public access to government records. Therefore, unless information is exempt from disclosure by law, the content of any request for explanation, exception, or substitution, response to this RFP, protest, or any other written communication between the City and Proposer, shall be available to the public. The City intends to release all public portions of the proposals following the evaluation process at such time as a recommendation is made to the City Council.

If Proposer believes any communication contains trade secrets or other proprietary information that the Proposer believes would cause substantial injury to the Proposer's competitive position if disclosed, the Proposer shall request that the City withhold from disclosure the proprietary information by marking each page containing such proprietary information as confidential. Proposer may not designate its entire proposal as confidential nor designate its Price Proposal as confidential.

Submission of a proposal shall indicate that, if Proposer requests that the City withhold from disclosure information identified as confidential, and the City complies with the Proposer's request, Proposer shall assume all responsibility for any challenges resulting from the non-disclosure, indemnify and hold harmless the City from and against all damages (including but not limited to attorney's fees that may be awarded to the party requesting the Proposer information), and pay any and all costs and expenses related to the withholding of Proposer information. Proposer shall not make a claim, sue, or maintain any legal action against the City or its directors, officers, employees, or agents concerning the disclosure, or withholding from disclosure, of any Proposer information. If Proposer does not request that the City withhold from disclosure information identified as confidential, the City shall have no obligation to withhold the information from disclosure and may release the information sought without any liability to the City.

## **10. EX PARTE COMMUNICATIONS**

Proposers and Proposers' representatives should not communicate with the City Council members about this RFP. In addition, Proposers and Proposers' representatives should not communicate outside the procedures set forth in this RFP with an officer, employee or agent of the City, including any member of the evaluation panel, with the exception of the RFP Facilitator, regarding this RFP until after Contract Award. Proposers and their representatives are not prohibited, however, from making oral statements or presentations in public to one or more representatives of the City during a public meeting.

A "Proposer" or "Proposer's representative" includes all of the Proposer's employees, officers, directors, consultants and agents, any subcontractors or suppliers listed in the Proposer's proposal, and any individual or entity who has been requested by the Proposer to contact the City

on the Proposer's behalf. Proposers shall include the Ex Parte Communications form (Appendix C) with their proposals certifying that they have not had or directed prohibited communications as described in this section.

#### **11. CONFLICT OF INTEREST**

The Proposer warrants and represents that it presently has no interest and agrees that it will not acquire any interest which would present a conflict of interest under California Government Code sections 1090 et seq., or sections 87100 et seq., during the performance of services under any Agreement awarded. The Proposer further covenants that it will not knowingly employ any person having such an interest in the performance of any Agreement awarded. Violation of this provision may result in any Agreement awarded being deemed void and unenforceable.

#### **12. DISCLOSURE OF GOVERNMENTAL POSITION**

In order to analyze possible conflicts that might prevent a Proposer from acting on behalf of the City, the City requires that all Proposers disclose in their proposals any positions that they hold as directors, officers, or employees of any governmental entity. Additional disclosure may be required prior to contract award or during the term of the contract. Each Proposer shall disclose whether any owner or employee of the firm currently hold positions as elected or appointed officials, directors, officers, or employees of a governmental entity or held such positions in the past twelve months using the attached "Disclosure of Government Positions Form." See Appendix F.

#### **13. CONDITIONS TO AGREEMENT**

The selected Proposer will execute an Agreement for Services with the City describing the Scope of Services to be performed, the schedule for completion of the services, compensation, and other pertinent provisions. The contract shall follow the sample form of Agreement provided as Appendix B to this RFP, which may be modified by City. All Proposers are directed to particularly review the indemnification and insurance requirements set forth in the sample Agreement.

*The terms of the agreement, including insurance requirements have been mandated by the City and can be modified only if extraordinary circumstances exist.* Submittal of a proposal shall be deemed acceptance of all the terms set forth in this RFP and the sample Agreement for Services unless the Proposer includes with its proposal, in writing, any conditions or exceptions requested by the Proposer to the proposed Agreement. In accordance with the Municipal Code, the City may consider the scope and number of conditions in evaluation proposals and determining the lowest responsible bidder.

#### **14. DISQUALIFICATION QUESTIONNAIRE**

Proposers shall complete and submit, under penalty of perjury, a standard form of questionnaire inquiring whether a Proposer, any officer of a proposer, or any employee of a Proposer who has a proprietary interest in the Proposer, has ever been disqualified, removed, or otherwise prevented from proposing on, or completing a federal, state, or local government project because of a violation of law or safety regulation and if so, to explain the circumstances. A proposal may be rejected on the basis of a Proposer, any officer or employee of such Proposer, having been

disqualified, removed, or otherwise prevented from proposing on, or completing a federal, state, or local project because of a violation of law or a safety regulation. See Appendix E.

## **15. STANDARD TERMS AND CONDITIONS**

### **Amendments**

The City reserves the right to amend or supplement this RFP prior to the proposal due date. All amendments and additional information will be posted to the Costa Mesa Procurement Registry, [Costa Mesa - Official City Web Site - Business - Bids & RFP's](#); Proposers should check this web page daily for new information.

### **Cost for Preparing Proposal**

The cost for developing the proposal is the sole responsibility of the Proposer. All proposals submitted become the property of the City.

### **Insurance Requirements**

City requires that licensees, lessees, and vendors have an *approved* Certificate of Insurance (not a declarations page or the policy) or proof of legal self-insurance and required endorsements on file with the City for the issuance of a permit or contract. Within ten (10) consecutive calendar days of award of contract, successful Proposer must furnish the City with the Certificates of Insurance and endorsements proving coverage as specified within Appendix B.

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# APPENDIX A



**REQUEST FOR PROPOSAL**  
***THIRD PARTY LIABILITY CLAIMS ADMINISTRATION***  
**VENDOR APPLICATION FORM**

TYPE OF APPLICANT:             NEW             CURRENT VENDOR

Legal Contractual Name of Corporation: \_\_\_\_\_

Contact Person for Agreement: \_\_\_\_\_

Corporate Mailing Address: \_\_\_\_\_

City, State and Zip Code: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Contact Person for Proposals \_\_\_\_\_

Title: \_\_\_\_\_ E-Mail Address: \_\_\_\_\_

Business Phone: \_\_\_\_\_ Business Fax: \_\_\_\_\_

Is your business: (check one)

- NON PROFIT CORPORATION             FOR PROFIT CORPORATION

Is your business: (check one)

- CORPORATION             LIMITED LIABILITY PARTNERSHIP  
 INDIVIDUAL             SOLE PROPRIETORSHIP  
 PARTNERSHIP             UNINCORPORATED ASSOCIATION

**Names & Titles of Corporate Board Members**

(Also list Names & Titles of persons with written authorization/resolution to sign contracts)

Names	Title	Phone
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Federal Tax Identification Number: \_\_\_\_\_

City of Costa Mesa Business License Number: \_\_\_\_\_

(If none, you must obtain a Costa Mesa Business License upon award of contract.)

City of Costa Mesa Business License Expiration Date: \_\_\_\_\_

# APPENDIX B

## PROFESSIONAL SERVICES AGREEMENT

### CITY OF COSTA MESA

THIS AGREEMENT is made and entered into this \_\_\_ day of \_\_\_\_, 2011 (“Effective Date”), by and between the CITY OF COSTA MESA, a municipal corporation (“City”), and consultant, a California corporation (“Consultant”).

#### WITNESSETH:

- A. WHEREAS, City proposes to have Consultant provide third party claims administration services as described herein below; and
- B. WHEREAS, Consultant represents that it has that degree of specialized expertise necessary to practice and perform the services herein contemplated; and
- C. WHEREAS, City and Consultant desire to contract for specific services in connection with the project described below (the “Project”) and desire to set forth their rights, duties and liabilities in connection with the services to be performed; and
- D. WHEREAS, no official or employee of City has a financial interest, within the provisions of California Government Code, Sections 1090-1092, in the subject matter of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, the parties hereby agree as follows:

#### 1.0. SERVICES PROVIDED BY CONSULTANT

1.1. Scope of Services. Consultant shall provide the professional services described in Consultant’s Proposal (the “Proposal”). A copy of said Proposal is attached hereto as Exhibit “A” and incorporated herein by this reference.

1.2. Professional Practices. All professional services to be provided by Consultant pursuant to this Agreement shall be provided by personnel experienced in their respective fields and in a manner consistent with the standards of care, diligence and skill ordinarily exercised by professional consultants in similar fields and circumstances in accordance with sound professional practices. It is understood that in the exercise of every aspect of its role, within the scope of work, consultant will be representing the City, and all of its actions, communications, or other work, during its employment, under this contract is under the direction of the City. Consultant also warrants that it is familiar with all laws that may affect its performance of this Agreement and shall advise City of any changes in any laws that may affect Consultant’s performance of this Agreement.

1.3. Warranty. Consultant warrants that it shall perform the services required by this Agreement in compliance with all applicable Federal and California employment laws including, but not limited to, those laws related to minimum hours and wages; occupational health and safety; fair employment and employment practices; workers’ compensation insurance and safety in employment; and all other Federal, State and local laws and ordinances applicable to the services required under this Agreement. Consultant shall indemnify and hold harmless City from and against all claims, demands, payments, suits, actions, proceedings, and judgments of every

nature and description including attorneys' fees and costs, presented, brought, or recovered against City for, or on account of any liability under any of the above-mentioned laws, which may be incurred by reason of Consultant's performance under this Agreement.

1.4. Non-discrimination. In performing this Agreement, Consultant shall not engage in, nor permit its agents to engage in, discrimination in employment of persons because of their race, religion, color, national origin, ancestry, age, physical handicap, medical condition, marital status, sexual gender or sexual orientation, except as permitted pursuant to Section 12940 of the Government Code. Violation of this provision may result in the imposition of penalties referred to in Labor Code, Section 1735.

1.5 Non-Exclusive Agreement. Consultant acknowledges that City may enter into agreements with other consultants for services similar to the services that are subject to this Agreement or may have its own employees perform services similar to those services contemplated by this Agreement.

1.6. Delegation and Assignment. This is a personal service contract, and the duties set forth herein shall not be delegated or assigned to any person or entity without the prior written consent of City. Consultant may engage a subcontractor(s) as permitted by law and may employ other personnel to perform services contemplated by this Agreement at Consultant's sole cost and expense.

## **2.0. COMPENSATION AND BILLING**

2.1. Compensation. [TBD]

2.2. Additional Services. Consultant shall not receive compensation for any services provided outside the scope of services specified in the Proposal unless the City or the Project Manager for this Project, prior to Consultant performing the additional services, approves such additional services in writing. It is specifically understood that oral requests and/or approvals of such additional services or additional compensation shall be barred and are unenforceable.

2.3. Method of Billing. Consultant may submit invoices to City's affected supervisor for approval on a progress basis, but no more often than two times a month. Said invoice shall be based on the total of all Consultants' services which have been completed to City's sole satisfaction. City shall pay Consultant's invoice within forty-five (45) days from the date City receives said invoice. Each invoice shall describe in detail, the services performed and the associated time for completion. Any additional services approved and performed pursuant to this Agreement shall be designated as "Additional Services" and shall identify the number of the authorized change order, where applicable, on all invoices.

2.4. Records and Audits. Records of Consultant's services relating to this Agreement shall be maintained in accordance with generally recognized accounting principles and shall be made available to City or its Project Manager for inspection and/or audit at mutually convenient times for a period of three (3) years from the date of payment for services.

## **3.0. TIME OF PERFORMANCE**

3.1. Commencement and Completion of Work. The professional services to be performed pursuant to this Agreement shall commence within five (5) days from the Effective

Date of this Agreement. Said services shall be performed in strict compliance with the Project Schedule approved by City as set forth in Exhibit “D,” attached hereto and incorporated herein by this reference. The Project Schedule may be amended by mutual agreement of the parties. Failure to commence work in a timely manner and/or diligently pursue work to completion may be grounds for termination of this Agreement.

3.2. Excusable Delays. Neither party shall be responsible for delays or lack of performance resulting from acts beyond the reasonable control of the party or parties. Such acts shall include, but not be limited to, acts of God, fire, strikes, material shortages, compliance with laws or regulations, riots, acts of war, or any other conditions beyond the reasonable control of a party.

#### **4.0. TERM AND TERMINATION**

4.1. Term. This Agreement shall commence on the Effective Date and continue for a period of three years, unless previously terminated as provided herein or as otherwise agreed to in writing by the parties. At the end of the term period, the City may determine, in its sole discretion, to exercise an option to renew the contract for up to two periods of one (1) year each. The City shall give notice to Consultant of its intention to exercise such option at least 30 days prior to expiration of the base, or option, term.

4.2. Notice of Termination. The City reserves and has the right and privilege of canceling, suspending or abandoning the execution of all or any part of the work contemplated by this Agreement, with or without cause, at any time, by providing written notice to Consultant. The termination of this Agreement shall be deemed effective upon receipt of the notice of termination. In the event of such termination, Consultant shall immediately stop rendering services under this Agreement unless directed otherwise by the City.

4.3. Compensation. In the event of termination, City shall pay Consultant for reasonable costs incurred and professional services satisfactorily performed up to and including the date of City’s written notice of termination.

4.4 Documents. In the event of termination of this Agreement, all documents prepared by Consultant in its performance of this Agreement including, but not limited to, claims files, monthly and quarterly reports, investigative documents, etc., shall be delivered to the City within ten (10) days of delivery of termination notice to Consultant, at no cost to City. Any use of uncompleted documents without specific written authorization from Consultant shall be at City's sole risk and without liability or legal expense to Consultant.

#### **5.0. INSURANCE**

5.1. Minimum Scope and Limits of Insurance. Consultant shall obtain and maintain during the life of this Agreement all of the following insurance coverages:

- (a) Comprehensive general liability, including premises-operations, products/completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury with a policy limit of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence and aggregate.

- (b) Automobile liability for owned vehicles, hired, and non-owned vehicles, with a policy limit of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence and aggregate.
- (c) Workers' compensation insurance as required by the State of California. Consultant agrees to waive, and to obtain endorsements from its workers' compensation insurer waiving, subrogation rights under its workers' compensation insurance policy against the City and to require each of its subcontractors, if any, to do likewise under their workers' compensation insurance policies.
- (d) Professional errors and omissions ("E&O") liability insurance with policy limits of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence and aggregate. Consultant shall obtain and maintain, said E&O liability insurance during the life of this Agreement and for three years after completion of the work hereunder.

5.2. Endorsements. The comprehensive general liability insurance policy shall contain or be endorsed to contain the following provisions:

- (a) Additional insureds: "The City of Costa Mesa and its elected and appointed boards, officers, agents, and employees are additional insureds with respect to this subject project and contract with City."
- (b) Notice: "Said policy shall not terminate, nor shall it be cancelled, nor the coverage reduced, until thirty (30) days after written notice is given to City."
- (c) Other insurance: "Any other insurance maintained by the City of Costa Mesa shall be excess and not contributing with the insurance provided by this policy."

5.3 If any of such policies provide for a deductible or self-insured retention to provide such coverage, the amount of such deductible or self-insured retention shall be approved in advance by City. No policy of insurance issued as to which the City is an additional insured shall contain a provision which requires that no insured except the named insured can satisfy any such deductible or self-insured retention.

5.4. Certificates of Insurance: Consultant shall provide to City certificates of insurance showing the insurance coverages and required endorsements described above, in a form and content approved by City, prior to performing any services under this Agreement.

5.5. Non-limiting: Nothing in this Section shall be construed as limiting in any way, the indemnification provision contained in this Agreement, or the extent to which Consultant may be held responsible for payments of damages to persons or property.

## 6.0. GENERAL PROVISIONS

6.1. Entire Agreement: This Agreement constitutes the entire Agreement between the parties with respect to any matter referenced herein and supersedes any and all other prior writings and oral negotiations. This Agreement may be modified only in writing, and signed by the parties in interest at the time of such modification. The terms of this Agreement shall prevail over any inconsistent provision in any other contract document appurtenant hereto, including exhibits to this Agreement.

6.2. Representatives. The City Manager or his designee shall be the representative of City for purposes of this Agreement and may issue all consents, approvals, directives and agreements on behalf of the City, called for by this Agreement, except as otherwise expressly provided in this Agreement.

Consultant shall designate a representative for purposes of this Agreement who shall be authorized to issue all consents, approvals, directives and agreements on behalf of Consultant called for by this Agreement, except as otherwise expressly provided in this Agreement.

6.3. Project Managers. City shall designate a Project Manager to work directly with Consultant in the performance of this Agreement.

Consultant shall designate a Project Manager who shall represent it and be its agent in all consultations with City during the term of this Agreement. Consultant or its Project Manager shall attend and assist in all coordination meetings called by City.

6.4. Notices: Any notices, documents, correspondence or other communications concerning this Agreement or the work hereunder may be provided by personal delivery, facsimile or mail and shall be addressed as set forth below. Such communication shall be deemed served or delivered: a) at the time of delivery if such communication is sent by personal delivery; b) at the time of transmission if such communication is sent by facsimile; and c) 48 hours after deposit in the U.S. Mail as reflected by the official U.S. postmark if such communication is sent through regular United States mail.

IF TO CONSULTANT:

Consultant

12345 Jefferson Rd.

Costa Mesa, CA 92626

Tel: 555-555-5555

Fax: 555-555-5555

Attn:

IF TO CITY:

City of Costa Mesa

77 Fair Drive

Costa Mesa, CA 92626

Tel: 714-754-5156

Fax: 714-754-5330

Attn: Risk Management

6.5. Drug-free Workplace Policy. Consultant shall provide a drug-free workplace by complying with all provisions set forth in City's Council Policy 100-5, attached hereto as Exhibit "B" and incorporated herein by reference. Consultant's failure to conform to the requirements set forth in Council Policy 100-5 shall constitute a material breach of this Agreement and shall be cause for immediate termination of this Agreement by City.

6.6. Attorneys' Fees: In the event that litigation is brought by any party in connection with this Agreement, the prevailing party shall be entitled to recover from the opposing party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the exercise of any of its rights or remedies hereunder or the enforcement of any of the terms, conditions, or provisions hereof.

6.7. Governing Law: This Agreement shall be governed by and construed under the laws of the State of California without giving effect to that body of laws pertaining to conflict of laws. In the event of any legal action to enforce or interpret this Agreement, the parties hereto agree that the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California.

6.8. Assignment: Consultant shall not voluntarily or by operation of law assign, transfer, sublet or encumber all or any part of Consultant's interest in this Agreement without City's prior written consent. Any attempted assignment, transfer, subletting or encumbrance shall be void and shall constitute a breach of this Agreement and cause for termination of this Agreement. Regardless of City's consent, no subletting or assignment shall release Consultant of Consultant's obligation to perform all other obligations to be performed by Consultant hereunder for the term of this Agreement.

6.9. Indemnification and Hold Harmless: To the fullest extent permitted by law, the Consultant assumes liability for and shall save and protect, hold harmless, indemnify, and defend the City and its elected and appointed officials, officers, and employees (all the foregoing, hereinafter collectively, "Indemnitees") from and against all claims, suits, demands, damages, losses, expenses, and liabilities of any kind whatsoever (all the foregoing, hereinafter collectively "Claims") including, without limitation, attorneys' fees, arising out of, resulting from, relating to, or claimed to have arisen out of, resulted from or related to the engagement of Consultant or the performance of this Agreement by the Consultant (including its subcontractors and suppliers).

It is expressly intended by the parties that Consultant's indemnity and defense obligations shall apply, and Indemnitees shall be fully indemnified without offset, deduction or contribution, regardless of any negligence or other fault of Indemnitees, or any of them, and whether or not such Indemnitee negligence or other fault caused or contributed to the arising of the Claims.

"Claims" as used in this section shall include, without limitation, those for personal injuries, wrongful death, mental or emotional distress, loss of consortium, damage to or loss of use of real, personal or intangible property of any kind, loss of income, loss of earning capacity, and business, financial, commercial or pecuniary losses of any kind whatsoever, and attorneys fees, and costs and expenses of any kind whatsoever.

Consultant's indemnity and defense obligations shall cover the acts or omissions of any of Consultant's subcontractors, and suppliers, and the employees of any of the foregoing.

The Consultant's indemnity and defense obligation under this Section includes, without limitation, any claims, suits, demands, damages, losses, expenses, and liabilities arising from allegations of violations of any federal, State, or local law or regulation, and from allegations of violations of Consultant's or its subcontractor's personnel practices or from any allegation of an injury to an employee of the Consultant or subcontractor performing work or labor necessary to carry out the provisions of this Contract.

The indemnification obligations in this Section shall not be construed to negate, abridge or otherwise reduce any other obligation of indemnity the Consultant may have with respect to the City which may otherwise exist. If any judgment is rendered against the City or any of the other individuals enumerated above in any such action, the Consultant shall, at its expense, satisfy and discharge the same. This indemnification shall survive termination or expiration of this Agreement.

6.10. Independent Contractor: Consultant is and shall be acting at all times as an independent contractor and not as an employee of City. Consultant shall secure, at his expense, and be responsible for any and all payment of Income Tax, Social Security, State Disability Insurance Compensation, Unemployment Compensation, and other payroll deductions for Consultant and its officers, agents, and employees, and all business licenses, if any are required, in connection with the services to be performed hereunder.

6.11. PERS Eligibility Indemnification: In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

6.12. Ownership of Documents: All findings, reports, documents, information and data including, but not limited to, computer tapes or discs, files and tapes furnished or prepared by Consultant or any of its subcontractors in the course of performance of this Agreement, shall be and remain the sole property of City. Consultant agrees that any such documents or information shall not be made available to any individual or organization without the prior consent of City. Any use of such documents for other projects not contemplated by this Agreement, and any use of incomplete documents, shall be at the sole risk of City and without liability or legal exposure to Consultant. City shall indemnify and hold harmless Consultant from all claims, damages, losses, and expenses, including attorneys' fees, arising out of or resulting from City's use of such documents for other projects not contemplated by this Agreement or use of incomplete documents furnished by Consultant. Consultant shall deliver to City any findings, reports, documents, information, data, in any form, including but not limited to, computer tapes, discs,

files audio tapes or any other Project related items as requested by City or its authorized representative, at no additional cost to the City.

6.13. Confidentiality: Any City materials to which the Consultant has access, information that reasonably might be construed as private or containing personal identifiable information, or materials prepared by the Consultant during the course of this Agreement (collectively referred to as "confidential information") shall be held in confidence by the Consultant, who shall exercise all reasonable precautions to prevent the disclosure of confidential information to anyone except the officers, employees and agents of the Consultant as necessary to accomplish the rendition of services set forth in this Agreement. Consultant shall not release any reports, information, private or promotional information or materials, whether deemed confidential or not, to any third party without the approval of the City.

6.14. Responsibility for Errors. Consultant shall be responsible for its work and results under this Agreement. Consultant, when requested, shall furnish clarification and/or explanation as may be required by the City's representative, regarding any services rendered under this Agreement at no additional cost to City. In the event that an error or omission attributable to Consultant occurs, then Consultant shall, at no cost to City, provide all necessary design drawings, estimates and other Consultant professional services necessary to rectify and correct the matter to the sole satisfaction of City and to participate in any meeting required with regard to the correction.

6.15. Prohibited Employment: Consultant will not employ any regular employee of City while this Agreement is in effect.

6.16. Order of Precedence: In the event of an inconsistency in this Agreement and any of the attached Exhibits, the terms set forth in this Agreement shall prevail. If, and to the extent this Agreement incorporates by reference any provision of the Proposal, such provision shall be deemed a part of this Agreement. Nevertheless, if there is any conflict among the terms and conditions of this Agreement and those of any such provision or provisions so incorporated by reference, this Agreement shall govern over the Proposal.

6.17. Costs: Each party shall bear its own costs and fees incurred in the preparation and negotiation of this Agreement and in the performance of its obligations hereunder except as expressly provided herein.

6.18. No Third Party Beneficiary Rights: This Agreement is entered into for the sole benefit of City and Consultant and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right in, under or to this Agreement.

6.19. Headings: Paragraphs and subparagraph headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

6.20. Construction: The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof

favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

6.21. Amendments: Only a writing executed by the parties hereto or their respective successors and assigns may amend this Agreement.

6.22. Waiver: The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. The waiver of any right or remedy in respect to any occurrence or event shall not be deemed a waiver of any right or remedy in respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

6.23. Severability: If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable in any circumstance, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or of the offending provision in any other circumstance. Notwithstanding the foregoing, if the value of this Agreement, based upon the substantial benefit of the bargain for any party is materially impaired, which determination as made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.

6.24. Counterparts: This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

6.25. Corporate Authority: The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by doing so, the parties hereto are formally bound to the provisions of this Agreement.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed by and through their respective authorized officers, as of the date first above written.

CITY OF COSTA MESA,

A municipal corporation

\_\_\_\_\_

Date: \_\_\_\_\_

City Manager of Costa Mesa

CONSULTANT

\_\_\_\_\_

Date: \_\_\_\_\_

Signature

\_\_\_\_\_

Name and Title

\_\_\_\_\_

Social Security or Taxpayer ID Number

APPROVED AS TO FORM:

\_\_\_\_\_

Date: \_\_\_\_\_

City Attorney

APPROVED AS TO INSURANCE:

\_\_\_\_\_

Date: \_\_\_\_\_

Risk Management

APPROVED AS TO CONTENT:

\_\_\_\_\_

Date: \_\_\_\_\_

Project Manager

# **EXHIBIT A**

## **CONSULTANT'S PROPOSAL**

# EXHIBIT B

## CITY COUNCIL POLICY 100-5

SUBJECT	POLICY	EFFECTIVE	PAGE
	NUMBER	DATE	
DRUG-FREE WORKPLACE	100-5	8-8-89	1 of 3

### BACKGROUND

Under the Federal Drug-Free Workplace Act of 1988, passed as part of omnibus drug legislation enacted November 18, 1988, contractors and grantees of Federal funds must certify that they will provide drug-free workplaces. At the present time, the City of Costa Mesa, as a sub-grantee of Federal funds under a variety of programs, is required to abide by this Act. The City Council has expressed its support of the national effort to eradicate drug abuse through the creation of a Substance Abuse Committee, institution of a City-wide D.A.R.E. program in all local schools and other activities in support of a drug-free community. This policy is intended to extend that effort to contractors and grantees of the City of Costa Mesa in the elimination of dangerous drugs in the workplace.

### PURPOSE

It is the purpose of this Policy to:

1. Clearly state the City of Costa Mesa's commitment to a drug-free society.
2. Set forth guidelines to ensure that public, private, and nonprofit organizations receiving funds from the City of Costa Mesa share the commitment to a drug-free workplace.

### POLICY

The City Manager, under direction by the City Council, shall take the necessary steps to see that the following provisions are included in all contracts and agreements entered into by the City of Costa Mesa involving the disbursement of funds.

1. Contractor or Sub-grantee hereby certifies that it will provide a drug-free workplace by:
  - a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in Contractor's and/or sub-grantee's workplace, specifically the job site or location included in this contract, and specifying the actions that will be taken against the employees for violation of such prohibition;
  - b. Establishing a Drug-Free Awareness Program to inform employees about:
    1. The dangers of drug abuse in the workplace;

SUBJECT	POLICY NUMBER	EFFECTIVE DATE	PAGE
DRUG-FREE WORKPLACE	100-5	8-8-89	2 of 3

2. Contractor's and/or sub-grantee's policy of maintaining a drug-free workplace;
  3. Any available drug counseling, rehabilitation and employee assistance programs; and
  4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- c. Making it a requirement that each employee to be engaged in the performance of the contract be given a copy of the statement required by subparagraph A;
- d. Notifying the employee in the statement required by subparagraph 1 A that, as a condition of employment under the contract, the employee will:
1. Abide by the terms of the statement; and
  2. Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction;
- e. Notifying the City of Costa Mesa within ten (10) days after receiving notice under subparagraph 1 D 2 from an employee or otherwise receiving the actual notice of such conviction;
- f. Taking one of the following actions within thirty (30) days of receiving notice under subparagraph 1 D 2 with respect to an employee who is so convicted:
1. Taking appropriate personnel action against such an employee, up to and including termination; or
  2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health agency, law enforcement, or other appropriate agency;
  3. Making a good faith effort to maintain a drug-free workplace through implementation of subparagraphs 1 A through 1 F, inclusive.

SUBJECT	POLICY NUMBER	EFFECTIVE DATE	PAGE
DRUG-FREE WORKPLACE	100-5	8-8-89	3 of 3

g. Making a good faith effort to maintain a drug-free workplace through implementation of subparagraphs 1 A through 1 F, inclusive

2. Contractor and/or sub-grantee shall be deemed to be in violation of this Policy if the City of Costa Mesa determines that:

- a. Contractor and/or sub-grantee has made a false certification under paragraph 1 above;
- b. Contractor and/or sub-grantee has violated the certification by failing to carry out the requirements of subparagraphs 1 A through 1 G above;
- c. Such number of employees of Contractor and/or sub-grantee have been convicted of violations of criminal drug statutes for violations occurring in the workplace as to indicate that the contractor and/or sub-grantee has failed to make a good faith effort to provide a drug-free workplace.

3. Should any contractor and/or sub-grantee be deemed to be in violation of this Policy pursuant to the provisions of 2 A, B, and C, a suspension, termination or debarment proceeding subject to applicable Federal, State, and local laws shall be conducted. Upon issuance of any final decision under this section requiring debarment of a contractor and/or sub-grantee, the contractor and/or sub-grantee shall be ineligible for award of any contract, agreement or grant from the City of Costa Mesa for a period specified in the decision, not to exceed five (5) years. Upon issuance of any final decision recommending against debarment of the contractor and/or sub-grantee, the contractor and/or sub-grantee shall be eligible for compensation as provided by law.

## **EXHIBIT C**

### **CERTIFICATES OF INSURANCE**

# APPENDIX C

**EX PARTE COMMUNICATIONS CERTIFICATION**

Please indicate by signing below one of the following two statements:

**Please sign only one statement.**

I certify that Proposer and Proposer’s representatives have not had any communication with a City Councilmember concerning the Third Party Liability Claims Administration RFP at any time after September 9, 2012

---

**OR**

I certify that Proposer or Proposer’s representatives have communicated after September 9, 2012 with a City Councilmember concerning the Third Party Liability Claims Administration RFP. A copy of all such communications is attached to this form for public distribution.

---

# APPENDIX D

# PRICING PROPOSAL FORM

## THIRD PARTY LIABILITY CLAIMS ADMINISTRATION

Provide hourly rates, along with estimated annual pricing in accordance with the City’s current requirements, as set forth in section 3 Scope of Work. Also provide your firm’s proposed Staffing Plan on a separate sheet of paper. Proposer should use a separate form to state pricing for any added value.

Pricing shall remain firm for a minimum of two (2) years. Any and all requests for pricing adjustments for follow-on contract renewal periods shall be provided no later than sixty (60) days prior to the end of the contract period. Any such proposed price adjustments shall not exceed The Bureau of Labor Statistics Consumer Price Index (CPI) data for Los Angeles-Riverside-Orange County, CA, All Items, Not Seasonally Adjusted, “annualized change comparing the original proposal month and the same month in the subsequent year. (This information may be found on the U.S. Department of Labor’s website at [www.bls.gov](http://www.bls.gov).)

Employee	Hourly Rate	Hours worked	Total Cost	Overtime rate
	\$			\$
	\$			\$
	\$			\$
	\$			\$
	\$			\$
	\$			\$

Total Estimated Annual Price	\$
------------------------------	----

**ADD ANY ADDITIONAL COST PROPOSAL SHEETS HERE**

# APPENDIX E



# APPENDIX F







**REQUEST FOR PROPOSAL**  
**FOR**  
**THIRD PARTY LIABILITY CLAIMS ADMINISTRATION**



**RELEASED BY**  
**HUMAN RESOURCES DIVISION**  
**CITY OF COSTA MESA**

**RELEASE DATE: September 19, 2012**

**The referenced document has been modified as per the attached Amendment No. 1**

**Please sign this Amendment where designated and return the executed copy with submission of your proposal. This amendment is hereby made part of the referenced proposal as through fully set forth therein. Any questions regarding this amendment should be addressed to Kimberly Wilson, email [Kimberly.Wilson@Costamesaca.gov](mailto:Kimberly.Wilson@Costamesaca.gov)**

**2. SCHEDULE OF EVENTS**

This request for proposal will be governed by the following schedule (All dates are subject to change at the discretion of the City):

Release of RFP.....	September 10, 2012
Deadline for Written Questions .....	September 28, 2012
<del>Responses to Questions Posted on Web .....</del>	<del>October 12, 2012</del>
<b>Responses to Questions Posted on Web .....</b>	<b>October 8, 2012</b>
Proposals are Due .....	October 18, 2012
Interview (if held) .....	November 5 – 9, 2012
Approval of Contract .....	December 4, 2012

Approval of Contract TBD

All dates are subject to change at the discretion of the City

*All other provisions of the invitation of this proposal shall remain in their entirety.  
Vendors hereby acknowledge receipt and understanding of the above Amendment.*

\_\_\_\_\_  
Signature                  Date

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Typed Name and Title

\_\_\_\_\_  
Address



**REQUEST FOR PROPOSAL**  
**FOR**  
**THIRD PARTY LIABILITY CLAIMS ADMINISTRATION**



**RELEASED BY**  
**HUMAN RESOURCES DIVISION**  
**CITY OF COSTA MESA**

**RELEASE DATE: September 28, 2012**

**The referenced document has been modified as per the attached Amendment No. 2**

**Please sign this Amendment where designated and return the executed copy with submission of your proposal. This amendment is hereby made part of the referenced proposal as through fully set forth therein. Any questions regarding this amendment should be addressed to Kimberly Wilson, email [Kimberly.Wilson@Costamesaca.gov](mailto:Kimberly.Wilson@Costamesaca.gov)**

## 2. SCHEDULE OF EVENTS

This request for proposal will be governed by the following schedule (All dates are subject to change at the discretion of the City):

Release of RFP .....	September 10, 2012
Deadline for Written Questions .....	September 28, 2012
<del>Responses to Questions Posted on Web .....</del>	<del>October 12, 2012</del>
Responses to Questions Posted on Web .....	October 8, 2012
Proposals are Due .....	October 18, 2012
Interview (if held) .....	November 5-9, 2012
Interview (if held) .....	November 13-16, 2012
Approval of Contract .....	December 4, 2012

Approval of Contract TBD  
All dates are subject to change at the discretion of the City

- **Submission of Proposals**

*Complete written proposals must be submitted in sealed envelopes marked and received no later than 12:00 p.m. (P.S.T) on October 18, 2012 to the address below. Proposals will not be accepted after this deadline, with no exceptions. Faxed or e-mailed proposals will not be accepted.*

Costa Mesa City Clerk

Attn: Jennifer Sommers

Attn: Kimberly Wilson

77 Fair Drive

Costa Mesa, CA 92626

RE: RFP - Third Party Liability Claims Administration

*All other provisions of the invitation of this proposal shall remain in their entirety. Vendors hereby acknowledge receipt and understanding of the above Amendment.*

\_\_\_\_\_  
Signature                  Date

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Typed Name and Title

\_\_\_\_\_  
Address



# **QUESTIONS & ANSWERS**

**Each RFP has a schedule of events. Listed on the schedule of events are the deadlines for written question submittals and the date responses to the written questions are to be posted to the City website. This allows all prospective proposers the same opportunity to submit written questions via email, regarding the RFP and to view the City's responses.**



## Third Party Liability Claims Administration Questions & Answers

**Responses to Questions 6-8 can be found on the attached report  
LOSS RUN HISTORY FOR THE LAST FIVE POLICY YEARS  
(Report uploaded to the City of Costa Mesa Website Wednesday, October 10, 2012)**  
Submitted to the City website October 8, 2012

1. Why is the City going out to bid? **The contract with our current provider ends December 31, 2012**
2. Who is the current claims administrator? **Carl Warren and Associates**
  - a. How long has the City been with them? **Over 30 years**
  - b. What do you currently pay for this service now? **See answer to c below.**
  - c. Can a copy of the pricing and prior contract from the incumbent be made available? **The current contract is available here:**
3. Who is the City's excess carrier and SIR?
  - a. **Our SIR is \$2,000,000**
  - b. **Our first layer of excess is through Security National Insurance Company**
  - c. **Our second layer of excess is through Endurance Risk Solutions Assurance Company**
  - d. **Both excess policies are through Alliant Insurance's CAMEL/ANML liability programs**
4. Will the TPA handle all liability claims, or does the city handle any specific types of claims? **The City handles some claims in-house; however all claims will be sent to the TPA for data entry and claim tracking regardless of whether the City handled the claim in-house or it was handled by the TPA. Mainly the claims handled in-house are any initially rejected, returned as late, insufficient and property damage claims. There may be times where the TPA is asked to handle all incoming liability claims.**
5. Will the TPA handle claims from inception to conclusion, or does the city take over claims handling at any point in time? **Typically when a claim is assigned to the TPA for investigation they handle it from start to finish; however there are sometimes exceptions. The TPA does not have settlement authority on the claims assigned to them. (please reference the answer to question 13 for more detail)**

**Responses to Questions 6-8 are forthcoming attached**

6. Provide a loss run of open and closed claims...
  - a. for a 3 year loss run with tail claim information
  - b. last 5 years, including
    - i. date of loss
    - ii. date opened
    - iii. date closed
    - iv. type of claim info and pertinent financial data
    - v. closed with no action taken
  
7. Will the City provide a loss stratification report (number of claims paid within different payment levels)?
  
8. Are the closed claims included on the city's loss run?
  
9. How many liability claims does the city currently have open? 20
  
10. How many you claims are reported per year on average?
  - a. Over the last 4 calendar years (2008-2011) we've averaged 76 claims per year
  - b. So far for 2012 we've had 45 claims filed. (as of Oct. 3<sup>rd</sup>)
  
11. Any alternate pricing available such as flat rates or an annual dollar amount versus a hourly. Yes. Please make sure that any alternative pricing is listed in your proposal.
  
12. Appendix A since CorVel is the current WC administrator do we need to submit another one? If CorVel would like to be considered it must submit a proposal based on the current RFP criterion and Scope of Work
  
13. Will the TPA have any independent settlement authority, or will the City retain all authority? No, the City retains all settlement authority.

a. What City department would have the authority? The level of authority is as listed below:

- i. \$0 - \$1,000, the Human Resources Manager
- ii. \$1,000 - \$5,000, the Assistant City Chief Executive Officer
- iii. \$5,000 - \$25,000, the City Chief Executive Officer
- iv. \$25,000 - \$50,000, the Insurance Committee which is comprised of the City Chief Executive Officer, the City Attorney and the Director Finance and IT
- v. \$50,000 and above, the City Council

14. Does the City have any approved

- a. Vendor panels?
- b. Attorney panel, or is all litigation handled by the city Attorney
- c. Investigators, etc.?)

The City Attorney's office handles all litigation against the City. Any additional vendors or investigators needed by the TPA or City Attorney's office to complete investigation on a claim must be approved by the City.

15. Is the new TPA expected to handle the current pending claims?

The new TPA is expected to handle current pending claims.

# LOSS RUN HISTORY FOR THE LAST FIVE POLICY YEARS

Page by:

Client: CITY OF COSTA MESA:008

Policy Year	Coverage Lob	Claim Status	Date Report	Closed Date	Claim Count	Net Reserve Loss	Net Reserve Expense	Net Payment Loss	Net Payment Expense	Total Incurred	
07/01/07	06/30/08	AUTO LIABILITY	Closed	08/27/2007	09/28/2007	1	\$0.00	\$0.00	\$500.24	\$0.00	\$500.24
07/01/07	06/30/08	AUTO LIABILITY	Closed	11/09/2007	02/05/2008	1	\$0.00	\$0.00	\$1,023.84	\$0.00	\$1,023.84
07/01/07	06/30/08	AUTO LIABILITY	Closed	11/16/2007	05/29/2008	1	\$0.00	\$0.00	\$2,810.21	\$409.09	\$3,219.30
07/01/07	06/30/08	AUTO LIABILITY	Closed	12/12/2007	06/30/2008	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/07	06/30/08	AUTO LIABILITY	Closed	09/06/2007	09/28/2007	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/07	06/30/08	AUTO LIABILITY	Closed	09/21/2007	10/30/2007	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/07	06/30/08	AUTO LIABILITY	Closed	11/27/2007	02/05/2008	1	\$0.00	\$0.00	\$952.17	\$0.00	\$952.17
07/01/07	06/30/08	AUTO LIABILITY	Closed	01/08/2008	02/29/2008	2	\$0.00	\$0.00	\$22,300.00	\$0.00	\$22,300.00
07/01/07	06/30/08	AUTO LIABILITY	Closed	02/21/2008	03/31/2008	1	\$0.00	\$0.00	\$250.00	\$0.00	\$250.00
07/01/07	06/30/08	AUTO LIABILITY	Closed	02/21/2008	02/22/2008	1	\$0.00	\$0.00	\$1,000.00	\$0.00	\$1,000.00
07/01/07	06/30/08	AUTO LIABILITY	Closed	08/22/2008	06/29/2012	3	\$0.00	\$0.00	\$15,000.00	\$5,588.76	\$20,588.76
07/01/07	06/30/08	AUTO LIABILITY	Closed	03/19/2008	06/30/2008	2	\$0.00	\$0.00	\$1,504.69	\$0.00	\$1,504.69
07/01/07	06/30/08	AUTO LIABILITY	Closed	05/21/2008	06/30/2008	1	\$0.00	\$0.00	\$1,682.94	\$0.00	\$1,682.94
07/01/07	06/30/08	AUTO LIABILITY	Closed	05/27/2008	06/30/2008	1	\$0.00	\$0.00	\$1,056.50	\$0.00	\$1,056.50
07/01/07	06/30/08	AUTO LIABILITY	Closed	10/15/2008	09/25/2009	1	\$0.00	\$0.00	\$4,454.31	\$1,178.49	\$5,632.80
07/01/07	06/30/08	AUTO LIABILITY	Closed	04/25/2008	06/03/2008	1	\$0.00	\$0.00	\$599.85	\$0.00	\$599.85
07/01/07	06/30/08	AUTO LIABILITY	Closed	07/01/2008	07/31/2008	1	\$0.00	\$0.00	\$782.51	\$0.00	\$782.51
07/01/07	06/30/08	AUTO LIABILITY	Closed	03/19/2009	03/31/2009	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/07	06/30/08	GENERAL LIABILITY	Open	11/20/2007	01/26/2012	1	\$2,000,000.00	\$2,042.48	\$0.00	\$27,037.59	\$2,029,080.07
07/01/07	06/30/08	GENERAL LIABILITY	Open	08/18/2008		2	\$150,000.00	\$309.31	\$0.00	\$65,742.06	\$216,051.37
07/01/07	06/30/08	GENERAL LIABILITY	Open	09/05/2008		1	\$100,000.00	\$0.00	\$0.00	\$0.00	\$100,000.00
07/01/07	06/30/08	GENERAL LIABILITY	Closed	07/20/2007	10/19/2008	1	\$0.00	\$0.00	\$0.00	\$394.16	\$394.16
07/01/07	06/30/08	GENERAL LIABILITY	Closed	08/22/2007	11/25/2009	1	\$0.00	\$0.00	\$45,000.00	\$3,788.21	\$48,788.21
07/01/07	06/30/08	GENERAL LIABILITY	Closed	12/07/2007	05/07/2008	1	\$0.00	\$0.00	\$5,500.00	\$1,171.75	\$6,671.75
07/01/07	06/30/08	GENERAL LIABILITY	Closed	02/01/2008	12/29/2009	1	\$0.00	\$0.00	\$0.00	\$4,725.72	\$4,725.72
07/01/07	06/30/08	GENERAL LIABILITY	Closed	07/20/2007	09/27/2007	1	\$0.00	\$0.00	\$0.00	\$344.32	\$344.32
07/01/07	06/30/08	GENERAL LIABILITY	Closed	01/14/2009	03/31/2009	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/07	06/30/08	GENERAL LIABILITY	Closed	11/08/2007	12/18/2008	1	\$0.00	\$0.00	\$0.00	\$271.48	\$271.48
07/01/07	06/30/08	GENERAL LIABILITY	Closed	11/06/2007	05/29/2008	1	\$0.00	\$0.00	\$0.00	\$513.01	\$513.01
07/01/07	06/30/08	GENERAL LIABILITY	Closed	09/04/2007	12/10/2007	1	\$0.00	\$0.00	\$280.00	\$0.00	\$280.00
07/01/07	06/30/08	GENERAL LIABILITY	Closed	09/21/2007	08/28/2008	1	\$0.00	\$0.00	\$0.00	\$486.76	\$486.76
07/01/07	06/30/08	GENERAL LIABILITY	Closed	09/05/2007	06/28/2010	1	\$0.00	\$0.00	\$745.00	\$74,804.25	\$75,549.25
07/01/07	06/30/08	GENERAL LIABILITY	Closed	03/17/2008	12/29/2009	1	\$0.00	\$0.00	\$0.00	\$3,539.12	\$3,539.12
07/01/07	06/30/08	GENERAL LIABILITY	Closed	10/24/2007	12/17/2008	1	\$0.00	\$0.00	\$0.00	\$455.28	\$455.28
07/01/07	06/30/08	GENERAL LIABILITY	Closed	04/17/2008	06/30/2008	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/07	06/30/08	GENERAL LIABILITY	Closed	11/28/2007	12/17/2008	1	\$0.00	\$0.00	\$0.00	\$743.30	\$743.30
07/01/07	06/30/08	GENERAL LIABILITY	Closed	01/23/2008	03/28/2012	1	\$0.00	\$0.00	\$39,000.00	\$54,283.70	\$93,283.70
07/01/07	06/30/08	GENERAL LIABILITY	Closed	11/27/2007	12/17/2008	1	\$0.00	\$0.00	\$0.00	\$886.89	\$886.89
07/01/07	06/30/08	GENERAL LIABILITY	Closed	11/19/2008	02/06/2009	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/07	06/30/08	GENERAL LIABILITY	Closed	12/12/2007	12/18/2008	1	\$0.00	\$0.00	\$0.00	\$220.17	\$220.17

07/01/07	06/30/08	GENERAL LIABILITY	Closed	02/19/2008	06/30/2008	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/07	06/30/08	GENERAL LIABILITY	Closed	12/07/2007	12/18/2008	2	\$0.00	\$0.00	\$0.00	\$276.71	\$276.71
07/01/07	06/30/08	GENERAL LIABILITY	Closed	06/17/2008	07/13/2010	1	\$0.00	\$0.00	\$50,000.00	\$21,863.30	\$71,863.30
07/01/07	06/30/08	GENERAL LIABILITY	Closed	02/05/2008	04/30/2008	1	\$0.00	\$0.00	\$5,000.00	\$0.00	\$5,000.00
07/01/07	06/30/08	GENERAL LIABILITY	Closed	06/11/2008	04/23/2009	1	\$0.00	\$0.00	\$0.00	\$1,121.07	\$1,121.07
07/01/07	06/30/08	GENERAL LIABILITY	Closed	05/21/2008	08/27/2010	1	\$0.00	\$0.00	\$0.00	\$573.68	\$573.68
07/01/07	06/30/08	GENERAL LIABILITY	Closed	01/29/2008	06/30/2008	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/07	06/30/08	GENERAL LIABILITY	Closed	02/13/2008	06/30/2008	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/07	06/30/08	GENERAL LIABILITY	Closed	10/23/2008	10/28/2009	1	\$0.00	\$0.00	\$0.00	\$1,079.15	\$1,079.15
07/01/07	06/30/08	GENERAL LIABILITY	Closed	07/25/2008	12/29/2009	1	\$0.00	\$0.00	\$0.00	\$705.12	\$705.12
07/01/07	06/30/08	GENERAL LIABILITY	Closed	02/01/2008	07/12/2010	1	\$0.00	\$0.00	\$0.00	\$464.45	\$464.45
07/01/07	06/30/08	GENERAL LIABILITY	Closed	03/10/2008	06/30/2008	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/07	06/30/08	GENERAL LIABILITY	Closed	08/11/2008	12/29/2009	1	\$0.00	\$0.00	\$0.00	\$983.10	\$983.10
07/01/07	06/30/08	GENERAL LIABILITY	Closed	03/17/2008	06/30/2008	1	\$0.00	\$0.00	\$63.75	\$0.00	\$63.75
07/01/07	06/30/08	GENERAL LIABILITY	Closed	04/30/2008	04/30/2008	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/07	06/30/08	GENERAL LIABILITY	Closed	03/27/2008	03/25/2009	1	\$0.00	\$0.00	\$0.00	\$526.40	\$526.40
07/01/07	06/30/08	GENERAL LIABILITY	Closed	11/10/2008	06/05/2009	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/07	06/30/08	GENERAL LIABILITY	Closed	05/14/2008	04/20/2009	1	\$0.00	\$0.00	\$0.00	\$1,682.16	\$1,682.16
07/01/07	06/30/08	GENERAL LIABILITY	Closed	10/16/2008	10/27/2008	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/07	06/30/08	GENERAL LIABILITY	Closed	08/28/2008	03/28/2012	3	\$0.00	\$0.00	\$0.00	\$8,085.38	\$8,085.38
07/01/07	06/30/08	GENERAL LIABILITY	Closed	06/27/2008	09/15/2008	1	\$0.00	\$0.00	\$428.00	\$0.00	\$428.00
07/01/07	06/30/08	GENERAL LIABILITY	Closed	07/15/2008	09/15/2008	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/07	06/30/08	GENERAL LIABILITY	Closed	08/24/2009	12/01/2009	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/07	06/30/08	GENERAL LIABILITY	Closed	09/24/2008	12/30/2008	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/07	06/30/08	GENERAL LIABILITY	Closed	03/11/2009	07/29/2009	1	\$0.00	\$0.00	\$0.00	\$719.90	\$719.90
07/01/07	06/30/08	<b>Total</b>				<b>73</b>	<b>\$2,250,000.00</b>	<b>\$2,351.79</b>	<b>\$199,934.01</b>	<b>\$284,664.53</b>	<b>\$2,736,950.33</b>
07/01/08	06/30/09	AUTO LIABILITY	Closed	01/23/2009	06/30/2010	1	\$0.00	\$0.00	\$285.32	\$0.00	\$285.32
07/01/08	06/30/09	AUTO LIABILITY	Closed	05/12/2009	06/30/2010	2	\$0.00	\$0.00	\$5,318.78	\$0.00	\$5,318.78
07/01/08	06/30/09	AUTO LIABILITY	Closed	07/07/2009	03/28/2012	2	\$0.00	\$0.00	\$15,800.00	\$19,412.97	\$35,212.97
07/01/08	06/30/09	AUTO LIABILITY	Closed	05/19/2009	06/30/2010	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/08	06/30/09	AUTO LIABILITY	Closed	07/15/2009	12/01/2009	1	\$0.00	\$0.00	\$1,444.49	\$0.00	\$1,444.49
07/01/08	06/30/09	GENERAL LIABILITY	Open	10/05/2009		1	\$12,000.00	\$591.27	\$0.00	\$8,067.48	\$20,658.75
07/01/08	06/30/09	GENERAL LIABILITY	Open	04/09/2009		1	\$100.00	\$683.89	\$0.00	\$66.11	\$850.00
07/01/08	06/30/09	GENERAL LIABILITY	Open	09/14/2010	09/30/2010	1	\$100,000.00	\$27.07	\$0.00	\$13,465.42	\$113,492.49
07/01/08	06/30/09	GENERAL LIABILITY	Open	05/05/2009	07/13/2010	1	\$0.00	\$2,014.16	\$7,500.00	\$31,480.23	\$40,994.39
07/01/08	06/30/09	GENERAL LIABILITY	Closed	07/10/2008	12/24/2008	1	\$0.00	\$0.00	\$0.00	\$716.39	\$716.39
07/01/08	06/30/09	GENERAL LIABILITY	Closed	07/23/2008	09/15/2008	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/08	06/30/09	GENERAL LIABILITY	Closed	08/14/2008	09/15/2008	1	\$0.00	\$0.00	\$237.00	\$0.00	\$237.00
07/01/08	06/30/09	GENERAL LIABILITY	Closed	09/17/2008	12/29/2009	1	\$0.00	\$0.00	\$115,000.00	\$9,027.11	\$124,027.11
07/01/08	06/30/09	GENERAL LIABILITY	Closed	06/12/2012	06/29/2012	1	\$0.00	\$0.00	\$0.00	\$30.00	\$30.00
07/01/08	06/30/09	GENERAL LIABILITY	Closed	02/09/2009	03/31/2009	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/08	06/30/09	GENERAL LIABILITY	Closed	09/08/2008	12/29/2009	1	\$0.00	\$0.00	\$0.00	\$137.17	\$137.17
07/01/08	06/30/09	GENERAL LIABILITY	Closed	11/10/2008	07/30/2012	1	\$0.00	\$0.00	\$0.00	\$3,569.01	\$3,569.01
07/01/08	06/30/09	GENERAL LIABILITY	Closed	02/20/2009	03/31/2009	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/08	06/30/09	GENERAL LIABILITY	Closed	02/03/2009	02/06/2009	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/08	06/30/09	GENERAL LIABILITY	Closed	09/26/2008	10/27/2008	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/08	06/30/09	GENERAL LIABILITY	Closed	10/07/2008	02/06/2009	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

07/01/08	06/30/09	GENERAL LIABILITY	Closed	11/13/2008	12/19/2008	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/08	06/30/09	GENERAL LIABILITY	Closed	04/14/2009	02/25/2010	1	\$0.00	\$0.00	\$0.00	\$2,088.15	\$2,088.15
07/01/08	06/30/09	GENERAL LIABILITY	Closed	11/02/2009	11/30/2009	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/08	06/30/09	GENERAL LIABILITY	Closed	12/29/2008	03/31/2009	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/08	06/30/09	GENERAL LIABILITY	Closed	02/02/2009	02/06/2009	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/08	06/30/09	GENERAL LIABILITY	Closed	04/02/2009	03/28/2012	1	\$0.00	\$0.00	\$40,000.00	\$23,210.41	\$63,210.41
07/01/08	06/30/09	GENERAL LIABILITY	Closed	04/20/2009	09/29/2009	1	\$0.00	\$0.00	\$0.00	\$1,209.10	\$1,209.10
07/01/08	06/30/09	GENERAL LIABILITY	Closed	01/12/2009	03/31/2009	1	\$0.00	\$0.00	\$285.32	\$0.00	\$285.32
07/01/08	06/30/09	GENERAL LIABILITY	Closed	06/30/2009	08/27/2010	1	\$0.00	\$0.00	\$0.00	\$171.98	\$171.98
07/01/08	06/30/09	GENERAL LIABILITY	Closed	01/12/2009	03/31/2009	1	\$0.00	\$0.00	\$650.00	\$0.00	\$650.00
07/01/08	06/30/09	GENERAL LIABILITY	Closed	06/09/2009	02/25/2010	1	\$0.00	\$0.00	\$0.00	\$616.93	\$616.93
07/01/08	06/30/09	GENERAL LIABILITY	Closed	02/17/2009	03/31/2009	1	\$0.00	\$0.00	\$394.00	\$0.00	\$394.00
07/01/08	06/30/09	GENERAL LIABILITY	Closed	08/06/2009	12/01/2009	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/08	06/30/09	GENERAL LIABILITY	Closed	02/23/2009	03/31/2009	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/08	06/30/09	GENERAL LIABILITY	Closed	03/04/2009	03/31/2009	1	\$0.00	\$0.00	\$200.00	\$0.00	\$200.00
07/01/08	06/30/09	GENERAL LIABILITY	Closed	05/21/2009	06/25/2009	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/08	06/30/09	GENERAL LIABILITY	Closed	03/03/2009	03/31/2009	1	\$0.00	\$0.00	\$408.00	\$0.00	\$408.00
07/01/08	06/30/09	GENERAL LIABILITY	Closed	03/30/2009	04/30/2009	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/08	06/30/09	GENERAL LIABILITY	Closed	09/02/2009	12/01/2009	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/08	06/30/09	GENERAL LIABILITY	Closed	04/13/2009	08/01/2012	1	\$0.00	\$0.00	\$0.00	\$229.79	\$229.79
07/01/08	06/30/09	GENERAL LIABILITY	Closed	03/30/2009	04/30/2009	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/08	06/30/09	GENERAL LIABILITY	Closed	06/17/2009	06/30/2010	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/08	06/30/09	GENERAL LIABILITY	Closed	06/30/2010	12/20/2011	1	\$0.00	\$0.00	\$0.00	\$79.70	\$79.70
07/01/08	06/30/09	GENERAL LIABILITY	Closed	05/04/2010	09/23/2010	1	\$0.00	\$0.00	\$97.32	\$0.00	\$97.32
07/01/08	06/30/09	GENERAL LIABILITY	Closed	05/24/2010	03/28/2012	2	\$0.00	\$0.00	\$0.00	\$183.62	\$183.62
07/01/08	06/30/09	GENERAL LIABILITY	Closed	12/08/2009	09/23/2010	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/08	06/30/09	GENERAL LIABILITY	Closed	10/27/2009	12/01/2009	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/08	06/30/09	GENERAL LIABILITY	Closed	06/18/2009	07/19/2010	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/08	06/30/09	GENERAL LIABILITY	Closed	12/29/2009	09/23/2010	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/08	06/30/09	GENERAL LIABILITY	Closed	07/09/2009	12/01/2009	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/08	06/30/09	<b>Total</b>				<b>54</b>	<b>\$112,100.00</b>	<b>\$3,316.39</b>	<b>\$187,620.23</b>	<b>\$113,761.57</b>	<b>\$416,798.19</b>
07/01/09	06/30/10	AUTO LIABILITY	Closed	09/04/2009	07/19/2010	1	\$0.00	\$0.00	\$589.73	\$0.00	\$589.73
07/01/09	06/30/10	AUTO LIABILITY	Closed	04/13/2010	04/29/2011	3	\$0.00	\$0.00	\$22,500.00	\$3,399.34	\$25,899.34
07/01/09	06/30/10	AUTO LIABILITY	Closed	02/16/2010	09/23/2010	1	\$0.00	\$0.00	\$3,498.85	\$0.00	\$3,498.85
07/01/09	06/30/10	AUTO LIABILITY	Closed	12/14/2009	09/23/2010	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/09	06/30/10	AUTO LIABILITY	Closed	02/05/2010	09/23/2010	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/09	06/30/10	AUTO LIABILITY	Closed	02/25/2010	03/28/2012	1	\$0.00	\$0.00	\$400.00	\$804.87	\$1,204.87
07/01/09	06/30/10	AUTO LIABILITY	Closed	02/25/2010	09/23/2010	1	\$0.00	\$0.00	\$2,539.77	\$0.00	\$2,539.77
07/01/09	06/30/10	AUTO LIABILITY	Closed	04/01/2010	09/23/2010	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/09	06/30/10	AUTO LIABILITY	Closed	12/14/2010	08/30/2011	1	\$0.00	\$0.00	\$11,000.00	\$2,472.33	\$13,472.33
07/01/09	06/30/10	GENERAL LIABILITY	Open	08/24/2010		1	\$0.00	\$696.61	\$0.00	\$9,607.09	\$10,303.70
07/01/09	06/30/10	GENERAL LIABILITY	Open	02/09/2010		1	\$1,500.00	\$2,489.02	\$0.00	\$10,764.91	\$14,753.93
07/01/09	06/30/10	GENERAL LIABILITY	Open	02/03/2010		1	\$10,000.00	\$387.41	\$0.00	\$3,272.91	\$13,660.32
07/01/09	06/30/10	GENERAL LIABILITY	Open	06/07/2010	07/26/2010	2	\$0.00	\$3,554.65	\$65,000.00	\$6,009.74	\$74,564.39
07/01/09	06/30/10	GENERAL LIABILITY	Open	08/03/2010		1	\$0.00	\$645.34	\$0.00	\$22,937.05	\$23,582.39
07/01/09	06/30/10	GENERAL LIABILITY	Open	04/06/2010		4	\$1,521.00	\$191.40	\$0.00	\$45,574.64	\$47,287.04
07/01/09	06/30/10	GENERAL LIABILITY	Open	06/15/2010		1	\$1.00	\$2,459.22	\$0.00	\$40.78	\$2,501.00

07/01/09	06/30/10	GENERAL LIABILITY	Closed	01/14/2010	04/27/2012	1	\$0.00	\$0.00	\$37,300.00	\$13,744.27	\$51,044.27
07/01/09	06/30/10	GENERAL LIABILITY	Closed	08/05/2009	12/01/2009	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/09	06/30/10	GENERAL LIABILITY	Closed	11/03/2009	11/30/2009	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/09	06/30/10	GENERAL LIABILITY	Closed	08/04/2009	12/01/2009	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/09	06/30/10	GENERAL LIABILITY	Closed	04/08/2010	06/29/2012	2	\$0.00	\$0.00	\$0.00	\$279.82	\$279.82
07/01/09	06/30/10	GENERAL LIABILITY	Closed	08/06/2009	12/01/2009	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/09	06/30/10	GENERAL LIABILITY	Closed	10/30/2009	11/30/2009	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/09	06/30/10	GENERAL LIABILITY	Closed	08/12/2009	03/29/2010	1	\$0.00	\$0.00	\$0.00	\$621.10	\$621.10
07/01/09	06/30/10	GENERAL LIABILITY	Closed	08/26/2009	12/01/2009	1	\$0.00	\$0.00	\$175.00	\$0.00	\$175.00
07/01/09	06/30/10	GENERAL LIABILITY	Closed	08/20/2009	12/01/2009	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/09	06/30/10	GENERAL LIABILITY	Closed	11/16/2009	12/20/2011	1	\$0.00	\$0.00	\$0.00	\$92.99	\$92.99
07/01/09	06/30/10	GENERAL LIABILITY	Closed	09/23/2010	09/23/2010	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/09	06/30/10	GENERAL LIABILITY	Closed	09/04/2009	12/01/2009	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/09	06/30/10	GENERAL LIABILITY	Closed	10/19/2009	11/30/2009	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/09	06/30/10	GENERAL LIABILITY	Closed	10/08/2009	07/19/2010	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/09	06/30/10	GENERAL LIABILITY	Closed	10/02/2009	09/17/2010	1	\$0.00	\$0.00	\$0.00	\$112.20	\$112.20
07/01/09	06/30/10	GENERAL LIABILITY	Closed	10/16/2009	12/12/2010	1	\$0.00	\$0.00	\$2,260.00	\$1,181.73	\$3,441.73
07/01/09	06/30/10	GENERAL LIABILITY	Closed	04/12/2010	04/26/2011	2	\$0.00	\$0.00	\$0.00	\$1,578.84	\$1,578.84
07/01/09	06/30/10	GENERAL LIABILITY	Closed	11/06/2009	12/01/2009	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/09	06/30/10	GENERAL LIABILITY	Closed	11/13/2009	11/30/2009	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/09	06/30/10	GENERAL LIABILITY	Closed	10/30/2009	07/19/2010	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/09	06/30/10	GENERAL LIABILITY	Closed	12/01/2009	07/19/2010	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/09	06/30/10	GENERAL LIABILITY	Closed	03/17/2010	03/28/2012	1	\$0.00	\$0.00	\$5,000.00	\$17,691.82	\$22,691.82
07/01/09	06/30/10	GENERAL LIABILITY	Closed	01/06/2010	09/23/2010	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/09	06/30/10	GENERAL LIABILITY	Closed	01/27/2010	09/23/2010	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/09	06/30/10	GENERAL LIABILITY	Closed	02/24/2010	09/23/2010	2	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/09	06/30/10	GENERAL LIABILITY	Closed	03/23/2010	09/23/2010	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/09	06/30/10	GENERAL LIABILITY	Closed	05/24/2010	09/23/2010	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/09	06/30/10	GENERAL LIABILITY	Closed	01/27/2010	09/23/2010	1	\$0.00	\$0.00	\$800.00	\$0.00	\$800.00
07/01/09	06/30/10	GENERAL LIABILITY	Closed	02/19/2010	09/23/2010	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/09	06/30/10	GENERAL LIABILITY	Closed	05/27/2010	09/24/2010	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/09	06/30/10	GENERAL LIABILITY	Closed	08/17/2010	09/20/2010	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/09	06/30/10	GENERAL LIABILITY	Closed	04/06/2010	06/16/2010	1	\$0.00	\$0.00	\$500.00	\$857.85	\$1,357.85
07/01/09	06/30/10	GENERAL LIABILITY	Closed	03/31/2010	09/23/2010	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/09	06/30/10	GENERAL LIABILITY	Closed	08/24/2010	03/29/2011	1	\$0.00	\$0.00	\$0.00	\$1,188.01	\$1,188.01
07/01/09	06/30/10	GENERAL LIABILITY	Closed	05/13/2010	09/23/2010	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/09	06/30/10	GENERAL LIABILITY	Closed	05/19/2010	09/23/2010	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/09	06/30/10	GENERAL LIABILITY	Closed	04/30/2010	09/23/2010	1	\$0.00	\$0.00	\$468.50	\$0.00	\$468.50
07/01/09	06/30/10	GENERAL LIABILITY	Closed	04/28/2010	09/23/2010	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/09	06/30/10	GENERAL LIABILITY	Closed	11/08/2010	05/29/2012	1	\$0.00	\$0.00	\$0.00	\$616.40	\$616.40
07/01/09	06/30/10	GENERAL LIABILITY	Closed	06/15/2010	09/24/2010	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/09	06/30/10	GENERAL LIABILITY	Closed	08/27/2010	09/24/2010	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/09	06/30/10	GENERAL LIABILITY	Closed	11/02/2010	03/31/2011	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/09	06/30/10	GENERAL LIABILITY	Closed	08/16/2010	09/20/2010	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/09	06/30/10	GENERAL LIABILITY	Closed	06/04/2010	09/23/2010	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/09	06/30/10	GENERAL LIABILITY	Closed	09/20/2010	09/22/2010	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/09	06/30/10	GENERAL LIABILITY	Closed	06/23/2010	12/20/2011	1	\$0.00	\$0.00	\$0.00	\$1,671.45	\$1,671.45

07/01/09	06/30/10	Total				72	\$13,022.00	\$10,423.65	\$152,031.85	\$144,520.14	\$319,997.64
07/01/10	06/30/11	AUTO LIABILITY	Open	05/10/2011	03/22/2012	2	\$0.00	\$749.26	\$8,925.00	\$2,246.70	\$11,920.96
07/01/10	06/30/11	AUTO LIABILITY	Open	07/06/2011		1	\$0.00	\$110.15	\$622.46	\$295.49	\$1,028.10
07/01/10	06/30/11	AUTO LIABILITY	Closed	08/05/2010	03/29/2011	2	\$0.00	\$0.00	\$16,500.00	\$2,207.07	\$18,707.07
07/01/10	06/30/11	AUTO LIABILITY	Closed	03/03/2011	03/28/2012	1	\$0.00	\$0.00	\$827.05	\$399.52	\$1,226.57
07/01/10	06/30/11	AUTO LIABILITY	Closed	02/22/2011	04/29/2011	1	\$0.00	\$0.00	\$1,971.32	\$30.00	\$2,001.32
07/01/10	06/30/11	AUTO LIABILITY	Closed	09/27/2011	12/30/2011	1	\$0.00	\$0.00	\$600.26	\$30.00	\$630.26
07/01/10	06/30/11	GENERAL LIABILITY	Open	08/20/2010		1	\$0.00	\$63.69	\$0.00	\$5,399.57	\$5,463.26
07/01/10	06/30/11	GENERAL LIABILITY	Open	01/21/2011		1	\$25,000.00	\$2,914.75	\$0.00	\$24,959.87	\$52,874.62
07/01/10	06/30/11	GENERAL LIABILITY	Open	04/15/2011		1	\$0.00	\$292.52	\$0.00	\$457.48	\$750.00
07/01/10	06/30/11	GENERAL LIABILITY	Open	02/04/2011		1	\$2,500.00	\$442.38	\$0.00	\$39,024.84	\$41,967.22
07/01/10	06/30/11	GENERAL LIABILITY	Open	03/30/2012		1	\$0.00	\$218.40	\$0.00	\$4,530.86	\$4,749.26
07/01/10	06/30/11	GENERAL LIABILITY	Open	04/06/2011		1	\$10,000.00	\$1,147.88	\$0.00	\$4,836.97	\$15,984.85
07/01/10	06/30/11	GENERAL LIABILITY	Open	06/02/2011		1	\$50,000.00	\$31,257.70	\$0.00	\$871,821.40	\$953,079.10
07/01/10	06/30/11	GENERAL LIABILITY	Open	08/17/2011		2	\$20,000.00	\$3,701.45	\$0.00	\$1,072.55	\$24,774.00
07/01/10	06/30/11	GENERAL LIABILITY	Closed	12/23/2010	06/29/2012	1	\$0.00	\$0.00	\$0.00	\$30.00	\$30.00
07/01/10	06/30/11	GENERAL LIABILITY	Closed	10/13/2010	11/18/2010	1	\$0.00	\$0.00	\$106.50	\$0.00	\$106.50
07/01/10	06/30/11	GENERAL LIABILITY	Closed	10/15/2010	03/31/2011	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/10	06/30/11	GENERAL LIABILITY	Closed	03/15/2012	03/30/2012	1	\$0.00	\$0.00	\$0.00	\$30.00	\$30.00
07/01/10	06/30/11	GENERAL LIABILITY	Closed	08/27/2010	09/30/2010	1	\$0.00	\$0.00	\$200.00	\$0.00	\$200.00
07/01/10	06/30/11	GENERAL LIABILITY	Closed	08/30/2010	09/20/2010	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/10	06/30/11	GENERAL LIABILITY	Closed	01/20/2011	04/29/2011	1	\$0.00	\$0.00	\$0.00	\$528.64	\$528.64
07/01/10	06/30/11	GENERAL LIABILITY	Closed	09/21/2010	11/04/2010	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/10	06/30/11	GENERAL LIABILITY	Closed	03/14/2011	04/29/2011	1	\$0.00	\$0.00	\$0.00	\$30.00	\$30.00
07/01/10	06/30/11	GENERAL LIABILITY	Closed	02/17/2011	03/29/2011	1	\$0.00	\$0.00	\$375.00	\$548.87	\$923.87
07/01/10	06/30/11	GENERAL LIABILITY	Closed	04/06/2011	10/31/2011	1	\$0.00	\$0.00	\$0.00	\$384.48	\$384.48
07/01/10	06/30/11	GENERAL LIABILITY	Closed	10/18/2010	03/28/2012	1	\$0.00	\$0.00	\$0.00	\$1,193.29	\$1,193.29
07/01/10	06/30/11	GENERAL LIABILITY	Closed	04/08/2011	03/28/2012	1	\$0.00	\$0.00	\$1,500.00	\$4,886.51	\$6,386.51
07/01/10	06/30/11	GENERAL LIABILITY	Closed	12/07/2010	01/24/2011	1	\$0.00	\$0.00	\$0.00	\$334.54	\$334.54
07/01/10	06/30/11	GENERAL LIABILITY	Closed	05/11/2011	04/27/2012	1	\$0.00	\$0.00	\$0.00	\$1,192.80	\$1,192.80
07/01/10	06/30/11	GENERAL LIABILITY	Closed	12/21/2010	09/25/2012	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/10	06/30/11	GENERAL LIABILITY	Closed	08/25/2010	08/30/2011	1	\$0.00	\$0.00	\$0.00	\$831.28	\$831.28
07/01/10	06/30/11	GENERAL LIABILITY	Closed	01/06/2011	09/25/2012	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/01/10	06/30/11	GENERAL LIABILITY	Closed	01/13/2011	04/29/2011	1	\$0.00	\$0.00	\$200.00	\$30.00	\$230.00
07/01/10	06/30/11	GENERAL LIABILITY	Closed	01/25/2011	04/29/2011	1	\$0.00	\$0.00	\$385.00	\$30.00	\$415.00
07/01/10	06/30/11	GENERAL LIABILITY	Closed	02/07/2011	04/29/2011	1	\$0.00	\$0.00	\$220.00	\$30.00	\$250.00
07/01/10	06/30/11	GENERAL LIABILITY	Closed	10/24/2011	12/30/2011	1	\$0.00	\$0.00	\$0.00	\$30.00	\$30.00
07/01/10	06/30/11	GENERAL LIABILITY	Closed	07/26/2011	04/27/2012	2	\$0.00	\$0.00	\$0.00	\$1,827.88	\$1,827.88
07/01/10	06/30/11	GENERAL LIABILITY	Closed	02/04/2011	03/29/2011	1	\$0.00	\$0.00	\$0.00	\$193.62	\$193.62
07/01/10	06/30/11	GENERAL LIABILITY	Closed	03/22/2011	03/28/2012	1	\$0.00	\$0.00	\$0.00	\$848.19	\$848.19
07/01/10	06/30/11	GENERAL LIABILITY	Closed	05/17/2011	03/28/2012	1	\$0.00	\$0.00	\$0.00	\$368.67	\$368.67
07/01/10	06/30/11	GENERAL LIABILITY	Closed	03/04/2011	04/29/2011	1	\$0.00	\$0.00	\$0.00	\$30.00	\$30.00
07/01/10	06/30/11	GENERAL LIABILITY	Closed	03/31/2011	06/29/2012	1	\$0.00	\$0.00	\$0.00	\$30.00	\$30.00
07/01/10	06/30/11	GENERAL LIABILITY	Closed	03/03/2011	04/29/2011	1	\$0.00	\$0.00	\$0.00	\$30.00	\$30.00
07/01/10	06/30/11	GENERAL LIABILITY	Closed	06/17/2011	08/30/2011	1	\$0.00	\$0.00	\$0.00	\$614.00	\$614.00
07/01/10	06/30/11	GENERAL LIABILITY	Closed	03/21/2011	03/28/2012	1	\$0.00	\$0.00	\$0.00	\$433.42	\$433.42
07/01/10	06/30/11	GENERAL LIABILITY	Closed	05/16/2011	06/28/2011	1	\$0.00	\$0.00	\$1,300.15	\$241.76	\$1,541.91

07/01/10	06/30/11	GENERAL LIABILITY	Closed	07/07/2011	03/28/2012	1	\$0.00	\$0.00	\$0.00	\$380.21	\$380.21
07/01/10	06/30/11	GENERAL LIABILITY	Closed	04/12/2011	06/29/2012	1	\$0.00	\$0.00	\$0.00	\$30.00	\$30.00
07/01/10	06/30/11	GENERAL LIABILITY	Closed	03/31/2011	06/30/2011	1	\$0.00	\$0.00	\$630.00	\$610.00	\$1,240.00
07/01/10	06/30/11	GENERAL LIABILITY	Closed	05/16/2011	03/28/2012	1	\$0.00	\$0.00	\$0.00	\$615.69	\$615.69
07/01/10	06/30/11	GENERAL LIABILITY	Closed	05/06/2011	03/28/2012	1	\$0.00	\$0.00	\$0.00	\$1,164.36	\$1,164.36
07/01/10	06/30/11	GENERAL LIABILITY	Closed	02/14/2012	03/30/2012	1	\$0.00	\$0.00	\$0.00	\$30.00	\$30.00
07/01/10	06/30/11	GENERAL LIABILITY	Closed	05/23/2011	03/28/2012	1	\$0.00	\$0.00	\$0.00	\$992.13	\$992.13
07/01/10	06/30/11	<b>Total</b>				<b>57</b>	<b>\$107,500.00</b>	<b>\$40,898.18</b>	<b>\$34,362.74</b>	<b>\$975,862.66</b>	<b>\$1,158,623.58</b>
07/01/11	06/30/12	AUTO LIABILITY	Open	07/26/2011		1	\$0.00	\$150.00	\$415.55	\$234.08	\$799.63
07/01/11	06/30/12	AUTO LIABILITY	Open	03/26/2012		1	\$0.00	\$400.00	\$0.00	\$451.63	\$851.63
07/01/11	06/30/12	AUTO LIABILITY	Open	01/24/2012		7	\$121,060.87	\$2,500.00	\$0.00	\$2,658.06	\$126,218.93
07/01/11	06/30/12	AUTO LIABILITY	Closed	10/25/2011	12/30/2011	1	\$0.00	\$0.00	\$1,182.80	\$30.00	\$1,212.80
07/01/11	06/30/12	AUTO LIABILITY	Closed	11/07/2011	12/30/2011	1	\$0.00	\$0.00	\$550.91	\$30.00	\$580.91
07/01/11	06/30/12	AUTO LIABILITY	Closed	03/06/2012	06/29/2012	1	\$0.00	\$0.00	\$370.90	\$30.00	\$400.90
07/01/11	06/30/12	GENERAL LIABILITY	Open	10/14/2011		1	\$10,000.00	\$2,191.73	\$0.00	\$2,338.27	\$14,530.00
07/01/11	06/30/12	GENERAL LIABILITY	Open	08/12/2011		1	\$7.00	\$2,048.60	\$0.00	\$23,061.40	\$25,117.00
07/01/11	06/30/12	GENERAL LIABILITY	Open	02/13/2012		1	\$10,000.00	\$20,529.61	\$0.00	\$4,470.39	\$35,000.00
07/01/11	06/30/12	GENERAL LIABILITY	Open	08/29/2011		1	\$25,000.00	\$1,006.44	\$0.00	\$52,288.58	\$78,295.02
07/01/11	06/30/12	GENERAL LIABILITY	Open	03/01/2012		2	\$300.00	\$888.65	\$0.00	\$5,395.43	\$6,584.08
07/01/11	06/30/12	GENERAL LIABILITY	Open	12/01/2011		1	\$35,000.00	\$1,438.00	\$0.00	\$2,602.88	\$39,040.88
07/01/11	06/30/12	GENERAL LIABILITY	Open	12/06/2011	02/29/2012	1	\$15,000.00	\$7,446.86	\$0.00	\$83.14	\$22,530.00
07/01/11	06/30/12	GENERAL LIABILITY	Open	01/24/2012		1	\$5,000.00	\$0.00	\$0.00	\$0.00	\$5,000.00
07/01/11	06/30/12	GENERAL LIABILITY	Open	01/31/2012		1	\$7.00	\$0.00	\$0.00	\$559.93	\$566.93
07/01/11	06/30/12	GENERAL LIABILITY	Open	08/30/2012		1	\$0.00	\$0.00	\$0.00	\$30.00	\$30.00
07/01/11	06/30/12	GENERAL LIABILITY	Open	09/07/2012		1	\$0.00	\$0.00	\$0.00	\$30.00	\$30.00
07/01/11	06/30/12	GENERAL LIABILITY	Open	10/04/2012		1	\$7.00	\$0.00	\$0.00	\$0.00	\$7.00
07/01/11	06/30/12	GENERAL LIABILITY	Open	04/25/2012		1	\$100.00	\$590.70	\$0.00	\$4,195.48	\$4,886.18
07/01/11	06/30/12	GENERAL LIABILITY	Closed	01/05/2012	01/31/2012	1	\$0.00	\$0.00	\$0.00	\$30.00	\$30.00
07/01/11	06/30/12	GENERAL LIABILITY	Closed	07/29/2011	03/28/2012	1	\$0.00	\$0.00	\$0.00	\$446.53	\$446.53
07/01/11	06/30/12	GENERAL LIABILITY	Closed	11/16/2011	12/30/2011	1	\$0.00	\$0.00	\$235.57	\$30.00	\$265.57
07/01/11	06/30/12	GENERAL LIABILITY	Closed	08/26/2011	03/28/2012	1	\$0.00	\$0.00	\$0.00	\$138.78	\$138.78
07/01/11	06/30/12	GENERAL LIABILITY	Closed	08/10/2012	08/16/2012	1	\$0.00	\$0.00	\$0.00	\$30.00	\$30.00
07/01/11	06/30/12	GENERAL LIABILITY	Closed	09/28/2011	06/29/2012	1	\$0.00	\$0.00	\$0.00	\$30.00	\$30.00
07/01/11	06/30/12	GENERAL LIABILITY	Closed	02/14/2012	03/30/2012	1	\$0.00	\$0.00	\$0.00	\$30.00	\$30.00
07/01/11	06/30/12	GENERAL LIABILITY	Closed	09/13/2011	06/29/2012	1	\$0.00	\$0.00	\$0.00	\$30.00	\$30.00
07/01/11	06/30/12	GENERAL LIABILITY	Closed	01/13/2012	02/29/2012	1	\$0.00	\$0.00	\$173.18	\$30.00	\$203.18
07/01/11	06/30/12	GENERAL LIABILITY	Closed	05/24/2012	06/29/2012	1	\$0.00	\$0.00	\$0.00	\$30.00	\$30.00
07/01/11	06/30/12	GENERAL LIABILITY	Closed	11/28/2011	12/30/2011	1	\$0.00	\$0.00	\$0.00	\$30.00	\$30.00
07/01/11	06/30/12	GENERAL LIABILITY	Closed	04/06/2012	06/27/2012	1	\$0.00	\$0.00	\$0.00	\$30.00	\$30.00
07/01/11	06/30/12	GENERAL LIABILITY	Closed	02/22/2012	02/29/2012	1	\$0.00	\$0.00	\$0.00	\$30.00	\$30.00
07/01/11	06/30/12	GENERAL LIABILITY	Closed	03/06/2012	04/11/2012	2	\$0.00	\$0.00	\$0.00	\$30.00	\$30.00
07/01/11	06/30/12	GENERAL LIABILITY	Closed	03/30/2012	05/29/2012	1	\$0.00	\$0.00	\$160.55	\$974.80	\$1,135.35
07/01/11	06/30/12	GENERAL LIABILITY	Closed	02/01/2012	02/29/2012	1	\$0.00	\$0.00	\$0.00	\$30.00	\$30.00
07/01/11	06/30/12	GENERAL LIABILITY	Closed	02/23/2012	03/30/2012	1	\$0.00	\$0.00	\$149.00	\$30.00	\$179.00
07/01/11	06/30/12	GENERAL LIABILITY	Closed	01/19/2012	02/29/2012	1	\$0.00	\$0.00	\$0.00	\$30.00	\$30.00
07/01/11	06/30/12	GENERAL LIABILITY	Closed	05/04/2012	06/29/2012	1	\$0.00	\$0.00	\$200.00	\$30.00	\$230.00
07/01/11	06/30/12	GENERAL LIABILITY	Closed	04/02/2012	06/27/2012	1	\$0.00	\$0.00	\$0.00	\$30.00	\$30.00

07/01/11	06/30/12	GENERAL LIABILITY	Closed	05/04/2012	06/29/2012	1	\$0.00	\$0.00	\$200.00	\$30.00	\$230.00
07/01/11	06/30/12	GENERAL LIABILITY	Closed	05/02/2012	06/29/2012	1	\$0.00	\$0.00	\$0.00	\$30.00	\$30.00
07/01/11	06/30/12	GENERAL LIABILITY	Closed	06/08/2012	07/30/2012	1	\$0.00	\$0.00	\$500.00	\$30.00	\$530.00
07/01/11	06/30/12	GENERAL LIABILITY	Closed	06/15/2012	06/29/2012	1	\$0.00	\$0.00	\$0.00	\$30.00	\$30.00
07/01/11	06/30/12	GENERAL LIABILITY	Closed	06/19/2012	06/29/2012	1	\$0.00	\$0.00	\$0.00	\$30.00	\$30.00
07/01/11	06/30/12	GENERAL LIABILITY	Closed	07/27/2012	07/30/2012	1	\$0.00	\$0.00	\$0.00	\$30.00	\$30.00
07/01/11	06/30/12	<b>Total</b>				<b>53</b>	<b>\$221,481.87</b>	<b>\$39,190.59</b>	<b>\$4,138.46</b>	<b>\$100,739.38</b>	<b>\$365,550.30</b>
<b>Total</b>	<b>Total</b>					<b>309</b>	<b>\$2,704,103.87</b>	<b>\$96,180.60</b>	<b>\$578,087.29</b>	<b>\$1,619,548.28</b>	<b>\$4,997,920.04</b>

**PROFESSIONAL SERVICES AGREEMENT  
FOR CLAIMS ADMINISTRATION**

THIS AGREEMENT is made and entered into this 1st day of July, 2007 ("Effective Date"), by and between the CITY OF COSTA MESA, a municipal corporation ("City"), and CARL WARREN & COMPANY, a California corporation ("Consultant").

**WITNESSETH:**

- A. WHEREAS, City proposes to have Consultant perform liability third party claims administration as described herein below; and
- B. WHEREAS, Consultant represents that it has that degree of specialized expertise contemplated within California Government Code, Section 37103, and holds all necessary licenses to practice and perform the services herein contemplated; and
- C. WHEREAS, City and Consultant desire to contract for specific services in connection with the project described below (the "Project") and desire to set forth their rights, duties and liabilities in connection with the services to be performed; and
- D. WHEREAS, no official or employee of City has a financial interest, within the provisions of California Government Code, Sections 1090-1092, in the subject matter of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, the parties hereby agree as follows:

**1.0. SERVICES PROVIDED BY CONSULTANT**

1.1. Scope of Services. Consultant shall provide the professional services described in the City's Request for Proposal ("RFP") attached hereto as Exhibit "A" and incorporated herein by reference and Consultant's Response to City's RFP (the "Response"). A copy of said Response is attached hereto as Exhibit "B" and incorporated herein by this reference.

1.2. Professional Practices. All professional services to be provided by Consultant pursuant to this Agreement shall be provided by personnel experienced in their respective fields and in a manner consistent with the standards of care, diligence and skill ordinarily exercised by professional consultants in similar fields and circumstances in accordance with sound professional practices. Consultant also warrants that it is familiar with all laws that may affect its performance of this Agreement and shall advise City of any changes in any laws that may affect Consultant's performance of this Agreement.

1.3. Warranty. Consultant warrants that it shall perform the services required by this Agreement in compliance with all applicable Federal and California employment laws including, but not limited to, those laws related to minimum hours and wages; occupational health and safety; fair employment and employment practices; workers' compensation insurance and safety in employment; and all other Federal, State and local laws and ordinances applicable to the services required under this Agreement. Consultant shall indemnify and hold harmless City from and against all claims, demands, payments, suits, actions, proceedings, and judgments of every

nature and description including attorneys' fees and costs, presented, brought, or recovered against City for, or on account of any liability under any of the above-mentioned laws, which may be incurred by reason of Consultant's performance under this Agreement.

1.4. Non-discrimination. In performing this Agreement, Consultant shall not engage in, nor permit its agents to engage in, discrimination in employment of persons because of their race, religion, color, national origin, ancestry, age, physical handicap, medical condition, marital status, sexual gender or sexual orientation, except as permitted pursuant to Section 12940 of the Government Code. Violation of this provision may result in the imposition of penalties referred to in Labor Code, Section 1735.

1.5 Non-Exclusive Agreement. Consultant acknowledges that City may enter into agreements with other consultants for services similar to the services that are subject to this Agreement or may have its own employees perform services similar to those services contemplated by this Agreement.

1.6. Delegation and Assignment. This is a personal service contract, and the duties set forth herein shall not be delegated or assigned to any person or entity without the prior written consent of City. Consultant may engage a subcontractor(s) as permitted by law and may employ other personnel to perform services contemplated by this Agreement at Consultant's sole cost and expense.

## **2.0. COMPENSATION AND BILLING**

2.1. Compensation. Consultant shall be paid in accordance with the fee schedule set forth in Exhibit "C," attached hereto and made a part of this Agreement (the "Fee Schedule"). Consultant's compensation shall in no case exceed Seventy-Five Thousand Dollars (\$75,000.00) per year for a total of Two Hundred Twenty-Five Thousand Dollars (\$225,000.00).

2.2. Additional Services. Consultant shall not receive compensation for any services provided outside the scope of services specified in the Response unless the City or the Project Manager for this Project, prior to Consultant performing the additional services, approves such additional services in writing. It is specifically understood that oral requests and/or approvals of such additional services or additional compensation shall be barred and are unenforceable.

2.3. Method of Billing. Consultant may submit invoices to City's Project Manager for approval on a progress basis, but no more often than monthly. Said invoice shall be based on the total of all Consultant's services which have been completed to City's sole satisfaction. City shall pay Consultant's invoice within forty-five (45) days from the date City receives said invoice. Each invoice shall describe in detail, the services performed and the associated time for completion. Any additional services approved and performed pursuant to this Agreement shall be designated as "Additional Services" and shall identify the number of the authorized change order, where applicable, on all invoices.

2.4. Records and Audits. Records of Consultant's services relating to this Agreement shall be maintained in accordance with generally recognized accounting principles and shall be made available to City or its Project Manager for inspection and/or audit at mutually convenient times for a period of three (3) years from the Effective Date.

### **3.0. TIME OF PERFORMANCE**

3.1. Commencement and Completion of Work. The professional services to be performed pursuant to this Agreement shall commence within five (5) days from the Effective Date of this Agreement. Failure to commence work in a timely manner and/or diligently pursue work to completion may be grounds for termination of this Agreement.

3.2. Excusable Delays. Neither party shall be responsible for delays or lack of performance resulting from acts beyond the reasonable control of the party or parties. Such acts shall include, but not be limited to, acts of God, fire, strikes, material shortages, compliance with laws or regulations, riots, acts of war, or any other conditions beyond the reasonable control of a party.

### **4.0. TERM AND TERMINATION**

4.1. Term. This Agreement shall commence on the Effective Date and continue for a period of three (3) years ending on June 30, 2010, unless previously terminated as provided herein or as otherwise agreed to in writing by the parties.

4.2. Notice of Termination. The City reserves and has the right and privilege of canceling, suspending or abandoning the execution of all or any part of the work contemplated by this Agreement, with or without cause, at any time, by providing written notice to Consultant. The termination of this Agreement shall be deemed effective upon receipt of the notice of termination. In the event of such termination, Consultant shall immediately stop rendering services under this Agreement unless directed otherwise by the City.

4.3. Compensation. In the event of termination, City shall pay Consultant for reasonable costs incurred and professional services satisfactorily performed up to and including the date of City's written notice of termination. Compensation for work in progress shall be prorated as to the percentage of work completed as of the effective date of termination in accordance with the fees set forth herein. In ascertaining the professional services actually rendered hereunder up to the effective date of termination of this Agreement, consideration shall be given to both completed work and work in progress, to complete and incomplete drawings, and to other documents pertaining to the services contemplated herein whether delivered to the City or in the possession of the Consultant.

4.4 Documents. In the event of termination of this Agreement, all documents prepared by Consultant in its performance of this Agreement including, but not limited to, finished or unfinished design, development and construction documents, data studies, drawings, maps and reports, shall be delivered to the City within ten (10) days of delivery of termination notice to Consultant, at no cost to City. Any use of uncompleted documents without specific written authorization from Consultant shall be at City's sole risk and without liability or legal expense to Consultant.

## 5.0. INSURANCE

5.1. Minimum Scope and Limits of Insurance. Consultant shall obtain and maintain during the life of this Agreement all of the following insurance coverages:

- (a) Comprehensive general liability, including premises-operations, products/completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury with a policy limit of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence and aggregate.
- (b) Automobile liability for owned vehicles, hired, and non-owned vehicles, with a policy limit of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence and aggregate.
- (c) Workers' compensation insurance as required by the State of California.
- (d) Professional errors and omissions ("E&O") liability insurance with policy limits of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence and aggregate. Consultant shall obtain and maintain, said E&O liability insurance during the life of this Agreement and for three years after completion of the work hereunder.

5.2. Endorsements. The comprehensive general liability insurance policy shall contain or be endorsed to contain the following provisions:

- (a) Additional insureds: "The City of Costa Mesa and its elected and appointed boards, officers, agents, and employees are additional insureds with respect to this subject project and contract with City."
- (b) Notice: "Said policy shall not terminate, nor shall it be cancelled, nor the coverage reduced, until thirty (30) days after written notice is given to City."
- (c) Other insurance: "Any other insurance maintained by the City of Costa Mesa shall be excess and not contributing with the insurance provided by this policy."

5.3. Certificates of Insurance: Consultant shall provide to City certificates of insurance showing the insurance coverages and required endorsements described above, in a form and content approved by City, prior to performing any services under this Agreement.

5.4. Non-limiting: Nothing in this Section shall be construed as limiting in any way, the indemnification provision contained in this Agreement, or the extent to which Consultant may be held responsible for payments of damages to persons or property.

**6.0. GENERAL PROVISIONS**

6.1. Entire Agreement: This Agreement constitutes the entire Agreement between the parties with respect to any matter referenced herein and supersedes any and all other prior writings and oral negotiations. This Agreement may be modified only in writing, and signed by the parties in interest at the time of such modification. The terms of this Agreement shall prevail over any inconsistent provision in any other contract document appurtenant hereto, including exhibits to this Agreement.

6.2. Representatives. The City Manager or his designee shall be the representative of City for purposes of this Agreement and may issue all consents, approvals, directives and agreements on behalf of the City, called for by this Agreement, except as otherwise expressly provided in this Agreement.

Consultant shall designate a representative for purposes of this Agreement who shall be authorized to issue all consents, approvals, directives and agreements on behalf of Consultant called for by this Agreement, except as otherwise expressly provided in this Agreement.

6.3. Project Managers. City shall designate a Project Manager to work directly with Consultant in the performance of this Agreement.

Consultant shall designate a Project Manager who shall represent it and be its agent in all consultations with City during the term of this Agreement. Consultant or its Project Manager shall attend and assist in all coordination meetings called by City.

6.4. Notices: Any notices, documents, correspondence or other communications concerning this Agreement or the work hereunder may be provided by personal delivery, facsimile or mail and shall be addressed as set forth below. Such communication shall be deemed served or delivered: a) at the time of delivery if such communication is sent by personal delivery; b) at the time of transmission if such communication is sent by facsimile; and c) 48 hours after deposit in the U.S. Mail as reflected by the official U.S. postmark if such communication is sent through regular United States mail.

**IF TO CONSULTANT:**

Carl Warren & Company  
770 South Placentia Avenue  
Placentia, CA 92870  
Tel: 714-572-5263  
Fax: 714-961-8131  
Attn: Gordan Eliason

**IF TO CITY:**

City of Costa Mesa  
77 Fair Drive  
Costa Mesa, CA 92626  
Tel: 714-754-5052  
Fax: 714-754-4991  
Attn: Debra Yasui

6.5. Drug-free Workplace Policy. Consultant shall provide a drug-free workplace by complying with all provisions set forth in City’s Council Policy 100-5, attached hereto as Exhibit “D” and incorporated herein by reference. Consultant’s failure to conform to the requirements set forth in Council Policy 100-5 shall constitute a material breach of this Agreement and shall be cause for immediate termination of this Agreement by City.

6.6. Attorneys' Fees: In the event that litigation is brought by any party in connection with this Agreement, the prevailing party shall be entitled to recover from the opposing party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the exercise of any of its rights or remedies hereunder or the enforcement of any of the terms, conditions, or provisions hereof.

6.7. Governing Law: This Agreement shall be governed by and construed under the laws of the State of California without giving effect to that body of laws pertaining to conflict of laws. In the event of any legal action to enforce or interpret this Agreement, the parties hereto agree that the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California.

6.8. Assignment: Consultant shall not voluntarily or by operation of law assign, transfer, sublet or encumber all or any part of Consultant's interest in this Agreement without City's prior written consent. Any attempted assignment, transfer, subletting or encumbrance shall be void and shall constitute a breach of this Agreement and cause for termination of this Agreement. Regardless of City's consent, no subletting or assignment shall release Consultant of Consultant's obligation to perform all other obligations to be performed by Consultant hereunder for the term of this Agreement.

6.9. Indemnification and Hold Harmless: Consultant shall protect, defend, indemnify and hold harmless City and its elected and appointed officials, officers, and employees from any and all claims, liabilities, expenses, including attorney fees, damage to property or injuries to or death of any person or persons or damages of any nature including, but not by way of limitation, all civil claims or workers' compensation claims arising out of or in any way connected with the intentional or negligent acts, error or omissions of Consultant, its employees, agents or subcontractors in the performance of this Agreement.

6.10. Independent Contractor: Consultant is and shall be acting at all times as an independent contractor and not as an employee of City. Consultant shall secure, at his expense, and be responsible for any and all payment of Income Tax, Social Security, State Disability Insurance Compensation, Unemployment Compensation, and other payroll deductions for Consultant and its officers, agents, and employees, and all business licenses, if any are required, in connection with the services to be performed hereunder.

6.11. Ownership of Documents: All findings, reports, documents, information and data including, but not limited to, computer tapes or discs, files and tapes furnished or prepared by Consultant or any of its subcontractors in the course of performance of this Agreement, shall be and remain the sole property of City. Consultant agrees that any such documents or information shall not be made available to any individual or organization without the prior consent of City. Any use of such documents for other projects not contemplated by this Agreement, and any use of incomplete documents, shall be at the sole risk of City and without liability or legal exposure to Consultant. City shall indemnify and hold harmless Consultant from all claims, damages, losses, and expenses, including attorneys' fees, arising out of or resulting from City's use of such documents for other projects not contemplated by this Agreement or use of incomplete documents furnished by Consultant. Consultant shall deliver to City any findings, reports, documents, information, data, in any form, including but not limited to, computer tapes, discs,

files audio tapes or any other Project related items as requested by City or its authorized representative, at no additional cost to the City.

6.12. Public Records Act Disclosure: Consultant has been advised and is aware that all reports, documents, information and data including, but not limited to, computer tapes, discs or files furnished or prepared by Consultant, or any of its subcontractors, and provided to City may be subject to public disclosure as required by the California Public Records Act (California Government Code Section 6250 et. seq.). Exceptions to public disclosure may be those documents or information that qualify as trade secrets, as that term is defined in the California Government Code Section 6254.7, and of which Consultant informs City of such trade secret. The City will endeavor to maintain as confidential all information obtained by it that is designated as a trade secret. The City shall not, in any way, be liable or responsible for the disclosure of any trade secret including, without limitation, those records so marked if disclosure is deemed to be required by law or by order of the Court.

6.13. Responsibility for Errors. Consultant shall be responsible for its work and results under this Agreement. Consultant, when requested, shall furnish clarification and/or explanation as may be required by the City's representative, regarding any services rendered under this Agreement at no additional cost to City. In the event that an error or omission attributable to Consultant occurs, then Consultant shall, at no cost to City, provide all necessary design drawings, estimates and other Consultant professional services necessary to rectify and correct the matter to the sole satisfaction of City and to participate in any meeting required with regard to the correction.

6.14. Prohibited Employment: Consultant will not employ any regular employee of City while this Agreement is in effect.

6.15. Order of Precedence: In the event of an inconsistency in this Agreement and any of the attached Exhibits, the terms set forth in this Agreement shall prevail. If, and to the extent this Agreement incorporates by reference any provision of the RFP or the Response, such provision shall be deemed a part of this Agreement. Nevertheless, if there is any conflict among the terms and conditions of this Agreement and those of any such provision or provisions so incorporated by reference, this Agreement shall govern over both the Response and the RFP and the Response shall govern over the RFP.

6.16. Costs: Each party shall bear its own costs and fees incurred in the preparation and negotiation of this Agreement and in the performance of its obligations hereunder except as expressly provided herein.

6.17. No Third Party Beneficiary Rights: This Agreement is entered into for the sole benefit of City and Consultant and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right in, under or to this Agreement.

6.18. Headings: Paragraphs and subparagraph headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

6.19. Construction: The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

6.20. Amendments: Only a writing executed by the parties hereto or their respective successors and assigns may amend this Agreement.

6.21. Waiver: The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. The waiver of any right or remedy in respect to any occurrence or event shall not be deemed a waiver of any right or remedy in respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

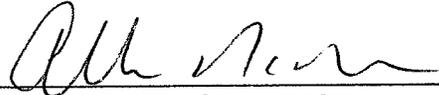
6.22. Severability: If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable in any circumstance, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or of the offending provision in any other circumstance. Notwithstanding the foregoing, if the value of this Agreement, based upon the substantial benefit of the bargain for any party is materially impaired, which determination as made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.

6.23. Counterparts: This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

6.24. Corporate Authority: The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by doing so, the parties hereto are formally bound to the provisions of this Agreement.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed by and through their respective authorized officers, as of the date first above written.

CITY OF COSTA MESA,  
A municipal corporation

  
\_\_\_\_\_  
Mayor of the City of Costa Mesa

Date: 7-3-07

6.19. Construction: The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

6.20. Amendments: Only a writing executed by the parties hereto or their respective successors and assigns may amend this Agreement.

6.21. Waiver: The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. The waiver of any right or remedy in respect to any occurrence or event shall not be deemed a waiver of any right or remedy in respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

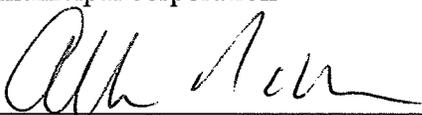
6.22. Severability: If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable in any circumstance, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or of the offending provision in any other circumstance. Notwithstanding the foregoing, if the value of this Agreement, based upon the substantial benefit of the bargain for any party is materially impaired, which determination as made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.

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**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed by and through their respective authorized officers, as of the date first above written.

CITY OF COSTA MESA,  
A municipal corporation

  
\_\_\_\_\_  
Mayor of the City of Costa Mesa

Date: 7.3.07

CARL WARREN & COMPANY

Tom Boylan  
Signature

Date: 6-29-07

Tom Boylan, CFO  
Name and Title

95-2917562  
Social Security or Taxpayer ID Number

ATTEST:

John Toland  
City Clerk and ex-officio Clerk  
of the City of Costa Mesa

APPROVED AS TO FORM:

Kimberly Hill Barlow  
City Attorney

Date: 6/20/07

APPROVED AS TO INSURANCE:

AS [Signature]  
Risk Management

Date: 6/22/07

APPROVED AS TO CONTENT:

James K. Cassidy  
Project Manager

Date: 6/25/07

**AMENDMENT NUMBER ONE  
TO PROFESSIONAL SERVICES AGREEMENT  
FOR CLAIMS ADMINISTRATION**

This Amendment is made and entered into this 1st day of July, 2010, ("Effective Date") by and between the City of Costa Mesa, a municipal corporation ("City") and CARL WARREN & COMPANY, a California corporation ("Consultant").

WHEREAS, Consultant and City entered into an agreement on July 1, 2007, to perform liability third party claims administration; and

WHEREAS, the term of Consultant and City's original Agreement expires on June 30, 2010; and

WHEREAS, Consultant provides assistance with complicated claims. City staff has a good working relationship with Consultant, has been satisfied with the services provided and continuity of services is critical at this time; and

WHEREAS, staff is in need of additional time to better evaluate the liability program and its future needs in light of the current economic climate and potential disruption in services that may occur with a change in administrators, as well as the associated transfer costs; and

WHEREAS, extending the Agreement will also allow sufficient time to complete the RFP process with an anticipated award date of January 1, 2012; and

WHEREAS, Consultant has agreed to keep the fees at the 2009-2010 levels, with the exception of additional fees for file charges, Index/OFAC, updated mileage and a fee related to a new Medicare regulation which will go into effect on January 1, 2011; and

WHEREAS, Consultant and City now wish to amend the Agreement to extend the Agreement and revise the compensation amount in order to allow payment to Consultant for the services provided.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. The compensation amount not to be exceeded in Paragraph 2.1 shall be amended to read:

Consultant shall be paid in accordance with the fee schedule set forth in Exhibit "A," attached hereto and made a part of this Agreement (the "Fee Schedule"). Consultant's annual compensation shall in no case exceed Seventy-Five Thousand Dollars (\$75,000.00).

2. Paragraph 4.1 shall be amended to read, "This Agreement shall commence on the Effective Date and continue until December 31, 2011, unless previously terminated as provided herein or as otherwise agreed to in writing by the parties.
3. All terms not herein defined shall have the same meaning and use as set forth in the Agreement.
4. All other terms, conditions, and provisions of the Agreement not in conflict with this Amendment, shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have set their hand by their duly authorized representatives as of the day and year first above written.

CITY OF COSTA MESA,  
A municipal corporation

\_\_\_\_\_  
Mayor of the City of Costa Mesa

Date: \_\_\_\_\_

CARL WARREN & COMPANY

Tom Boylan  
Signature

Date: 5-27-10

Tom Boylan, COO  
Name and Title

95-2917562  
Social Security or Taxpayer ID Number

ATTEST:

\_\_\_\_\_  
City Clerk and ex-officio Clerk  
of the City of Costa Mesa

APPROVED AS TO CONTENT:

*Gregory*  
Project Manager

Date: 5/28/10

APPROVED AS TO FORM:

*Kimberly Hall Baber*  
City Attorney

Date: 5/19/10



May 28, 2010

City of Costa Mesa  
P.O. Box 1200  
Costa Mesa, CA 92628-1200

EXHIBIT A

Attention: Ms. Jennifer Sommers,  
Human Resources Analyst

Per your request, please find pricing for third party claims administration for the City of Costa Mesa covering the period of July 1, 2010 through December 31, 2011.

**PRICING: 7.1.10 through 12.31.11:**

Services	\$54.00 per hour/billing unit
Mileage	.50 per mile/or IRS rate (the greater of -was .48)
Telephone	8 % of Services
Photocopies	.30 cents per page
Pages/Stenographic	\$5.00
Photographs	\$2.25 each
Office Expense	15 % of Services
Set up fee	1/2 hour Services Rate above
Data Processing	\$30.00 per incident only or in-house reporting
1099 Preparation	Included
Cassettes	Included
Index/OFAC * (per submission)	\$18.00 each (Pass through – was \$15.00)
MMSEA	\$4.85
Miscellaneous **	At Cost
Compass2 / My Carl Warren	\$300.00 monthly administrative billed quarterly

Very Truly Yours,

Michael Reed  
CARL WARREN & CO.

## 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

**AMENDMENT NUMBER TWO  
TO PROFESSIONAL SERVICES AGREEMENT**

This Amendment is made and entered into this 20<sup>th</sup> Day of September, 2011, by and between the City of Costa Mesa, a municipal corporation ("City") and CARL WARREN & COMPANY, a California corporation ("Consultant").

WHEREAS, Consultant and City entered into an agreement on July 1, 2007, to perform liability third party claims administration; and

WHEREAS, the term of Consultant and City's original Agreement, Amendment Number ONE expires on December 31, 2011.

WHEREAS, Consultant provides assistance with complicated claims. City staff has a good working relationship with Consultant, has been satisfied with the services provided and continuity of services is critical at this time; and

WHEREAS, Staff is in need of additional time to better evaluate the liability program and its future needs in light of the current economic climate and potential disruption in services that may occur with a change in administrators, as well as the associated transfer costs; and

WHEREAS, extending the agreement will also allow sufficient time to complete the RFP process with an anticipated award date of January 1, 2013; and

WHEREAS, Consultant has agreed to keep the fees at the 2009-2011 levels; and

WHEREAS, Consultant and City now wish to amend and extend the Agreement in order to allow payment to Consultant for the services provided.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. The compensation amount not to be exceeded in Paragraph 2.1 shall be amended to read:

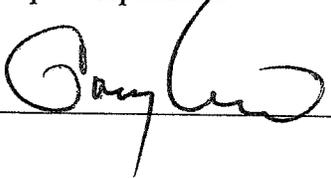
Consultant shall be paid in accordance with the fee schedule set forth in Exhibit "A," attached hereto and made a part of this Agreement (the "Fee Schedule"). Consultant's annual compensation shall in no case exceed Seventy-Five Thousand Dollars (\$75,000.00).

2. Paragraph 4.1 shall be amended to read, "This Agreement shall commence on the Effective Date and continue until December 31, 2012, unless previously terminated as provided herein or as otherwise agreed to in writing by the parties.

3. All terms not herein defined shall have the same meaning and use as set forth in the Agreement.
4. All other terms, conditions and provisions of the Agreement not in conflict with this Amendment, shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have set their hand by their duly authorized representatives as of the day and year first above written.

**CITY OF COSTA MESA**  
A municipal corporation

  
\_\_\_\_\_

Date: 10/28/11

**CARL WARREN & COMPANY**

  
\_\_\_\_\_

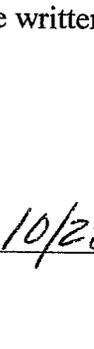
Date: 10.6.11

ATTEST:

  
\_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO FORM

  
\_\_\_\_\_  
City Attorney

# **VENDOR LIST**

**This is a requirement under the Costa Mesa Municipal Code, Title 2 – Administration, Chapter V. Finance, Article 2 Purchasing, and Section 2-166 Procedure for purchases exceeding fifty thousand dollars (a) (2). In addition, the City places solicitation on two e-procurement websites and at least one local periodical.**



[REDACTED]  
Gregory B. Bragg & Associates, Inc.  
P.O. Box 619058  
Roseville CA 95661  
[REDACTED]

[REDACTED]  
Tristar Risk Management  
100 Oceangate, Suite 700  
Long Beach, CA 90802  
[REDACTED]

[REDACTED]  
Carl Warren & Company  
P.O. Box 25180  
Santa Ana CA 92799-5180  
[REDACTED]

[REDACTED]  
NovaPro Risk Solutions  
17862 East 17<sup>th</sup>, Suite 111  
Tustin CA 92780  
[REDACTED]

[REDACTED]  
Claims Management Associates, Inc.  
11777 Bernardo Plaza Court, Suite 201  
San Diego CA 92128  
[REDACTED]

[REDACTED]  
Frank Gates Companies/Attenta  
P.O. Box 182364  
Columbus OH 43218-2364  
[REDACTED]

[REDACTED]  
Hertz Claims Management  
Pasadena Office  
2923 Bradley Street  
Pasadena, CA 91107

York Risk Services  
Attn: General Liability Claims Management  
*750 The City Drive, Suite 350*  
*Orange , CA 92868*

Sedgwick CMS  
Attn: General Liability Claims Management/CA  
P.O. Box 14442  
Lexington, KY 40512-4442

Gallagher Bassett  
Attn: Liability Claims Management  
27061 Aliso Creek Road  
Aliso Viejo, CA 92656

Keenan and Associates  
Attn: Liability Claims Management  
2355 Crenshaw Blvd., Suite 200  
Torrance, CA 90501

  
AdminSure, Inc.  
1470 South Valley Vista Drive, Suite 230  
Diamond Bar, California 91765-3903

  
CorVel Corporation  
3111 Camino Del Rio North  
Centerside I-Suite 900  
San Diego, Ca. 92108

# **PROPOSALS**

**This section contains all proposals received by the City of Costa Mesa related to this RFP.**



# **ADMINSURE INC.**



AdminSure

**PROPOSAL RESPONSE**  
**FOR**  
**THIRD PARTY LIABILITY**  
**CLAIMS ADMINISTRATION**



**October 18, 2012**

**Third Party Administrators of Liability and Workers' Compensation**  
**Self-Insurance Programs in California since 1982**  
**1470 South Valley Vista Drive, Suite 230**  
**Diamond Bar, California 91765**  
**[REDACTED], Supervisor**





1470 South Valley Vista Drive, Suite 230  
Diamond Bar, California 91765

Telephone (909) 861-0816  
Fax (909) 978-1131

October 18, 2012

Costa Mesa City Clerk  
Attn: Jennifer Sommers  
77 Fair Drive  
Costa Mesa, California 92626

Re: RFP – Third Party Liability Claims Administration Response

Dear Ms. Sommers:

We are pleased to present this proposal to administer third party liability claims for the City of Costa Mesa. As a modern third party administrator, we can provide all of the elements needed to ensure the smooth and efficient operation of your third party liability claims program.

AdminSure was founded in September of 1982 as a California corporation specializing in the administration of claims for self-insured public entities. Since that time, we have earned a reputation for providing responsive, high quality service, and have developed an expertise in public entity liability which few companies in our industry possess. We are intimately familiar with the idiosyncrasies of the Government Code claim presentation statutes and the various statutory immunities that apply to municipalities.

Dangerous conditions of public property, uplifted sidewalks, sewer backups, flooding, potholes, falling tree branches, inverse condemnation and other general liability issues are all very familiar to us. Our expertise also includes false arrest, assault and battery, excessive force, civil rights, vehicular pursuits and other law enforcement liability issues. Of course, we can also handle the run-of-the-mill accidents involving City-owned automobiles and trucks.

Furthermore, our background and expertise in administering the liability claim programs for many other Southern California Cities has provided us with a comprehensive understanding of some of the commonly shared policies, procedures, philosophies and needs of our Cities, while respectfully appreciating each client's uniqueness, requirements, philosophy, and preferences. Additionally, we take a great deal of pride in working very hard to assist our clients in maintaining a quality claims management program, with emphasis on consistency, cost containment, litigation management and accident prevention.

We have carefully examined the specifications of the City's Request for Proposal for Third Party Liability Claims Administration and agree to provide all of the services outlined in the

October 18, 2012  
RFP – Third Party Liability Claims Administration Response  
Page Two

City's Request for Proposal in a timely manner and in strict conformity with the requirements stated therein. Please refer to Appendix 1 for our fully executed Vendor Application Form.

By choosing AdminSure to administer Costa Mesa's Third Party Liability Claims Program, the City will benefit from our substantial expertise. If you have any questions or would like to further discuss this proposal, or anything else, for that matter, please contact me by telephone at [REDACTED] or by email at [REDACTED]

Respectfully submitted,

[REDACTED]  
General Liability Supervisor

[REDACTED] /



**REQUEST FOR PROPOSAL**  
***THIRD PARTY LIABILITY CLAIMS ADMINISTRATION***  
**VENDOR APPLICATION FORM**

TYPE OF APPLICANT:             NEW             CURRENT VENDOR

Legal Contractual Name of Corporation: AdminSure, Inc.

Contact Person for Agreement: [REDACTED]

Corporate Mailing Address: 1470 S. Valley Vista Drive, Suite 230

City, State and Zip Code: Diamond Bar, CA. 91765

E-Mail Address: [REDACTED]

Phone: [REDACTED]            Fax: (909) 978-1131

Contact Person for Proposals [REDACTED]

Title: Liability Supervisor            E-Mail Address: [REDACTED]

Business Phone: [REDACTED]            Business Fax: (909) 860-3995

Is your business: (check one)

- NON PROFIT CORPORATION             FOR PROFIT CORPORATION

Is your business: (check one)

- CORPORATION             LIMITED LIABILITY PARTNERSHIP  
 INDIVIDUAL             SOLE PROPRIETORSHIP  
 PARTNERSHIP             UNINCORPORATED ASSOCIATION

**Names & Titles of Corporate Board Members**

(Also list Names & Titles of persons with written authorization/resolution to sign contracts)

Names	Title	Phone
_____	President	_____
_____	Vice President	_____
_____	Secretary	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Federal Tax Identification Number: \_\_\_\_\_

City of Costa Mesa Business License Number: None

(If none, you must obtain a Costa Mesa Business License upon award of contract.)

City of Costa Mesa Business License Expiration Date: N/A

**TABLE OF CONTENTS**

	Page
Background and Summary Section .....	1
Methodology Section .....	2
Scope of Work .....	6
<i>Assigned Personnel</i> .....	6
<i>Audits</i> .....	7
<i>Program Administration</i> .....	8
<i>Claims Administration</i> .....	8
<i>Investigations</i> .....	9
<i>Statistical Reporting</i> .....	10
<i>Excess Insurance Reporting</i> .....	10
Staffing .....	11
Qualifications.....	12
Financial Capability.....	12
Fee Proposal.....	12
Disclosure .....	12
Sample Agreement.....	12
<u>Appendices</u>	
Appendix 1.....	Resumes and Organizational Chart
Appendix 2.....	Financial Statement
Appendix 3.....	Fee Proposal
Appendix 4.....	Disclosure Form and Required Forms
Appendix 5.....	Client References

### **Background and Project Summary Section**

This section provides a detailed description of AdminSure understands of the City, the scope of work for the project, and the objectives to be accomplished.

AdminSure, Inc. understands that the City of Costa Mesa is a general law City that has a Council-Manager form of government. Voters elect a five member City Council who then select a Mayor. The day to day operation of the City is managed by the City Manager and the full time staff of the City Manager, who are City employees.

Additionally, AdminSure understands that the City of Costa Mesa is a Full Service City that provides a range of services, including police and fire protection, emergency medical aid, animal control, building and safety regulation and inspection, street lighting, land use planning and zoning, housing and community development, maintenance and improvement of streets and related structures, traffic safety maintenance and improvement, as well as a variety of cultural and recreational programs.

It is our understanding that the scope of work for this project, as described in the request for proposal, will include all aspects of third party liability claim management for the City of Costa Mesa, by AdminSure's professional staff with no less than five (5) years of general liability adjusting experience and no less than three (3) years of public agency liability adjusting experience; AdminSure personnel assigned to perform services for the City of Costa Mesa Third Party Liability Claims program must be approved by the City. We further understand that if for any reason the City finds that the service provided by any assigned personnel is unsatisfactory, AdminSure agrees to assign replacement personnel that must be approved by the City.

We have determined that the City of Costa Mesa desires a Third Party Liability Claims Administrator who has the capability to represent the City in all aspects of liability claims administration and management, including investigation, adjustment, evaluation as to liability and exposure, identification of other responsible parties to whom we will tender claims when appropriate, make recommendations for further handling and resolution of claims after obtaining settlement authority from the City. Additionally, the City's administrator shall participate in settlement negotiations; upon resolution of claims, prepare releases and obtain all closing documents, arrange for claim payments. In addition to the above, we understand that the City requires that the administrator also participate in litigation management, preparation for and attendance at settlement conferences and small claims court hearings and trials. The administrator shall inform the City of changes in laws, statutes, and regulations that may affect the general liability program, keep the City informed of any trends and/or problem areas or potential problem areas that may adversely affect the City's general liability program, and assist in the development of policies and

procedures to reduce the City's risk, as well as interact closely with the designated City contact, provide the City with narrative reports for each claim, report to the City's excess carrier(s) when appropriate, track the progress of each claim file on a regular diary system, maintain a hard copy of all files, and maintain/store files for a period of five years after files are closed.

Additionally, AdminSure will provide the City with specified standard reports within 10 days after the end of the month, as mutually agreed by the parties, provide the City with monthly reports which will confirm the status and reserves for each open claim, a summary of each claim by type, department, year, litigation status and cause codes. We also agree to enter all files handled in-house into our computer system; the City agrees to provide AdminSure with all necessary information to input the in-house files into our system. We will provide the City with special reports pursuant to the City's request.

Based on AdminSure's extensive background and experience in the management of public agency third party liability claims administration and the information provided by the City of Costa Mesa, it is clear that the mutual objectives of the City and AdminSure is to reduce the City's risk exposure and associated costs, manage all third party liability claims in an expedient and cost efficient manner while keeping the City informed at each and every step of the process. When appropriate, we will also notify the City's excess carrier(s) of specific types of claims, claims that are reserved at 50% of the City's SIR, and claims that have the potential to exhaust the City's SIR and involve the excess layer of insurance. In situations involving claims that cannot be resolved which proceed into litigation, we understand that the City would require that the administrator provide the City Attorney and assigned outside defense attorneys with any and all information concerning the claim and investigation, maintain liaison with the City Attorney and any outside defense firm in order to assist with any additional investigation required for pre-trial and trial preparation, assist with preparation of discovery and responses to discovery, and interact with various experts, pursuant to request by the City Attorney or outside defense counsel.

## **Methodology Section**

### **1. Implementation Plan**

Upon notice by the City of Costa Mesa that AdminSure has been selected as the City's Third Party Liability Claims Administrator, we will make arrangements to meet with the designated City representative to finalize the Third Party Liability Claim Administration agreement, confirm the City's contact person(s), obtain a complete list of the open and closed liability claim files, determine the number of boxes involved, and make arrangements to pick up the boxes. We will match the files in each box with the open/closed claim file lists to ensure that we have everything that we should have. Additionally, we will make sure

that all mail is matched with the appropriate file(s) to ensure that all of the most current letters, documents, and information have been included in each file. AdminSure will also input all of the files and their contents into our IVOS computer system. AdminSure is prepared to convert all data regarding existing open and closed claims and provide a historical record of the City's Third Party Liability Claims Program.

AdminSure utilizes the Valley Oak Systems (IVOS) as their Risk Management Information System (RMIS). Through IVOS, AdminSure will establish a complete database of open and closed claims providing a complete claims history for the City.

AdminSure Claims Administrator(s) will individually review each open file to determine the current status of each file, determine if there are any currently scheduled meetings, settlement conferences, small claim hearings, or trials so that we can arrange our calendars accordingly. We will also determine whether any reports are currently due to the City, outside defense counsel, excess carrier(s), responses to demands, requests for information, and/or recommendations for handling and management in order to provide whatever action is currently required. Additionally, we will confirm the appropriateness of all established reserves. The establishment of any new reserves or reserve adjustment required will be in accordance with existing Claims Management practices.

AdminSure Claims Administrator(s) will also forward introduction letters in connection with each open claim file to appropriate persons to inform claimants, their representatives, outside defense attorneys, or any other pertinent person of the new administrator contact information, including AdminSure's name, address, and telephone number, the name of the handling administrator, the administrator's direct telephone number, and confirm the file number associated with each open file.

In order to determine the views of the internal and external stake holders, the Principal AdminSure Administrator will meet with the City's designated representatives and discuss the City's philosophy in regard to the management and investigation of the City's third party liability claims and request any additional information that will assist AdminSure in providing the City of Costa Mesa with the services and management that is consistent with the City's philosophy.

AdminSure will provide adequate professional and experienced staff who will be assigned to handle the City of Costa Mesa Third Party Liability Claim program. The Liability Claims Supervisor and Liability Claim Administrator(s) will be provided with the necessary support staff to manage all claim files.

In addition, AdminSure's IT Department is adequately staffed to support the City of Costa Mesa's liability claim program and the AdminSure liability claim staff who will manage the

City's program. The AdminSure liability claims professionals will manage all claims assigned to them pursuant to all of the City of Costa Mesa's requirements and guidelines, which basically mirrors AdminSure's claims management standards and procedures.

No liability file may be placed on a diary of more than 90 days, and most new files are placed on an initial diary of 30 days or less in that the AdminSure administrators are encouraged to do everything that can be done on a file when the file is initially opened, such as, contact with the claimant or attorney within 24 hours, prepare a claim acknowledgment letter, request additional information from the City and/or the claimant, submit a report to the Index Bureau, and prepare a preliminary report based on the currently available information.

All liability files are reviewed on a periodic basis by the AdminSure Liability Supervisor. Additionally, diary dates are entered into AdminSure's IVOS system. If a diary date has passed and has not been cleared, an email is sent to the assigned adjuster who is then required to review the file, perform whatever activity is required based on the diary date, clear the old diary date and enter a new diary date with a file note stating the purpose of the diary date and the activity required. All clients are given a user name and password for the IVOS system that allows each client to enter the system to review all activity for each file, including, but not limited to, all activity, correspondence, adjuster notes, diary dates, reserves, current status, ISO reports, litigation activity and litigation dates.

## 2. Detailed description to achieve client satisfaction and to satisfy Scope of Work

In the event that the City of Costa Mesa is not satisfied with the requirements of the "Scope of Work" section, the AdminSure Liability Supervisor will discuss the basis and extent of the dissatisfaction with the City of Costa Mesa's designated contact person to determine whether the administrator can be counseled to correct the situation or if a change in administrator is required to resolve the source of the City's dissatisfaction.

## 3. Detailed project schedule for tasks/deliverables with time frame & transition plan

Within one week or less of notification to AdminSure that AdminSure has been selected by the City of Costa Mesa to administer the City's Third Party Liability Claim Administration program, AdminSure will contact the City, obtain the name and contact information for the designated City contact person(s), obtain a list of all open and closed liability files, confirm the number of boxes involved, and schedule a date, time, and location to pick up the boxed files. We will then check each box and list of files to confirm that we have all of the files contained on each list.

We will then enter each file into our IVOS computer system and assign the claims to an administrator. This task will require approximately 7 to 14 days.

AdminSure will match all loose mail with the appropriate file, review each file to determine the current status, reserve appropriateness, any scheduled meetings, settlement conferences, small claims appearances and enter each date into our diary system along with pertinent file notes. We will also prepare introduction letters to claimants or their representatives, defense attorneys with copies to the designated City person(s) informing them of the file transfer and the name and contact information of the new administration firm and administrator. We are estimating that this task will require about 7 to 14 days.

AdminSure's standards require the following:

- New claim be set up within 24 to 48 hours
- Contact with claimant or their legal representative within 24 to 48 hours.
- Preparation of a claim acknowledgment letter within 24 to 48 hours
- Index Bureau Reports on all BI claims – within 24 to 48 hours of claim receipt
- Prepare initial Preliminary Report to the City - 24 to 48 hours is recommended, but in no event shall exceed more than five days from the date the claim is received. The preliminary report should include confirmation as to whether the claim has been submitted timely or if the claim is late, insufficient, and/or misdirected, a summary of the allegations made by claimants, initial liability evaluation, initial reserves, plan of action for investigation, recommendations and comments, and requests to the City for additional information.
- Prepare a request for additional information from the claimant or the claimant's attorney – 24 to 48 hours within receipt of the claim.
- Prepare narrative captioned reports which shall contain the claimant's allegations, facts of the incident, City's version of the facts along with pertinent documentation, claimant recorded or written statement, statement(s) of witnesses, scene photographs, diagram, and measurements (if applicable), evaluation of liability and exposure, check of reserve categories and amounts, recommendations for further investigation/management, and recommendation for either claim rejection, or request for settlement authority – 30 days from date the claim was received. We will include as many of the items listed above as possible in our 30 day narrative report; however, some of the items may not be available within 30 days and will then be included in the next follow-up narrative report.
- Return of telephone calls to City staff, claimants or their attorneys, and defense attorneys shall be returned immediately upon receipt of the telephone message or within the soonest possible time frame after receipt of the message.
- Reports to City's Excess Carrier(s) – shall be done as soon as we learn that a claim involves: one or more fatalities, amputation or loss of limb, loss of use of any sensory organ, spinal cord injuries, third degree burns involving 10% or more of the body,

serious cosmetic disfigurement, paralysis, brain/neurological injuries, loss of use of body functions, long term hospitalization, civil rights violation allegations, any claim that is likely to exceed 50% of the City's SIR.

Our complete implementation strategy and transition plan is contained on Pages 2 and 3, under the sub-heading "Implementation Plan."

The AdminSure plan to deal with fluctuation in service needs consists of our Liability Department working as a team in order for administrators to assist one another in the event that the City has a catastrophic loss or an unusually high number of incidents resulting in claims in a specific time frame. As a matter of information, all AdminSure Liability Adjusters have at least 5 years of general liability experience and at least 3 years of public agency liability claim management experience. Price adjustments related to a fluctuation in service needs is self-adjusting based on the time and expense type of pricing options contained in this proposal.

4. Detailed description of specific tasks that AdminSure will require from City staff -  
(and an explanation of the respective roles of City staff and AdminSure staff in order to complete the tasks specified in the "Scope of Work" section of this proposal include):

### **Scope of Work**

#### Assigned Personnel:

AdminSure Liability Supervisor [REDACTED] shall be the Principal Adjuster assigned to the City of Costa Mesa Third Party Liability Claim program and the primary contact for the City.

AdminSure Liability Administrator [REDACTED] will also be assigned to perform services for the City of Costa Mesa's Third Party Liability Claims program.

Both [REDACTED] and [REDACTED] have many more years of experience in management of general liability adjustment and many more years of management of public agency liability claims than the City of Costa Mesa requires.

AdminSure personnel assigned and approved by the City to manage the City's Third Party Liability Claims Administration program will develop and maintain a positive and responsive working relationship with all City of Costa Mesa personnel involved in the handling of the City's third party liability claims and, specifically with the City's day to day contact(s).

AdminSure will require City designated City contact(s) who will forward new claims, incidents that may result in claims, and Summons & Complaints served on the City to the Principal AdminSure Adjuster. We request that City contact(s) be designated by the City to receive our requests for additional information and arrange for responses to our requests for additional information, receive our preliminary reports, subsequent narrative reports, as well as recommendations for return of late claims, insufficient claims, misdirected claims, recommendations for claim rejections and requests for settlement authority. The City will decide whether the notices named above shall be prepared and mailed by certified mail by the City or by the AdminSure personnel; copies of which will be sent to the City.

AdminSure will also need to speak with City staff involved in incidents resulting in claims, in order to obtain their version of the facts, to provide pertinent documentation, and on occasion, to be available to attend small claims hearings with the AdminSure adjuster.

We will also be forwarding requests for information to the City as a part of our claim investigations; the requests will typically involve requests for copies of City records and other documentation from various City departments, including copies of contracts with City vendors who may have provided the City with hold harmless agreements and insurance certificates. Additionally, we may request contact information for City Department Heads and employees to provide technical, historical and/or witness information.

The AdminSure Principal Adjuster or other AdminSure approved personnel will fully cooperate with the City relative to the City's preference as to whether our requests for information and City employee contact will all be directed to one or more City designated persons or whether the City prefers that the AdminSure personnel direct requests for information to the City's various Department Managers.

AdminSure's Liability Administrators have many years of experience working with public entities and their staff. We understand how to work with public agencies to obtain information necessary to determine liability. We will also work with the City Attorney and outside legal counsel to obtain any information needed to assist in the handling of legal matters.

Audits:

Periodically, the City or the excess carrier will want to audit open and closed claim files. The AdminSure Liability personnel will fully cooperate with the City and make all claim files available for audits. Additionally, the City will have reasonable access to the necessary portions of AdminSure's facilities, records and files for the purpose of review and/or audit.

As a matter of information, the City will have complete access to all file information via

AdminSure's IVOS computer system, which is generally much more convenient for designated City personnel and may be utilized by auditors with the City's approval to access the Liability Claim files. Therefore, an auditor is able to audit the City's files without ever leaving his office, which would provide the City with a cost savings for audits as there would be no travel involved.

AdminSure will provide a state of the art Risk Management Information System (RMIS). The Valley Oaks System (IVOS) is a one hundred percent web-based claims administration system that can be accessed anywhere, at any time, through a browser. At absolutely no cost, AdminSure will provide the City with Read-Only access to all claim files/data via a separate website. Read-Only (includes report writing module) access to our RMIS will be at no cost for an unlimited number of City users.

Program Administration: AdminSure personnel will perform the following tasks:

1. Provide professional and technical staff to perform the services as agreed upon under separate contract with the City and this Request for Proposal.
2. Represent the City in all matters related to set-up, investigation, adjustment, processing, negotiation and resolution of liability claims against the City.
3. Keep the City informed of changes or proposed changes in statutes, rules, regulations and case law affecting the general liability program.
4. Assist in the Development of policies and procedures relating to the general liability claims program.
5. Provide information and Guidance regarding the general liability program and specified claims.
6. Inform the City of problem areas or trends, both potential and perceived, and provide recommendations and/or solutions to address problem areas and trends
7. Provide copies of file correspondence and documents as requested.
8. Attend appointments, including but not limited to meetings, conferences, Court appearances, and scene investigations at request of the City.
9. Provide 24 hour on call service, by providing the City with a 24 hour telephone number for key personnel. The 24 hour on call service may include, but not be limited to, responding to an accident scene, attending meetings, and conducting investigations.
10. Conduct risk management related seminars for department heads and/or the City staff at the request of the City.
11. Maintain and store all hardcopy files for five (5) years after file is closed.

Claims Administration:

1. Create and enter new claim files into the computer within 48 hours of receipt of loss notice from the City.

2. Maintain a hard copy file for each claim.
3. Review all new claims for liability and provide assessment of liability to the City no later than 30 days from receipt of loss notice from the City.
4. Identify and notify possible co-defendants.
5. Tender claims to other potentially responsible parties.
6. Process all claims in accordance with the City's instructions and policies.
7. At the direction of the City, contact the claimant or their attorney, within five (5) days of receipt of the claim and maintain appropriate contact until the claim is closed.
8. Review status of claims and adequacy of reserves on all active cases at least every 90 days.
9. Provide narrative reports to the City when recommending disposition of a claim, when a claim goes to trial, or any other significant event that has or will occur. Reports must be clear and concise and be provided in a format as approved by the City.
10. Negotiate settlements within authority limits.
11. Obtain a signed release upon settlement of claims.
12. Review vendors for appropriateness of work and cost effectiveness.
13. Diary all files at appropriate intervals to allow for timely completion of required activity.
14. Files will clearly and concisely document action taken on the claim.
15. Telephone calls from the City staff, claimants, or claimant's attorneys shall be returned within 24 hours. If the Administrator's appropriate staff member called is not available to return the call within this time frame, another designated staff member shall return the call.
16. Have translators available to assist with non-English speaking claimants.

Investigations: Investigative services shall at a minimum include the following:

1. Take statement of facts from all claimants when not represented by an attorney or with the attorney's permission. Statements will be preserved by recording or by taking hand-written signed statements.
2. As warranted, conduct further investigation of a claim and advise the City when further investigation is deemed warranted. Further investigation may include, but not be limited to, on-site investigation, photographs, interviewing witnesses, verification of damage or loss, obtaining measurements, obtaining maps/diagrams from the City or other sources, obtaining medical releases, police reports, paramedic reports, marine department or other reports as may be necessary, obtaining building permits or other records as required
3. If the claimant is represented by an attorney, direct all communication to the claimant's attorney regarding the investigation, negotiation, and evaluation of any claims leading to a settlement as may be appropriate.
4. Report all Bodily Injury claims to the Index Bureau. Conduct Index Bureau searches for repeat claimants. Conduct additional Index Bureau searches at request of the City.

5. Obtain approval from the City before engaging the services of an outside vendor for an investigative assignment. At the request of the City, investigate inverse condemnation claims. Arrange, with prior the City approval, for expert services including but not limited to professional photography, independent medical examinations, professional engineering services and laboratory services.

Statistical Reporting: Administrator shall, at a minimum, include the following:

1. Specified standard reports must be received within 10 days after the end of the month/quarter, as mutually agreed upon by the parties.
2. Submit monthly reports during the term of the agreement. The monthly reports shall confirm the status and detail of every open clam assigned to the Administrator, including but not limited to, the reserves assigned for each claim, summary of each loss by type, department, year, litigation status, and coded as to cause.
3. The administrator will enter into its computer any and all files handled in-house by the City. The City will provide the Administrator with all information necessary for such input.
4. Special reports to be provided as requested by the City.

Excess Insurance Reporting: Administrator shall at a minimum, provide the following services regarding excess insurance reporting:

1. Report to any excess insurance carrier(s) in accordance with policy provisions. The City will provide the names and addresses of excess insurance carriers. Provide the City with written notification that the required notice has been made to the excess carrier within ten (10) days of the notice of claim.
  2. Seek reimbursement from the excess insurance carrier for any losses in excess of the City's self-insured retention.
5. Additional innovative and/or creative approaches for providing the service that will maximize efficient, cost effective operations or increased performance capabilities.

Over the years, AdminSure has developed templates for various types of public entity claims for utilization when requesting additional information from public agencies for various types of claims, such as tree limb separation causing damage, elevated sidewalks resulting in injury, alleged dangerous condition resulting in injury and/or property damage, alleged excessive force or violation of civil rights, auto v. City auto accident resulting in property damage and/or injury. We have named just a few of the templates that may be adapted for use in similar claims. Use of the templates results in cost savings to the City.

We have also developed a directory of specific types of experts who have documented expertise in their fields and who charge reasonable rates for various types of claims, such as sewer back-ups, water intrusion losses, accident reconstruction relative to auto accidents, engineering experts, traffic safety engineers, human factor experts, various types of medical experts, and structured settlement specialists. Use of these experts, pursuant to approval by the City, will also result in a dramatic cost savings to the City.

Although the City may have an approved list of outside defense firms with whom they have a trusted and long term relationship, we have also developed a list of defense firms who specialize in public agency defense who obtain consistently great results at a reasonable price. We strongly believe in taking an active role in litigation management; we recommend matching defense firms specialized in certain areas in order to reduce unnecessary hours of research, multiple drafting of documents, and revision. We believe that specific tasks should require a generally specific amount of time. We discourage use of firms that have a habit of defending a case for a couple of years prior to deciding the matter is not defensible and should be paid or firms who do not aggressively follow up on tenders or file motions for summary judgment months after the motion could have been filed.

When performing field work, we will make every effort to conduct scent investigations for several claims in the same general area in one day in order to avoid making several trips to the same general location, which will result in a tremendous cost savings to the City.

We will maintain copies of City contracts with various vendors that perform continual services for the City, such as street sweeping contractors, tree inspection and maintenance companies, etc., so that we will not be requesting the contract copies on multiple occasions throughout the year.

### **Staffing**

AdminSure personnel selected for managing the City of Costa Mesa's Third Party Liability Claims program are as follows:

██████████, AdminSure General Liability Supervisor, shall be the Principal Administrator

██████████ will receive and review all claims sent by the City and determine the handling adjuster, review each file on a periodic basis of at least every 90 days and more frequently for high exposure claims. ██████████ will monitor and arrange the transfer of files if AdminSure is selected as the City's Third Party Liability Claim Administrator. ██████████ will schedule meetings with the City, and arrangements for the transition of the City's liability program, set up of the files into our computer system, be the contact person for any requests for special

reports, and be the liaison person for any requests for adjustments to the program or complaints regarding the management of files.

██████████ Liability Adjuster will assist in the management and investigation of claims for the City of Costa Mesa Third Party Liability Claims program. ██████████ has many years of general liability adjusting experience and over 10 years of public agency liability claim management.

██████████ is AdminSure's IT Manager; ralph will be responsible for the coordination of inputting all of the City of Costa Mesa liability claim information into AdminSure's IVOS computer system. ██████████ will also prepare the monthly/quarterly loss reports and any special reports requested by the City.

██████████ is AdminSure's Information Systems Administrator. ██████████ is also involved in preparation of requests for special reports and will assist with the input of the City of Costa Mesa General Liability Claims program.

We have included a resume for each person listed above and understand that all personnel selected to participate in the City of Costa Mesa Third Party Liability Claim Program is subject to approval by the City of Costa Mesa.

#### **Qualifications**

Please refer to Appendix 1 for our Resumes and Organizational Chart.

#### **Financial Capacity**

Refer to Appendix 2 for AdminSure's most current financial statement.

#### **Fee Proposal**

Refer to Appendix 3 for our Fee Proposals.

#### **Disclosure**

Refer to Appendix 4 our Disclosure Form and all other required forms.

#### **Sample Agreement**

Refer to Appendix 5 for our client references.

**RESUME** – [REDACTED]

**PROFESSIONAL EXPERIENCE**

1982 – Present      AdminSure (Colen & Lee), Diamond Bar, CA  
President & CEO

Oversees general operations of the company and manages the liability claims department. Consults with and conducts file reviews with liability claim staff. Responsible for staffing, training, supervision and quality assurance.

1978 – 1982      R. L. Kautz & Company, Los Angeles, CA  
Liability Claims Manager

Managed a liability claims department consisting of eight adjusters and four clerical personnel. Oversaw captive insurance and self-insurance programs for a wide variety of private and public entities, including retail, manufacturing, transportation, school district and municipality accounts. Personally handled small case load of most serious cases in the office. Responsible for recruiting, training, supervising and evaluating staff. Attended file reviews, city council meetings and other client meetings to discuss claims and present recommendations.

1976 – 1978      Liberty Mutual Insurance Company, Los Angeles, CA  
Claims Adjuster

Worked 80% in the field as an investigator, hearing representative and case manager on serious bodily injury claims for commercial insurance accounts involving Fortune 500 companies. Negotiated settlements with attorneys. Attended arbitrations and settlement conferences. Assisted defense counsel with trial preparation and monitored trials.

**EDUCATION**      University of California, Los Angeles, CA  
Bachelor Degree in Economics

**RESUME – [REDACTED]**

PROFESSIONAL EXPERIENCE

- 2011 – Present      AdminSure, Diamond Bar, CA  
Liability Administrator
- Handles all aspects of claims for public entities, including bodily injury, property damage, wrongful death and inverse condemnation. Performs investigation, negotiation, litigation management and case management. Attends settlement conferences, mediations and small claim hearings. Reports to risk managers regarding liability exposures and settlement recommendations. Presents recommendations to city councils in closed sessions. Communicates with excess insurers and risk management pools. Manages a case load that fluctuates between 160 and 200 files (65% litigated) on 30 to 45 day diary.
- 2003 – 2011      Carl Warren & Company, Placentia, CA  
Liability Claims Administrator
- Investigation, evaluation, management and resolution of all types of liability claims.
  - Analysis and management of self-insured Public Entity and Products Liability claims.
  - Litigation Management.
- 1997 – 2003      Colen & Lee (AdminSure), Diamond Bar, CA  
Liability Administrator
- Analysis and management of Public Entity Liability claims.
  - Litigation Management.
  - Present settlement recommendations to City Council.
- 1990 – 1997      McLarens Toplis North America, Los Angeles, CA  
Senior Casualty Risk Management Specialist
- Management of Professional and Product Liability claims.
  - Development of risk reduction strategies.
  - Marketing and business development.
- 1987 – 1990      Gallagher Bassett Insurance Services, Irvine, CA

Liability Supervisor

- Develop and implement department operating procedures.
- Recruit, train and supervise liability staff.
- Develop and present claim/risk management seminars.
- Present cases at monthly client claim review meetings.

1979 – 1987

R. L. Kautz & Company, Irvine, CA  
Senior Liability Administrator

- Design and present risk management seminars.
- Analyze and resolve Public Entity liability claims.
- Marketing and business development.

1970 – 1979

Atchison, Topeka & Santa Fe Railroad, Los Angeles, CA  
Claim Agent

- Investigate, evaluate and resolve FELA and third party claims.
- Coordinate benefits and return to work of injured workers.
- Interface with OSHA, PUC, DOT and union representatives.

EDUCATION

Stephen F. Austin State University, Nacogdoches, TX  
Bachelor Degrees in Sociology & Psychology

West Coast University of Law, Costa Mesa, CA  
Completed two year toward and Juris Doctorate degree

Insurance Educational Association, Orange, CA  
Completed ARM courses

**RESUME –** [REDACTED]

PROFESSIONAL EXPERIENCE

2004 – Present      AdminSure (Colen & Lee), Diamond Bar, CA  
Liability Administrator

Handles a case load of general liability claims for public entities, including bodily injury, property damage, wrongful death and inverse condemnation. Performs investigation, negotiation, litigation management and case management. Attends settlement conferences, mediations and small claim hearings. Reports to risk managers regarding liability exposures and settlement recommendations. Presents recommendations to city councils in closed sessions. Communicates with excess insurers and risk management pools. Handles a partial case load that fluctuates between 80 and 100 files (95% litigated) on 30 to 45 day diary.

2002 – 2004      ATI Claim Services, La Mirada, CA  
Claims Examiner

Performed evaluation, negotiation, case management and litigation management on commercial liability claims, which included advertising liability, product liability and general liability. Analyzed coverage and prepared coverage letters to policyholders. Coordinated the efforts of investigators, coverage counsel and defense counsel.

2001 – 2002      Carl Warren & Company, San Bernardino, CA  
Claims Administrator

Handled high exposure commercial general liability claims. Coordinated activities of investigators, experts and legal counsel in managing complex litigation. Participated in negotiations and attended arbitrations, mediations and settlement conferences. Prepared detailed, written status reports to clients.

1983 – 2001      Farmers Insurance, Orange, CA  
Senior Commercial Claims Representative

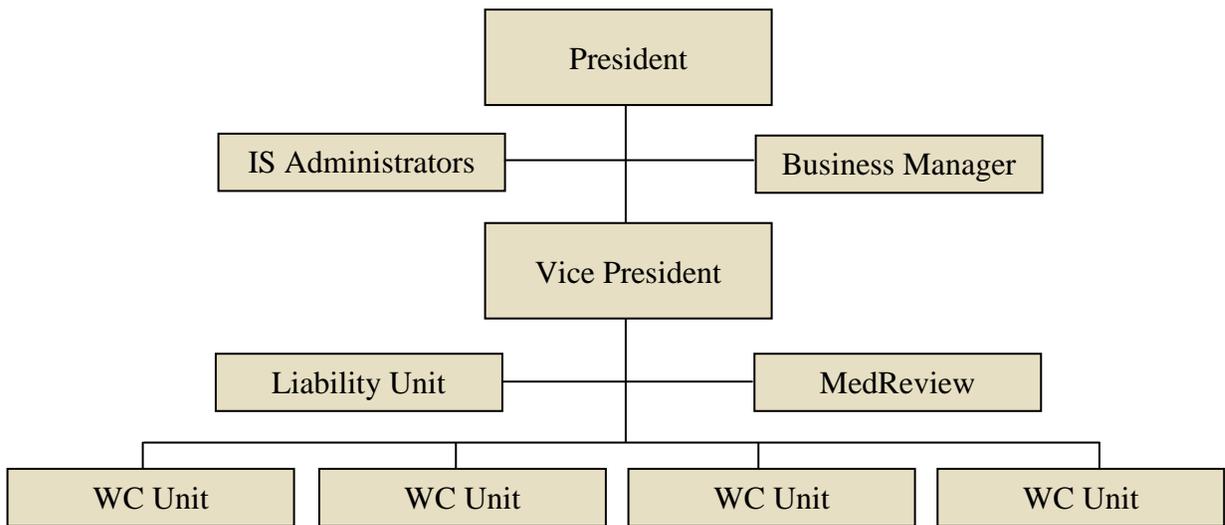
Claim file set-up, medical and indemnity payments, legal referrals, benefit determination, investigations, adjustments of medical-only claims, various claim support duties.

EDUCATION            University of California, Davis, CA  
Bachelor Degree in Political Science

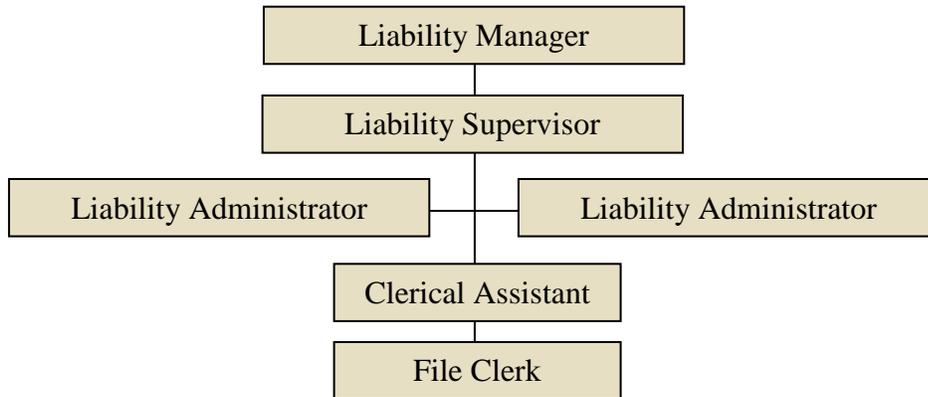
LANGUAGES           English and Spanish  
Bi-lingual and bi-literate

**ORGANIZATIONAL CHART**

AdminSure is an independent, privately-held company that has had the same owner-manager since its inception nearly thirty (30) years ago. There are no investors or hidden affiliations of any type.



**Liability Unit**



**ADMINSURE, INC. AND SUBSIDIARY**  
**REPORT ON REVIEW OF**  
**CONSOLIDATED FINANCIAL STATEMENTS**

**June 30, 2012**

**EX PARTE COMMUNICATIONS CERTIFICATION**

Please indicate by signing below one of the following two statements:

**Please sign only one statement.**

I certify that Proposer and Proposer’s representatives have not had any communication with a City Councilmember concerning the Third Party Liability Claims Administration RFP at any time after September 9, 2012

  
\_\_\_\_\_

**OR**

I certify that Proposer or Proposer’s representatives have communicated after September 9, 2012 with a City Councilmember concerning the Third Party Liability Claims Administration RFP. A copy of all such communications is attached to this form for public distribution.

\_\_\_\_\_

# PRICING PROPOSAL FORM

## THIRD PARTY LIABILITY CLAIMS ADMINISTRATION

Provide hourly rates, along with estimated annual pricing in accordance with the City’s current requirements, as set forth in section 3 Scope of Work. Also provide your firm’s proposed Staffing Plan on a separate sheet of paper. Proposer should use a separate form to state pricing for any added value.

Pricing shall remain firm for a minimum of two (2) years. Any and all requests for pricing adjustments for follow-on contract renewal periods shall be provided no later than sixty (60) days prior to the end of the contract period. Any such proposed price adjustments shall not exceed The Bureau of Labor Statistics Consumer Price Index (CPI) data for Los Angeles-Riverside-Orange County, CA, All Items, Not Seasonally Adjusted, “annualized change comparing the original proposal month and the same month in the subsequent year. (This information may be found on the U.S. Department of Labor’s website at [www.bls.gov](http://www.bls.gov).)

Employee	Hourly Rate	Hours worked	Total Cost	Overtime rate
	\$			\$
	\$			\$
	\$			\$
	\$			\$
	\$			\$
	\$			\$
	\$			\$

Total Estimated Annual Price	\$
------------------------------	----

**ADD ANY ADDITIONAL COST PROPOSAL SHEETS HERE** - See RFP response.



**DISCLOSURE OF GOVERNMENT POSITIONS**

Each Proposer shall disclose below whether any owner or employee of the firm currently hold positions as elected or appointed officials, directors, officers, or employees of a governmental entity or held such positions in the past twelve months. List below or state "None."

<b>Name</b>	<b>Title</b>	<b>Entity</b>
None		

## CLIENT REFERENCES

The following is a partial list of clients for whom we provide Liability Claims Administration services:

**CITY OF BALDWIN PARK**

14403 East Pacific Avenue  
Baldwin Park, California 91706  
[REDACTED]

Since September 1, 1982  
[REDACTED]

Human Resources Manager

**CITY OF EL SEGUNDO**

350 Main Street  
El Segundo, California 90245  
[REDACTED]

Since June 15, 1988  
[REDACTED]

Fiscal Services Manager

**CITY OF GLENDORA**

116 East Foothill Boulevard  
Glendora, California 91741-3380  
[REDACTED]

Since May 1, 2004  
[REDACTED]

Interim Director of HR & RM

**CITY OF HERMOSA BEACH**

1215 Valley Drive  
Hermosa Beach, CA. 90254  
[REDACTED]

Since July 1, 2010  
[REDACTED]

Personnel Assistant

**CITY OF INDUSTRY**

15651 East Stafford Street  
City of Industry, California 91744-0366  
[REDACTED]

Since April 6, 1990  
J [REDACTED]

City Clerk

**CITY OF MANHATTAN BEACH**

1400 Highland Avenue  
Manhattan Beach, California 90266  
[REDACTED]

Since September 1, 1982  
[REDACTED]

Risk Manager

**CITY OF REDONDO BEACH**

415 Diamond Street  
Redondo Beach, California 90277  
[REDACTED]

Since April 1, 1983  
[REDACTED]

Risk Manager

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# **CARL WARREN & COMPANY**





**CARL WARREN & COMPANY**

Claims Management and Solutions

October 15, 2012

City of Costa Mesa, California  
77 Fair Drive  
Costa Mesa, CA 92626

Attention: Kimberly Wilson  
Regarding: Request for Proposal  
Third Party Liability Claims Administration

Dear Ms. Wilson & Evaluation Committee;

Carl Warren & Company is proud to be the Third Party Claims Administrator for the City of Costa Mesa ("the City"). It is critical to note that while Carl Warren & Company has been under contract with the City since 1977, what we do for the City and how we do it continues to evolve, change and be enhanced such that both of our organizations service the constituents of the City utilizing best practices.

Carl Warren & Company prides itself on delivering on its promise of Gold Level Claim Service. Since the inception of the contract we believe we have fulfilled, and exceeded, our contractual obligations as the City's Third Party Administrator. An independent audit was recently conducted by AmTrust, the City of Costa Mesa's new Excess Insurer. The auditor stated that "knowing that she was coming to Carl Warren, she had high expectations," and she said "she was not disappointed." Further, the City's files were scored "Satisfactory" in all areas and she stated that she has a "good comfort level with Carl Warren's file handling."

We know that we can continue to meet and exceed your needs because of our years of experience, our insight into Public Entity claims as well as our personal experience working with the City of Costa Mesa for the past 35 years.

Thorough prompt investigations, documentation, and liability analysis, Carl Warren & Company has achieved excellent results for the City consistently throughout the life of the contracts. To assist us in ensuring we provide a quality product, our internal quality assurance team audits files monthly and this is done at no cost to the City.

We propose that [REDACTED] continues to oversee the City's program, that [REDACTED] continue on as the primary adjuster and that we introduce [REDACTED] an experienced Public Entity adjuster. He would serve as a back-up adjuster in the event that [REDACTED] needs assistance, is unavailable or need an even stronger interface with your Police Department (Steve is a former

**AN EMPLOYEE-OWNED COMPANY**

770 S. Placentia Avenue | Placentia, CA 92870

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

www.carlwarren.com | Tel: 714-572-5200 | 800-572-6900 | Fax: 866-254-4423

CA License No. 2607296



Police Officer). We believe [REDACTED] background and his bilingual abilities in Spanish would bring significant value to the City. Our staff will continue to be available to the City, whenever and wherever needed to attend insurance committee meetings, council meetings, etc.

Our goals as your liability TPA for the City of Costa Mesa are to continue learning, developing, and improving on what we do to deliver Gold Level Claim Service. We never take our relationship for granted and are never complacent. With a 97% customer retention ratio and a 95% employee retention ratio, Carl Warren & Company prides itself on customer satisfaction and longevity. To measure our performance, we welcome the challenges outlined in the Scope of Work and will look forward to exceeding the requirements therein.

As we look to the future, we continue to bring our considerable claims, legal and historic knowledge to bear on behalf of the City but will continue to offer other services as the need arises, such as Trust Account capability and Subrogation services.

We accept all of the terms and conditions proposed in the RFP and have no exceptions to any of the content contained herein. We have received both Amendment No. 1 and Amendment No. 2. Our proposal (including pricing) constitutes a firm offer to the City of Costa Mesa for a period of one hundred and twenty (120) days from October 18, 2012.

On behalf of the employee-owners of Carl Warren & Company, we are proud to serve as representatives of the City of Costa Mesa. We look forward to our continuing relationship and to administering the City's third-party liability program.

Very Truly Yours,  
CARL WARREN & COMPANY

[REDACTED] (Authorized Official)  
Public Entity Service & Retention Leader  
770 South Placentia Avenue  
Placentia, CA 92870





**REQUEST FOR PROPOSAL**  
***THIRD PARTY LIABILITY CLAIMS ADMINISTRATION***  
**VENDOR APPLICATION FORM**

TYPE OF APPLICANT:             NEW             CURRENT VENDOR

Legal Contractual Name of Corporation: Carl Warren & Company

Contact Person for Agreement: [REDACTED] Public Entity Service & Retention Leader

Corporate Mailing Address: PO Box 25180

City, State and Zip Code: Santa Ana, CA 92799-5180

E-Mail Address: [REDACTED]

Phone: [REDACTED] Fax: 866-254-4423

Contact Person for Proposals [REDACTED]

Title: Public Entity Service Leader E-Mail Address: [REDACTED]

Business Phone: 714-572-5273 Business Fax: 866-254-4423

Is your business: (check one)

- NON PROFIT CORPORATION             FOR PROFIT CORPORATION

Is your business: (check one)

- CORPORATION             LIMITED LIABILITY PARTNERSHIP  
 INDIVIDUAL             SOLE PROPRIETORSHIP  
 PARTNERSHIP             UNINCORPORATED ASSOCIATION

**Names & Titles of Corporate Board Members**

(Also list Names & Titles of persons with written authorization/resolution to sign contracts)

Names	Title	Phone
[REDACTED]	President/CEO	[REDACTED]
[REDACTED]	COO	[REDACTED]
[REDACTED]	CFO	[REDACTED]
[REDACTED]	Public Entity Leader Corporate Secretary	[REDACTED]
[REDACTED]	AVP/Director of Business Dev.	[REDACTED]
_____	_____	_____

Federal Tax Identification Number: [REDACTED]

City of Costa Mesa Business License Number: Applied for 9/12

(If none, you must obtain a Costa Mesa Business License upon award of contract.)

City of Costa Mesa Business License Expiration Date: \_\_\_\_\_



**APPLICATION FOR BUSINESS LICENSE**  
 SEND YOUR CHECK MADE PAYABLE TO THE CITY OF COSTA MESA  
 TREASURY MANAGEMENT DIVISION, PO BOX 1200, COSTA MESA, CA 92628-1200  
 (714) 754-5214 • TDD: (714) 754-5244  
 www.ci.costa-mesa.ca.us

Business Name Carl Warren & Company  
 Parent Company Name \_\_\_\_\_  
 (If Corporate Owned)

Note: Business address will be compared to zoning requirements before approval. Check with the Planning Division regarding the use of the location at (714) 754-5245.

Business Address 770 S. Placentia Ave, Placentia, CA 92870  
(if owner is a P.O. Box) Street # Street name Unit # City State Zip

Mailing Address PO Box 25161, Santa Ana, A 927905161  
(if not a P.O. Box) Street # Street name Unit # City State Zip

Business Telephone # (714) 572-5200 Costa Mesa Business Start Date 08/1/2012 No. of Employees (on average) 0

Ownership (Check One Only)  
 Sole Owner  Corporation  Partnership  Husband & Wife Co-ownership  Limited Liability Company  
 Limited Liability Partnership

Seller's Permit No. \_\_\_\_\_ Contractor's State No. & Class \_\_\_\_\_  
(If Applicable) (If Applicable)

Federal Employer ID # or, Owner's Social Security # 95-2917662 Hours of Operation (M-F) \_\_\_\_\_ (S-SU) \_\_\_\_\_  
(Commercial/Industrial Only)

**OWNER'S OR PRINCIPAL'S NAME(S)**

Name <u>[Redacted]</u>	Name <u>[Redacted]</u>
Home Address <u>770 S Placentia</u>	Home Address <u>770 S Placentia</u>
City <u>Placentia</u> Zip <u>92870</u>	City <u>Placentia</u> Zip <u>92870</u>
Telephone # <u>(714) 572-5200</u> Title <u>President</u>	Telephone # <u>(714) 572-5200</u> Title <u>COO</u>
Drivers License No. <u>DOB</u>	Drivers License No. <u>DOB</u>

**TYPE OF BUSINESS**

Please Check One:  
 Wholesale  Retail  Manufacturing  Services  
 Non-Profit  Administrative Only  Warehouse  Other

Full Describe Business Operation:  
Claims Management

Standard Industrial Class Code (SIC) \_\_\_\_\_  
 Alcohol Beverage Control Permit No. \_\_\_\_\_ (If Applicable)  
 Number of Rental Units/Rooms/Spaces \_\_\_\_\_ (If Applicable)  
 Secondhand Dealers and/or Pawn Brokers License Required:  
 Yes  No

**CHOOSE ONE OF THE APPROPRIATE FEES BELOW**

**GENERAL BUSINESS**  
(wholesale, retail, professional, etc.)

Enter Annual Gross Receipts Amount \$ 10,000

And Circle the corresponding category below

Annual Gross Receipts	Tax
\$0.00 to 1,000.00	\$0.00
\$1,000.01 to 25,000.00	\$25.00
\$25,000.01 to 40,000.00	\$35.00
\$40,000.01 to 75,000.00	\$45.00
\$75,000.01 to 200,000.00	\$60.00
\$200,000.01 to 500,000.00	\$100.00
Over 500,000.00	\$200.00

**SHOW EXHIBITION SWAP MEET** Tax on the Promoter's Gross Receipts from the Gross Receipts schedule to the left  
 Enter the tax due amount here \$ \_\_\_\_\_  
 PLUS (if orders \_\_\_\_\_ x \$5 = \$ \_\_\_\_\_)  
 EQUALS Total Tax Due \$ \_\_\_\_\_

**ADMINISTRATIVE OFFICE/WAREHOUSE**  
(Fees based on annual operating expenses when no receipts generated)  
 Enter annual operating expenses amount \$ \_\_\_\_\_  
 Use Gross Receipts schedule to the left to determine business license tax.

**CONTRACTOR**  
(California Licensed) Total Tax Due \$50.00

**VEHICLE WHEEL TOW/TRUCK/BUS**  
 Number of Vehicles: \_\_\_\_\_ x \$25.00 = Total Tax Due \$ \_\_\_\_\_

**TAX EXEMPT ORGANIZATIONS**  
 Attach proof of Tax Exempt Status (required for waiver of tax due)

**TAXI/CAB**  
 Taxi Cab: \_\_\_\_\_ Total Tax Due \$ 50.00

Will you store, handle or use 55 gallons, 500 pounds or 200 cubic feet of hazardous materials per year? Yes \_\_\_\_\_ No

Will you have an assembly room with an occupant load of 50 or more persons? Yes \_\_\_\_\_ No

Will you be installing a spray booth? Yes \_\_\_\_\_ No

Will your business produce dust/wood shavings or other material? Yes \_\_\_\_\_ No

Will you be storing or using flammable or combustible liquids or compressed gases? Yes \_\_\_\_\_ No

Will you be warehousing materials higher than 12 feet? Yes \_\_\_\_\_ No

Fire Department approval required for any "Yes" answer. Please make an appointment by calling (714) 327-7400.

Your Business License will be issued under the provisions of Municipal Code Section 9-1. You are cautioned that this License does not permit operation of a business in violation of other Municipal Code Sections. There will be no tax refund if you are found operating illegally after the Certificate has been issued. Your business location will be checked by Planning, Building, and, if necessary, Fire Department officials. If you have any doubt whether your business location and/or building may conform with the requirements of the Municipal Code administered by these departments, you are urged to contact these departments for further information before filing your application. \*\* Sales or use tax may apply to your business activities. You may seek written advice regarding the application of tax to your particular business by writing or visiting the nearest State Board of Equalization. \*\* I declare under penalty of perjury that, to the best of my knowledge and belief, the statements made herein are correct and true and that acceptance of payment does not constitute approval of the Business License. Authorization to conduct business is not granted until issuance of the license.

Authorized Signature [Redacted] Title Contractor Date 9/15/12

FOR CITY OFFICE USE ONLY

Planning Approval \_\_\_\_\_ Date Approved \_\_\_\_\_ CUP Required? \_\_\_\_\_ CUP # \_\_\_\_\_

**EX PARTE COMMUNICATIONS CERTIFICATION**

Please indicate by signing below one of the following two statements:

**Please sign only one statement.**

I certify that Proposer and Proposer's representatives have not had any communication with a City Councilmember concerning the Third Party Liability Claims Administration RFP at any time after September 9, 2012



---

**OR**

I certify that Proposer or Proposer's representatives have communicated after September 9, 2012 with a City Councilmember concerning the Third Party Liability Claims Administration RFP. A copy of all such communications is attached to this form for public distribution.

---



**DISCLOSURE OF GOVERNMENT POSITIONS**

Each Proposer shall disclose below whether any owner or employee of the firm currently hold positions as elected or appointed officials, directors, officers, or employees of a governmental entity or held such positions in the past twelve months. List below or state "None."

<b>Name</b>	<b>Title</b>	<b>Entity</b>
NONE.		



REQUEST FOR PROPOSAL  
FOR  
THIRD PARTY LIABILITY CLAIMS ADMINISTRATION



RELEASED BY  
HUMAN RESOURCES DIVISION  
CITY OF COSTA MESA

RELEASE DATE: September 19, 2012

The referenced document has been modified as per the attached Amendment No. 1

Please sign this Amendment where designated and return the executed copy with submission of your proposal. This amendment is hereby made part of the referenced proposal as through fully set forth therein. Any questions regarding this amendment should be addressed to Kimberly Wilson, email [Kimberly.Wilson@Costamesaca.gov](mailto:Kimberly.Wilson@Costamesaca.gov)

**2. SCHEDULE OF EVENTS**

This request for proposal will be governed by the following schedule (All dates are subject to change at the discretion of the City):

Release of RFP.....	September 10, 2012
Deadline for Written Questions .....	September 28, 2012
<del>Responses to Questions Posted on Web .....</del>	<del>October 12, 2012</del>
Responses to Questions Posted on Web .....	October 8, 2012
Proposals are Due .....	October 18, 2012
Interview (if held) .....	November 5 – 9, 2012
Approval of Contract .....	December 4, 2012

Approval of Contract TBD

All dates are subject to change at the discretion of the City

*All other provisions of the invitation of this proposal shall remain in their entirety.  
Vendors hereby acknowledge receipt and understanding of the above Amendment.*



\_\_\_\_\_  
Signature                      10/15/12  
Date

\_\_\_\_\_  
Public Entity Service Leader  
Typed Name and Title

\_\_\_\_\_  
Carl Warren & Company  
Company Name

\_\_\_\_\_  
770 South Placentia Avenue

\_\_\_\_\_  
Placentia, CA 92870  
Address



REQUEST FOR PROPOSAL  
FOR  
THIRD PARTY LIABILITY CLAIMS ADMINISTRATION



RELEASED BY  
HUMAN RESOURCES DIVISION  
CITY OF COSTA MESA

RELEASE DATE: September 28, 2012

The referenced document has been modified as per the attached Amendment No. 2

Please sign this Amendment where designated and return the executed copy with submission of your proposal. This amendment is hereby made part of the referenced proposal as through fully set forth therein. Any questions regarding this amendment should be addressed to Kimberly Wilson, email [Kimberly.Wilson@Costamesaca.gov](mailto:Kimberly.Wilson@Costamesaca.gov)

**2. SCHEDULE OF EVENTS**

This request for proposal will be governed by the following schedule (All dates are subject to change at the discretion of the City):

Release of RFP.....	September 10, 2012
Deadline for Written Questions .....	September 28, 2012
<del>Responses to Questions Posted on Web .....</del>	<del>October 12, 2012</del>
Responses to Questions Posted on Web .....	October 8, 2012
Proposals are Due .....	October 18, 2012
<del>Interview (if held) .....</del>	<del>November 5 - 9, 2012</del>
Interview (if held) .....	November 13-16, 2012
Approval of Contract .....	December 4, 2012

Approval of Contract TBD  
All dates are subject to change at the discretion of the City

• **Submission of Proposals**

*Complete written proposals must be submitted in sealed envelopes marked and received no later than 12:00 p.m. (P.S.T) on October 18, 2012 to the address below. Proposals will not be accepted after this deadline, with no exceptions. Faxed or e-mailed proposals will not be accepted.*

Costa Mesa City Clerk  
Attn: Jennifer Sommers  
Attn: Kimberly Wilson  
77 Fair Drive  
Costa Mesa, CA 92626

RE: RFP - Third Party Liability Claims Administration

*All other provisions of the invitation of this proposal shall remain in their entirety. Vendors hereby acknowledge receipt and understanding of the above Amendment.*



Signature

10/15/12  
Date

  
Public Entity Service Leader

Typed Name and Title

Carl Warren & Company

Company Name

770 South Placentia Avenue

Placentia, CA 92870

Address



## BACKGROUND & PROJECT SUMMARY

### Service Office

As previously mentioned we propose continuing to handle the City's program from our Corporate Headquarters located in Placentia, California just 15 miles away from the City.

Carl Warren & Company  
770 South Placentia Avenue  
Placentia, CA 92870  
Tel: 714-572-5200 | Toll Free: 800-572-6900

In addition to their designated personnel, the City also has direct access to the following:

- Subrogation Department
- IT Department which maintains our Risk Management Information System
- Accounting Department for checks and banking matters
- Quality Assurance Team

### Claim Reporting

Carl Warren & Company currently maintains an 800 number and a designated e-mail address for claims reporting, available to the City 24/7. The City currently has their assigned staff's cell phone numbers in the event they need to be contacted after hours. There is no additional cost to contact Carl Warren & Company on a 24/7 basis, or additional costs to respond on a 24/7 basis.

Losses are reported by email, fax, online or phone. The most common method is email or fax. If the claim notice is faxed it automatically turns into an electronic document that goes directly to a client assignment folder. The notice is reviewed by the Claim Supervisor and assigned to an adjuster, typically within 2-4 hours. We have bilingual adjusters on staff if the need arises at no additional charge to the client. Via email we confirm receipt of the claim and provide a claim number to the City.

### File Management

Where the City determines that an investigation is necessary, the focus of our investigation is the timely gathering of critical information and preservation of potential evidence. Towards that end, we make contact with the claimant, witnesses and the City within 24 hours of receipt of the claim. The facts are obtained, damages assessed and an evaluation is made. The results of the investigation are analyzed and a liability determination is made, taking into consideration the possible comparative fault of the claimant and any applicable contractual indemnity provisions. Within 2 business days of receipt of a new claim, the adjuster enters the claims information into mycarlwarren.com. The initial investigation findings are reported to the City within 7 days with a complete investigative report provided within 45 days. Carl Warren & Company also



investigates and handles through conclusion all telephone-adjusted claims. The goal is to complete a comprehensive evaluation expeditiously and advise the City of the liability exposure. We then act on the City's authority to resolve the claims as quickly, fairly and efficiently as possible.

### Diary Review

Our files are on strict diary (picture inserted below) and are reviewed at pre-established intervals, to ensure the timely investigation and completion of work as well as the adequacy of the established reserves. The system is customized for the City's program. We can set up manager diaries to review files every 10 days, every 30 days or as needed. Adjusters review the diary report weekly and the Claim Supervisor receives reports weekly as to late diaries. The Supervisor also audits at least 10 adjuster files monthly. Any trends or problems found will be addressed internally. The Supervisor reviews all reserve changes, payments and ensures the files are on diary. He can also review files as often as he or the client feels necessary.



### Reserving Practices & Philosophy

The initial reserve will take into consideration all potential payments related to the loss including liability, codefendants and allocated expenses in an effort to arrive at an ultimate net loss figure. Case reserves are established no later than 7 days of receipt of the claim. They are established on a case by case basis. The liability exposure, expense, venue and anticipated life of the claim are all factors taken into consideration when reserving a file. The first element of proper reserving is a timely and professional investigation into liability and damages. We do not use average case reserving and take all possible steps to avoid stair-stepping on any claim. Reserves are reviewed every thirty days. Any reserve revisions will be clearly explained in the file notes.



### Excess Carrier Reporting

When it is determined that a claim meets the reporting guidelines of the City's excess carrier, they are placed on notice with all available information by telephone and followed up with a hardcopy report. Generally, a copy of the file is sent to them within 10 days of notice of claim filing when the type of loss or injury is either known or alleged. The City is also sent a copy of each report and Carl Warren & Company pursues, when appropriate, excess reimbursements from the carrier.

### Litigation Management

It is the philosophy of Carl Warren & Company to manage litigation from a two-prong approach - strategy and cost containment. We currently work with the City's approved counsel to meet these goals. A strong working relationship between the adjuster and defense attorney is important since both bring different skills to claims handling and resolution.

A complete copy of the investigative file is transmitted to the defense counsel. Our strategy is to assist in providing an objective analysis of those cases that should be vigorously defended, as contrasted to those that should be settled once limited discovery has been conducted to leverage a negotiated settlement. Defense counsel is asked to provide a liability evaluation with a plan of action, budget and time line for completion of items listed. It will indicate the handling attorney at the defense firm and will be signed by them so everyone has a clear understanding of what is to be done, when and at what price. Additional work must be approved by the managing adjuster before any expense for experts, records, etc. can be obtained. Any non legal work should be referred and completed by the handling adjuster. We are available to work with the selected counsel to develop an intelligent and reasonable litigation plan that will achieve the case goals.

We believe that utilization of structured settlement plans can reduce loss costs in moderate to severe claims. We also believe in the utilization of Alternative Dispute Resolution (ADR) to reduce litigation costs and loss results. We will also continue to assist in the preparation of the defense of a claim by helping to prepare discovery responses, negotiate settlements and subrogation actions.

On litigated claims, we keep the City informed in writing of conferences, hearings and trials. When requested to assist, we will attend trials, hearings, arbitrations, mediations, settlement conferences and any other legal proceedings.

### Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA)

Carl Warren & Company is compliant with the Medicare Secondary Payer reporting requirements. We have partnered with ISO using the Universal Format for reporting purposes. All Carl Warren & Company employees have completed their MMSEA training as of June, 2009. We provide training classes and regular updates for our clients.



### **Risk Management Information System (mycarlwarren)**

Carl Warren & Company will continue to deliver information to the City through our online access information system, [mycarlwarren](#). As the City knows, no software installation is required - only access to the internet and a standard internet browser, such as Internet Explorer or Firefox, is necessary. This application is available for review at any time - 24/7/365 - via a desktop, laptop, Blackberry, iPhone, etc. and functions in real time with updates every few hours. [Mycarlwarren](#) was created and is maintained by our in-house IT Department.

[Mycarlwarren](#) uses technology from the business-intelligence software firm MicroStrategy which sits atop our SQL Data Warehouse and allows the City customized access to their financial and claim information. The system is structured as a risk management tool in addition to providing claims data, and provides City staff easy access to their records.

City staff are also able to access the site to view and sort data, generate graphs, print reports and export information to a variety of formats including, but not limited to, Excel, PDF and TXT.

The City has direct access to the adjuster's file notes, all claimant information, and financial data (including financial summary and payment detail). They are able to access an extranet environment to perform intuitive reporting and ad-hoc analyses on risk and loss prevention data. Here they can link to individual claims information, drill down to a particular payment and read the narrative associated with the payment.

### **Reports**

Carl Warren & Company will continue to provide the City with all desired loss runs and statistical reports at no additional charge. Ad hoc reporting is fully supported as are subscription services for e-mailed reports and event based alerting.

The following reports are standard reports that can be provided to the City.

- [Snapshot](#)  
This report provides a graphical overview of the program. It quickly identifies the 5 cause codes that generate the most claims as well as the most severe claims. This report also includes a Claim Count graph for the previous 12 months and a list of the Top 10 Occurrences based on Total Incurred. This report helps the City identify areas that need further investigation.
  
- [Frequency Report](#)  
This report identifies which location codes (or departments) generate the most claims. It specifies the percentage of the program that these claims make up. This report helps determine which departments need help in reducing the number of claims submitted.



- Severity Report  
This report identifies which location codes (or departments) generate the most severe claims. It specifies the percentage of the program these claims make up.
  
- Cause Profile  
This report lists all cause codes utilized in the program and how many claims have been recorded with each cause code. It also indicates the Total Incurred for each cause code.
  
- Reserve Trends  
This report lists all open claims and what their total incurred amounts were at different ages, starting at 1 month up to 60 months.



## **METHODOLOGY**

**An implementation plan that describes in detail the methods, including controls by which Carl Warren & Company manages projects of the type sought by this RFP.**

This section is not applicable as Carl Warren & Company is the incumbent TPA and we currently have possession of all claims and data files.

**Methodology for soliciting and documenting views of internal and external stakeholders.**

Carl Warren & Company, when requested by the City, will sit down with all stakeholders. The purpose of this meeting would be to discuss the status of the program, project management and review any questions or concerns.

**Project management or implementation strategies or techniques that Carl Warren & Company intends to employ in carrying out the work.**

Our 30+ year partnership with the City represents continuity, gold level claims service and the ongoing elevation of our product and services. We are always looking at ways to be innovative and cloud technology (that is discussed in more detail on Page 10) is something that should help with moving to a paperless and “green” process in the future.

**Efforts Carl Warren & Company will undertake to achieve client satisfaction and to satisfy the requirements of the “Scope of Work” section.**

When you select Carl Warren & Company, you are selecting an employee-owned nationally known and respected TPA that has been in business for almost 70 years. Our employees’ bonuses and raises are not based on revenue, but on client retention and client satisfaction. We propose annual stewardship reports that focus on identifying trends and addressing concerns using metrics to identify problem departments, claims types or locations. We will continue to work hand-in-hand with the City staff to properly address claims as investigations and those defensible by other methods.

**Detailed project schedule identifying all tasks and deliverables to be performed, durations for each task, and overall time of completion, including a complete transition plan. Include your plan to deal with fluctuation in service needs and any associated price adjustments.**

This section is not applicable to Carl Warren & Company as we are the incumbent on the program. Any transition to another TPA can be negotiated amicably at such time as it occurs and would be based on the trust of our long standing partnership, and on a pro-rata basis financially as applicable to the Annual Fee or Annual Average Fee, depending on the pricing method.

**Detailed description of specific tasks you will require from City staff. Explain what the respective roles of City staff and your staff would be to complete the tasks specified in the Scope of Work.**



We continue to require City assistance with information gathering, the acquisition of internal documents that our staff does not have and the authority for rejection and settlement of claims in process.

**Additional innovative and/or creative approaches for providing the service that will maximize efficient, cost-effective operations or increased performance capabilities.**

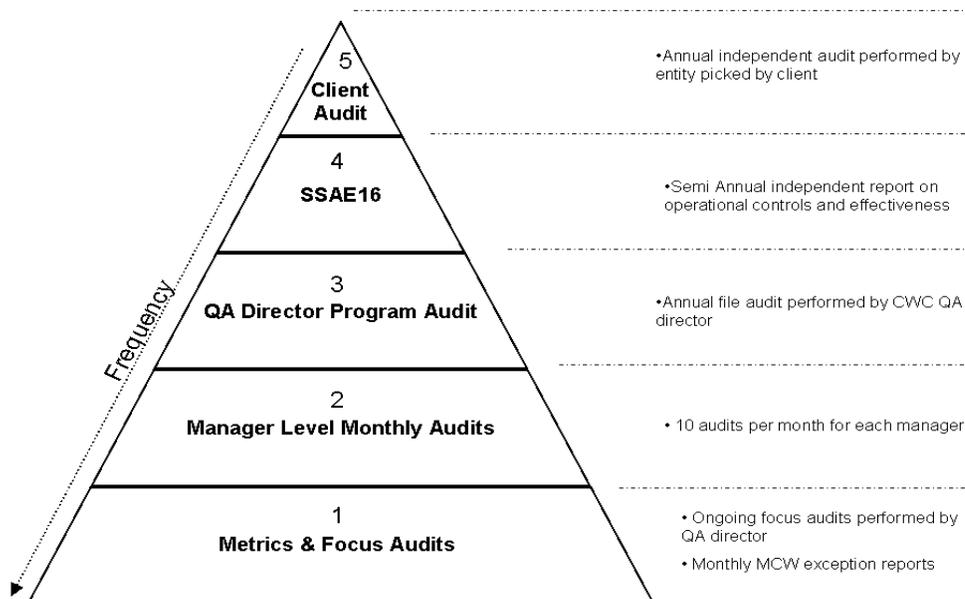
We propose implementing the following additional operations in assistance and continuity with our partnership with the City of Costa Mesa:

Annual Stewardship Report/Claims Meetings

Both the City's claim staff and supervisory personnel on the City's program will continue to be available to attend any claims reviews or meetings. We will also prepare status reports at the request of the City. We feel it is important, as partners in the claims process, to have quarterly meetings. We will provide the City with an annual stewardship report at the end of each policy year [REDACTED] and our Director of Quality Assurance, [REDACTED] will compile this report. Please refer to [Attachment 1](#) at the end of this section for a sample stewardship report.

Quality Assurance

The Carl Warren & Company Quality Assurance Program ensures consistency, integrity and discipline in how claims handling skills, practices and results are measured. The overarching purpose of this plan is to support the goals and values of the City of Costa Mesa and Carl Warren & Company. The quality assurance process for Carl Warren & Company consists of 5 distinct levels. Each individual level has a specific purpose which is designed to support the individual area of review as well as the integrity of the entire Quality Assurance program.





### 1. Metrics and Focus Audits

Through the use of the management reports we pull monthly reports that identify claims which might fall outside of agreed upon handling guidelines.

These reports include:

- Files which haven't been assigned to an adjuster
- New files without notes 10 days after receipt of claim
- Ongoing files without notes in the last 60-90 days
- Past due diary
- Files without reserves
- Files which haven't been indexed (ISO)

This approach allows us to take corrective action early and before an issue becomes a problem. In addition, Carl Warren & Company's Director of Quality Assurance (QA) completes a number of focus and data quality audits through out the year. These include but are not limited to the following:

- Open / Closed file reconciliations
- Reserve analysis and development
- File Inactivity reviews
- Data coding reviews (cause , location, reserves, unknown claimant)
- ISO & MMSEA usage reviews
- Diary compliance audits

### 2. Manager Level Monthly Audits

Managers are required to complete a minimum of 10 Gold Standard reviews each month. The reviews will be completed on the standard audit template and will be submitted to the quality assurance director each month. Our Director of QA is responsible for monitoring and ensuring compliance. On a semiannual basis our Director of QA will compute and summarize the results of each audit into a trend based report.

### 3. Director of Quality Assurance Program Audit

The yearly audit will involve a best practice based audit. The audit will consist of:

- Claim file reviews using the Carl Warren & Company audit template.
- Interviews of managers and staff - file reviews are only part of the story, interviews are needed to gain the complete picture of the operation.
- Job observation - to understand first hand the workflows and processes used in the office.

### 4. SSAE16 Audit Compliance

Statement on Standards for Attestation Engagements, SSAE16 (previously SAS70) is an internationally recognized auditing standard that was developed by the American



Institute of Certified Public Accountants (AICPA) in 1992. SSAE16 is known as "report on controls placed in operation" and "tests of operating effectiveness".

The final deliverable for the audit is commonly called the SSAE16 Service Auditor's Report, a lengthy document which contains a multitude of information regarding the service organization, its overall control structure, framework, test of controls along with adjunct and supporting documentation, such as the Independent Accountant (or Service Auditor's) Report, possible exceptions noted during testing, and any additional information provided by the service organization.

#### 5. Client Audit

This is an independent audit of claims handling practices of Carl Warren & Company in respect to the client profile and industry best practices. The City determines the frequency and entity performing this audit. The results will serve not only to evaluate our claims handling results, but as a tool to calibrate our internal audit activities.

#### Subrogation

Carl Warren & Company would welcome the opportunity to take on the responsibility of the identification, evaluation, administration, collection and deposit of all of the City's subrogation funds. We have established subrogation programs for many public entities with excellent results.

Each claim is investigated to determine if subrogation or recovery potential exists. This evaluation will be clearly posted to the claim file and/or the on-line claim system. The City will be contacted for approval to pursue and/or review contracts before any notice is given to a potential third party. Once approval is obtained from the City, recovery from responsible third parties will be aggressively pursued by the appropriate claim representative.

We have an in-house subrogation team which handles recovery nationwide for our clients. In each 2010 & 2011, this team collected over \$1.2 million for our clients, most of whom pay us based on a sliding scale contingency basis. Over 90% of these funds were recovered within 60 days of the file being given to us for recovery pursuit.

#### Green Initiatives

Carl Warren & Company is making a continuous effort to implement and utilize green initiatives. Our staff sends documents electronically whenever possible to avoid both the costs and paper associated with printing and mailing. If interested, the City has the option of moving over to the Cloud, a virtual storage space for digital documents. As our adjusters work on claims, they can upload documents that they create or receive to the Cloud. Then City users can access these documents via mycarlwarren. We know that our clients are always looking for ways to reduce costs and resolve claims as quickly as possible, as we are always exploring technology that helps everyone achieve these goals in a secure and timely manner.



## STAFFING

With the City's consent, we propose that staffing on the City's program remains the same as before, but recommend adding an additional adjuster to the program in the event [REDACTED] needs assistance or is on vacation. [REDACTED], the City's current adjuster, has an average caseload of around 150 files. We are proud of the fact that there has been no turnover on the City's program for the past 8 years. We do not anticipate a personnel change during the contract period, but should the need arise to assign different personnel to the City, we agree to submit their names and qualifications to the City for approval before the commencement of work.

### [REDACTED], Claim Supervisor & Service & Retention Leader

[REDACTED] has been an employee-owner since 1983 and has been on the City's account since program inception back in 1977 and we propose that [REDACTED] continues to directly oversee the program. He currently oversees many of our Southern Public Entity clients. [REDACTED] is an Officer of the Company and would be responsible for all services required under the engagement. Mike's current clients include the Cities of Newport Beach, Anaheim, Huntington Beach, Whittier and Garden Grove.

### [REDACTED], Primary Adjuster

[REDACTED] has been an employee-owner since 1990 and has been on the City's account since 2004 and has close to 30 years experience handling claims. [REDACTED] will continue to be the City's primary contact and will continue to take all necessary steps to assure that the City's expectations are met. [REDACTED] is responsible for the daily administration of Carl Warren & Company's activities under the contract with the City and will complete a thorough investigation into each claim that is received. The scope of [REDACTED]'s work includes but is not limited to conducting scene investigations and preparation of photos and diagrams, reporting, placing the excess carrier on notice once investigation and coverage analysis has taken place, negotiation, settlement and reserving of litigated and non-litigated claims from inception to conclusion.

### [REDACTED], Back-Up Adjuster

[REDACTED] has been an employee-owner since 2010. We recommend [REDACTED] on the City's program due to his extensive knowledge in both the public entity sector and with police claims. [REDACTED] background includes time as a police officer and 13 years claims handling experience. [REDACTED] is also bilingual (Spanish). He will be the back-up adjuster in the event [REDACTED] needs assistance or is unavailable.

[REDACTED]  
[REDACTED] has been an employee-owner since 1995 and will continue to provide clerical support for the adjusters on the City's program.

Please refer below for resumes of the aforementioned technical personnel.



[REDACTED]  
**Public Entity Service Leader/Corporate Secretary**  
**Employee Owner Since 1983**

### EXPERIENCE

- Currently oversees many of Carl Warren & Company's Southern California public entity clients.
- Over 30 years experience handling and supervising claims.

### WORK HISTORY

- 1983 - Present      Carl Warren & Company  
*Public Entity Service Leader, Claim Supervisor, Adjuster*
- Current Supervisor for City of Costa Mesa (1988 - Present), City of Newport Beach (2001 - Present), County of Imperial, Imperial County Schools JPA, LA County Sanitation District, Orange County Sanitation District, City of Newport Beach and for some member cities of California Joint Powers Insurance Authority (CJPIA)
  - Prior work experience includes adjusting work for OCRMA (Irvine, Laguna Beach, San Clemente, Tustin, etc.)
- 1978 - 1983      Nationwide Insurance  
*Multi-Line Adjuster (all personal & commercial lines)*

### EDUCATION

- Orange Coast College - Associate Degree
- UC Berkeley - BS Business Administration
- Nationwide Insurance Basic School 1978
- Nationwide Insurance Material Damage School 1979
- Nationwide Insurance Fire School 1980
- Employment Practices Liability/ Government Tort Liability



[REDACTED]  
**Claims Adjuster - Placentia, CA**  
**Employee Since 1990**

**EXPERIENCE**

- 29 years insurance industry claims adjusting experience, 22 years in public entity.
- Investigates and manages a wide variety of claims against public entities including: bodily injury claims (auto-traffic/trips and falls/wrongful death); Civil Rights claims (ADA/discrimination/false arrest/wrongful imprisonment/ excessive force/ sexual harassment); property damage claims (auto/ sewer backups/ falling trees/ tree root claims/ and inverse condemnation).

**WORK HISTORY**

- 1990 - Present      Carl Warren & Company  
*Claims Adjuster - Account Administrator*
- Claims Investigator, handler and loss run tracker for the City of Costa Mesa (since 2004); Public Entity clients currently include City of Costa Mesa and the Cities of Duarte, Hawaiian Gardens, San Marino, Lake Elsinore, La Verne, Irwindale, Needles, Apple Valley, Loma Linda, Temple City and Laguna Hills.
- 1987 - 1990      Elite Investigations  
*Claims Adjuster*
- Claims investigation and management for several large national coinsurance carriers and self-insured companies.
- 1983 - 1987      California Indemnity Consultants  
*Claims Adjuster*
- Claims investigation with a strong emphasis on fraud for various insurance carriers such as State Farm, Fireman's Fund, Ohio Casualty and Wawanesa.

**EDUCATION**

- Bachelor of Arts, University of Michigan
- Master of Arts, University of Michigan

**MEMBERSHIPS & REGISTRATIONS**

- California Licensed Private Investigator, #009494 - Current
- California Association of Independent Insurance Adjusters



[REDACTED]  
**Back-Up Claims Adjuster - Placentia, CA**  
**Employee Since 2009**

**EXPERIENCE**

- Makes initial contacts upon receipt of a claim, sets reserves and conducts investigations including, but not limited to, recorded interviews of all parties and witnesses.
- Conclude claim through litigation if necessary and monitor defense counsel; obtain settlement authority, review billings for accuracy, and account for all file expenses.
- Negotiates settlement of bodily injury claims.
- Directs the defense of litigated files and made appearances at court hearings, including mediations, arbitration and mandatory settlement conferences.

**WORK HISTORY**

- 2009 - Present      Carl Warren & Company  
*Claims Adjuster*
- 2006 - 2009        21<sup>ST</sup> Century Insurance  
*Claim Supervisor*
- Oversaw operational aspects of claims branch. Responsible for hiring and monitoring performance. Reviewed files over Manager authority.
- 1999 - 2006        AIG Personal Lines Claims  
*Unit Manager, Senior Claims Representative & Claims Unit Representative/Special Investigations Unit*
- Managed field representatives, appraisers and casualty adjusters, including theft/fire specialist, some handling a pending of 100 to 150 files. Completed AIG Material Damage Assessment training.

**ADDITIONAL EXPERIENCE**

- Fluent in English & Spanish.
- Police officer experience which includes patrol and canine handler. The handler training program covered basic and advance obedience, criminal apprehension, building and area searches, handler and vehicle protection, and article recovery. Additional courses included narcotics detection which trained the canine in scent association.

**EDUCATION**

- Certification through Wicklander-Zulawski interview and interrogation techniques.
- Rio Hondo Police Academy Graduate.
- Currently enrolled to be certified as a Senior Claim Law Associate.



## QUALIFICATIONS

### History of Firm

Carl Warren & Company was founded in Los Angeles, California, in 1944. Originally, an independent adjusting company specializing in liability claims, we have subsequently developed into one of the preeminent claim administration firms in terms of quality in the country. Many view us as a specialized firm where personalized service, attention and customized solutions are the key to our success.

In 1973, our firm began to serve the needs of self-insured organizations, starting with California's public entities. Within a few years, working as a TPA had become our primary focus and we now manage self-insured programs from coast to coast. In 1975, the company decided to become an entirely employee-owned corporation, using an Employee Stock Ownership Plan (or ESOP) to accomplish this. That ESOP now owns 100% of the company and is participated in by all of our employees.

### Description of Firm

Carl Warren & Company has over 300 employee owners on staff to assist in the adjusting and investigation of claims. Our adjuster's average 17 years experience in the industry. We have a stable workforce with 97% employee retention. A stable work force provides consistent claims handling and account management and equates to a high level of client retention. Our client retention is 98% over the last four years.

### Awards/Recognitions

- SSAE 16 Audit Compliant
- 2012 California/Western States Chapter ESOP Company of the Year 
- Recommended by A.M. Best 
- Award of Excellence for Civil Litigation - Los Angeles County Sheriff's Department
- 2010 Best Places to Work in Insurance 

### Public Entity Experience

Carl Warren & Company has been administering claims for public entities for over 60 years. We administer claims for more than 195 cities and all other types of public entities throughout the country. We are extremely proud of the fact that several cities have been clients since the 1970's. We know that dedicated clients like these enjoy an excellent working relationship



which will continue well into the future. In addition, we have been handling the City of Costa Mesa's liability claims since 1978.

Over 60% of our business in California is with public entities and we have been providing liability claims services within the state for close to 40 years. This experience and expertise is a necessary element in the successful handling of claims. Claims that we handle for these public entities include, but are not limited to, employment practices, property damage, personal injury, bodily injury, sexual harassment, transit, marine, inverse condemnation and civil rights claims. Our municipal/governmental entity client base includes: cities, counties, transit systems, school districts, joint powers authorities, pools, water districts, sanitation districts, port authorities, airports, fire districts & police districts.

### Subcontractors

All claims handling services are handled in-house. We currently utilize PDA Corporation for auto appraisals and with the City's authorization; we would like to continue utilizing their services.

#### PDA Corporation

██████████, Supervisor  
P.O Box 545  
Brea, CA 92822  
Tel: 714-632-7244  
██

PDA Client Service Center - (800) 872-4732  
Main Switchboard - (800) 749-7324

### Key Staff

With the City's approval, we propose the following staff for the program:

- ██████████ Claim Supervisor/Public Entity Service Leader
- ██████████, Primary Adjuster
- ██████████, Back-Up Adjuster
- ██████████, Clerical Support

Please refer to [Attachment 2](#) at the end of this section for organizational charts for both the Company and for the City's designated team.

### References

The following clients are similar in size and scope to the City and also have claims of a similar nature.



City of Huntington Beach

Client Since 1988

██████████, Risk Manager

2000 Main Street

Huntington Beach, CA 96248

Tel: 7 ██████████ | ██████████

As with many of our other long-term clients from the 1970's, the City of Huntington Beach comprised a triumvirate with Costa Mesa and Newport Beach that pooled their information for contract outsourcing. Through the years, this was a way to save on duplication, lower expenses and maximize the depth of shared risk information where the three Cities had overlapping interests or where they faced similar risks. We are pleased to have been a part of Risk Administration for these Cities over the past 10 to 30+ years.

City of Newport Beach

Client Since 2001

██████████, Risk Manager

3300 Newport Blvd.

Newport Beach, CA 92658

Tel: ██████████ | ██████████

Carl Warren & Company has been the primary and only Third Party Liability Claims Administrator for the City of Newport Beach since 2001, providing the full service handling of claims, the tracking of loss and expense information via the Loss Run and the monitoring and direction of defense counsel on litigation matters while working in conjunction with the City Attorney's Office. We continue to provide full investigatory services for both the smallest and the largest claims filed with the City on a daily basis, and to provide a professional assessment of those matters following our investigation with a clear pathway to the resolution or defense of same.

City of Garden Grove

Client Since 1984

██████████, Risk Management/Finance

11222 Acacia Parkway

Garden Grove, CA 92842

Tel: ██████████ | ██████████

The City of Garden Grove is one of our long-term clients and has been using Carl Warren & Company for a full range of Third Party Claims Administration Services for 28 years. At the client's request we perform investigations, evidence gathering, reporting and risk analysis. These functions are memorialized in a loss fun that can easily be accessed by Risk Management for trends, historical data and other analysis as may be required.



## FINANCIAL CAPABILITY

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Carl Warren & Company's D&B Supplier Evaluation Report shows that we have a Supplier Risk Score of 1, the lowest risk.

Carl Warren & Company has been selected by the California / Western States Chapter of The ESOP Association as the 2012-13 Company of the Year. This award recognizes an ESOP company from the entire region, comprised of California, Nevada, Utah, Arizona and Colorado, for excellence in a plethora of categories including communication, employee & customer retention, business success, values and integrity, community service, sustainability, education and encouragement of ownership attitudes.

Our ESOP was created in 1975. Since then, management has exercised due care and proper conservative investment practices which have resulted in the extraordinary financial strength and stability of the ESOP. The majority of earnings are committed to the funding of the ESOP for perpetuity, remaining within the Company as retained earnings.

Carl Warren & Company is incorporated as a subchapter S corporation, owned entirely by the Carl Warren & Company Employee Stock Ownership Plan (ESOP). As an ESOP, one of the Company's primary endeavors is to fund the stock repurchase obligation of the ESOP, which fluctuates annually based on the actuarial mix of retiring employees, deaths, disabilities and other statutorily required distribution provisions ("triggers"). The funding of the ESOP is accomplished via cash contributions to the ESOP plan. As a subchapter S corporation, the liability for taxes is deferred to the shareholders, which is the ESOP, a qualified pension plan. Thus, Carl Warren & Company's contributions to the ESOP are a deductible business expense, and as the recipient is an ESOP, no taxes are payable until the funds are paid to the individual ESOP participants at retirement. Additionally, Carl Warren & Company pays its current employees bonuses based upon results achieved on a pre-ESOP funding and pre-bonus payout basis. This approach is used to motivate current employees and is part of their total compensation.

As a Third Party Administrator we are often named as a third party in lawsuits, but there are no pending lawsuits directly against Carl Warren & Company.

Please refer to [Attachment 3](#) at the end of this section for a copy of Carl Warren & Company's most recent audited financial statements.



## DISCLOSURE

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As the incumbent Third Party Administrator, Carl Warren & Company's designated team interacts with the staff on a regular basis. Our staff has not discussed this Request for Proposal with any City staff.

The business relationships in place and individuals that our team communicates with are:

- [REDACTED]
- [REDACTED]
- [REDACTED]

## ACCEPTANCE OF AGREEMENT

---

We have reviewed Appendix B, the Professional Services Agreement, and accept all content in this form.

# PRICING PROPOSAL FORM

## THIRD PARTY LIABILITY CLAIMS ADMINISTRATION

Provide hourly rates, along with estimated annual pricing in accordance with the City's current requirements, as set forth in section 3 Scope of Work. Also provide your firm's proposed Staffing Plan on a separate sheet of paper. Proposer should use a separate form to state pricing for any added value.

Pricing shall remain firm for a minimum of two (2) years. Any and all requests for pricing adjustments for follow-on contract renewal periods shall be provided no later than sixty (60) days prior to the end of the contract period. Any such proposed price adjustments shall not exceed The Bureau of Labor Statistics Consumer Price Index (CPI) data for Los Angeles-Riverside-Orange County, CA, All Items, Not Seasonally Adjusted, "annualized change comparing the original proposal month and the same month in the subsequent year. (This information may be found on the U.S. Department of Labor's website at [www.bls.gov](http://www.bls.gov).)

Employee	Hourly Rate	Hours worked	Total Cost	Overtime rate
Supervisor	\$ 60.00	80	\$4,800	\$ N/A
Primary Adjuster	\$ 54.00	290	\$15,660	\$ N/A
Back-Up Adjuster	\$ 54.00	156	\$8,424	\$ N/A
	\$			\$
Overhead	\$		\$10,109.40	\$
	\$			\$

Total Estimated Annual Price	\$ 38,993.40
Flat Fee Per Month	\$ 3,250.00

**ADD ANY ADDITIONAL COST PROPOSAL SHEETS HERE**

# **Attachment 1**

## **Sample Stewardship Report**



## **Attachment 2**

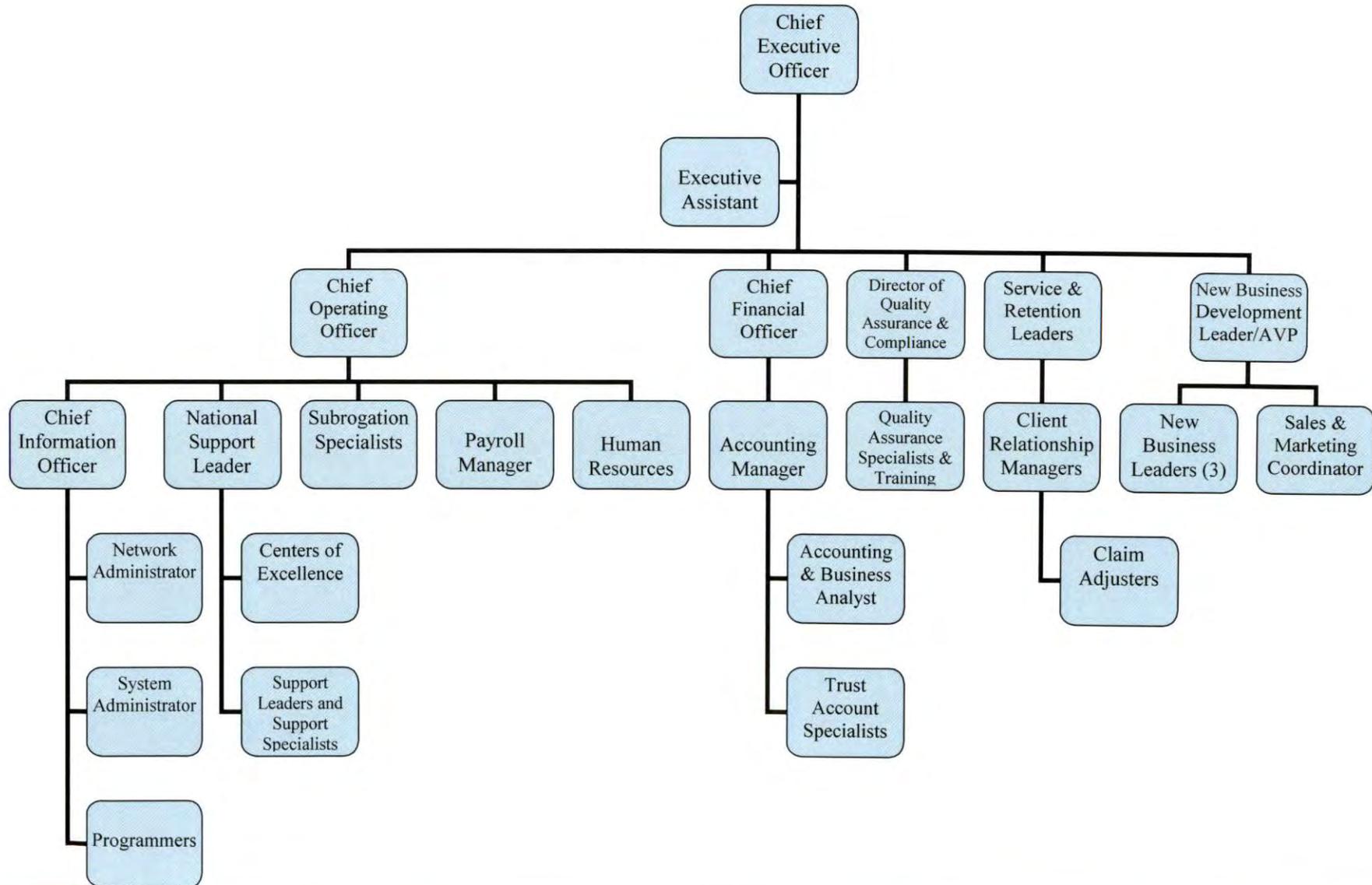
# **Organizational Charts**



**CARL WARREN & COMPANY**  
Claims Management and Solutions

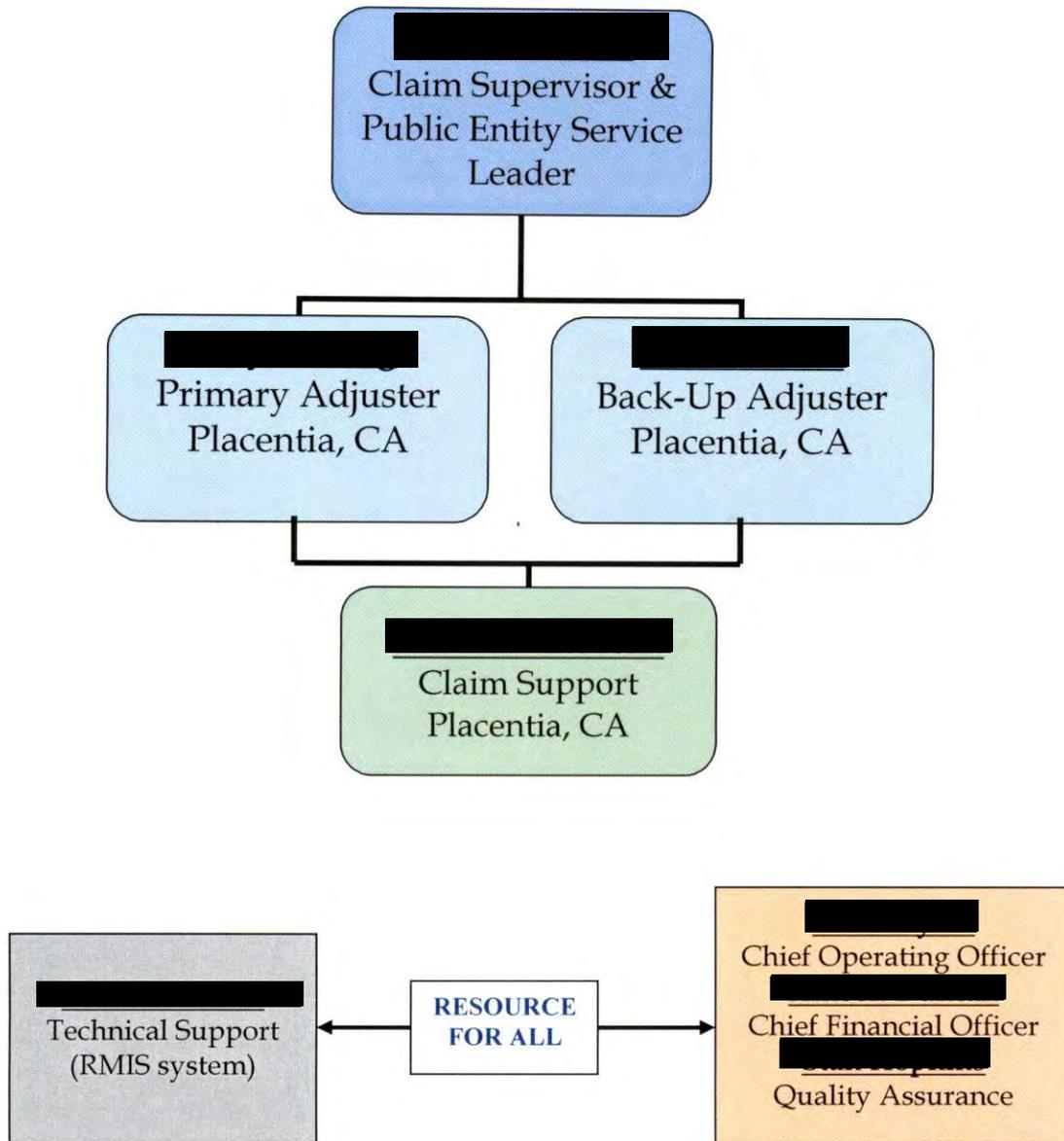


**Company Organizational Chart**





**Key Personnel for the City of Costa Mesa**



**Attachment 3**

**Audited Financial Statements**

**CONFIDENTIAL & PROPRIETARY**

**CORVEL ENTERPRISE COMPANY  
INC.**



# CORVEL

October 18, 2012

City of Costa Mesa  
77 Fair Drive  
Costa Mesa, CA 92626  
Attn: [REDACTED]

Dear [REDACTED]

CorVel is pleased to submit a response for the City of Costa Mesa's Request for Proposal for Third Party Liability Claims Administration services. We currently provide services for hundreds of clients including cities, counties, transit agencies and school districts.

We have 17 years of extensive experience working with the City on your workers' compensation program and are eager to expand our partnership through the management of City's liability claims. The Adjusters who will be assigned to your account have more than 20 years of experience and will be available 24/7 to assist the City for any needs or concerns. We are confident that we can satisfy the City's unique needs as our experience in working with municipalities has given us a broad understanding of the types of claims the City receives and the expertise needed to investigate and adjudicate the claim. Our program encompasses liability claims handling, property adjusting, litigation management, risk management program analysis and Medicare CMS reporting.

CorVel's expertise includes unparalleled property and liability claims management services with the primary goal of case resolution. We carefully consider the cost/benefit ratios of continuing aggressive claims handling techniques versus the cost of effecting claim economic settlement resolution. Opportunities to achieve case resolution that may have been previously overlooked by other vendors are often identified during our initial file review and can result in significant savings for the City.

Our innovative claims administration system will provide the City with online, direct access to your liability claims data and provide you with the reports necessary to monitor program goals. We welcome the opportunity to demonstrate our property and liability claims administration services which will provide the City significant savings along with timely processing and superior personal service.

[REDACTED] will serve as the primary contact for this proposal shall any communication or questions arise. He is available via telephone at [REDACTED] or through email at [REDACTED]

# CORVEL

Thank you again for your consideration.

*The proposal price will be valid for a period of at least 90 days.*

Sincerely,

[Redacted Signature]

[Redacted Name]

Secretary

[Redacted Signature]

[Redacted Name]

Vice President, Liability Services

CorVel location nearest to Costa Mesa,  
California:

2010 Main Street, Suite 600  
Irvine, CA 92614

P: [Redacted]

F: 949-851-1469

CorVel's servicing location for the City's  
account:

10750 4<sup>th</sup> Street, Suite 100  
Rancho Cucamonga CA 91730

P: [Redacted]

F: 866-430-4202



**REQUEST FOR PROPOSAL**  
***THIRD PARTY LIABILITY CLAIMS ADMINISTRATION***  
**VENDOR APPLICATION FORM**

TYPE OF APPLICANT:             NEW             CURRENT VENDOR

Legal Contractual Name of Corporation: CorVel Enterprise Comp, Inc.

Contact Person for Agreement: [REDACTED]

Corporate Mailing Address: 2010 Main Street, Suite 600

City, State and Zip Code: Irvine, CA 92614

E-Mail Address: [REDACTED]

Phone: [REDACTED] Fax: [REDACTED]

Contact Person for Proposals [REDACTED]

Title: Vice President, Liability Services E-Mail Address: ed\_burnette@corvel.com

Business Phone: [REDACTED] Business Fax: 909-687-8402

Is your business: (check one)

- NON PROFIT CORPORATION             FOR PROFIT CORPORATION

Is your business: (check one)

- CORPORATION             LIMITED LIABILITY PARTNERSHIP  
 INDIVIDUAL             SOLE PROPRIETORSHIP  
 PARTNERSHIP             UNINCORPORATED ASSOCIATION

**Names & Titles of Corporate Board Members**

(Also list Names & Titles of persons with written authorization/resolution to sign contracts)

Names	Title	Phone
[REDACTED]	CEO and President	[REDACTED]
[REDACTED]	Secretary	[REDACTED]
[REDACTED]	Treasurer	[REDACTED]
_____	_____	_____
_____	_____	_____
_____	_____	_____

Federal Tax Identification Number: [REDACTED]

City of Costa Mesa Business License Number: CorVel will obtain a Costa Mesa business license upon award of contract

(If none, you must obtain a Costa Mesa Business License upon award of contract.)

City of Costa Mesa Business License Expiration Date: N/A

# CorVel's Response to



# Third Party Liability Claims Administration

October 18, 2012

## Background and Project Summary



**CORVEL**

[www.corvel.com](http://www.corvel.com)



# TABLE OF CONTENTS

Executive Summary ..... 3

    Background and Project Summary Section..... 4

    Methodology Section ..... 5

    Staffing ..... 10

    Qualifications ..... 11

    Financial Capacity ..... 14

    Fee Proposal..... 15

    Disclosure..... 15

    Sample Agreement ..... 15

    Checklist of Form to Accompany Proposal ..... 16

Attachments..... 17



CorVel offers an outcomes-based approach to claims administration specifically designed to tackle the problems that have plagued the liability industry: the typically adversarial environment for the claimant, sluggish communication and inefficient workflows throughout the process, and a lack of access and transparency to critical information. All of these factors can take a financial toll on companies and CorVel addresses each one with technology, intelligence and a human touch.

### **A fully connected solution**

We manage liability claims every step of the way – from claims receipt, file documentation and investigation to litigation management. Our Liability Adjusters average over 20 years of experience and utilize proven best practices to achieve improved results that will cut the City's costs. By focusing on a long-term partnership, it is our goal to establish collaborative, strategic processes that are measurable and meet the specific needs of our customers.

### **Being connected matters**

CorVel recognizes the significant costs that claims involving injury and/or property damage can cause the City and is uniquely positioned as the ideal partner in managing these exposures. CorVel's approach to liability claims management is to control claims costs recognizing that the most costly claims are those involving injuries.

Our proactive service model allows more control over the City's claims program by expediting early claim closure which will reduce the total cost of claims. Our innovative liability program includes government tort handling, prompt investigations and liability determinations, early assessment of government immunities, medical management, and careful litigation management with goals of final resolution and case closure. By applying all these elements at the onset of the claim, we can reduce paying settlements and provide appropriate claim denials.

CorVel carefully considers the cost/benefit ratios of pursuing economic settlement resolutions compared to incurring litigation expenses which can increase the overall cost of the claim.

### **The CorVel difference**

The utilization of our prompt claim handling, in-depth knowledge and investigative experience from the onset of the claim, will significantly reduce your costs including administrative fees, litigation fees and reserve savings. From initial claim prioritization through resolution, CorVel is the most comprehensive solution for your liability claims administration program. CorVel's innovative services will assist the City in managing your risk and stay ahead of your costs.



- **Background and Project Summary Section**

The Background and Project Summary Section should describe your understanding of the City, the Scope of Work for the project, and the objectives to be accomplished.

**Please see Attachment A: CorVel's Response to the City's Scope of Work.**



- **Methodology Section**

Provide a detailed description of the approach and methodology to be used to accomplish the Scope of Work of this RFP. The Methodology Section should include:

1. An implementation plan that describes in detail (i) the methods, including controls by which your firm or entity manages projects of the type sought by this RFP; (ii) methodology for soliciting and documenting views of internal and external stakeholders; (iii) and any other project management or implementation strategies or techniques that the respondent intends to employ in carrying out the work.

During implementation, CorVel will develop an account management plan which contains the City's specific requirements to ensure CorVel's solution is tailored to the exact needs of the City. The document will be reviewed and signed by the City and CorVel to ensure there is a complete understanding of the service and program deliverables. Next, the City's account management plan and special handling instructions are uploaded and maintained in our claims system to ensure all stakeholders are aware of the program deliverables to ensure compliance and quality.

#### **Control Methods for Implementation**

The City's designated Account Manager, [REDACTED], will ensure that all components of implementation and service delivery are being delivered and all expectations are being met. Upon notification of any issues, [REDACTED] will work with the appropriate parties to resolve the issue. [REDACTED] will also keep the City fully informed of the status and plan for resolution. All quality assurance measures and best practices will be reviewed during formal claim review meetings. At CorVel, we are committed to providing quality services that exceed customer expectations and add value to the partnership.

#### **Methodology for Documenting Views**

CorVel considers quality management a priority and uses our quality management process to place an emphasis on superior service delivery.

The Quality Assurance (QA) Program is administered and evaluated within the Corporate and Regional operations offices. It focuses on the assessment of activities, functions and standards impacting the delivery of CorVel services.

Our customers dictate the value of our service and are our primary quality auditors. It is through our employees, systems capabilities and innovative products and services that we will exceed your expectations.

#### **Additional Project Management Strategies**

CorVel will utilize the core principals of quality assurance and project management for the City's program, beginning with implementation through continued account management.



Utilizing project management methodologies, CorVel and the City will work together to develop strategies, structure, processes and resources for implementation.

The plan will consist of major implementation categories and is separated into a pre and post implementation timeline, which includes the task owner and tracks ongoing program deliverables such as task status and date for completion.

Based on the implementation plan, CorVel will develop an account management plan which contains the City's specifications, including a special handling section to ensure CorVel's solution is tailored to the exact needs and specifications of the City. The document will be reviewed and signed by the City and CorVel to ensure there is a complete understanding of the service and program deliverables. Next, the City's account management plan and special handling instructions are uploaded and maintained in our claims system to ensure all stakeholders are aware of the program deliverables to ensure compliance and quality.

The City's designated Account Manager will ensure that all components of implementation and service delivery are being delivered and all expectations are being met. Upon notification of any issues, the Account Manager will work with the appropriate parties to resolve the issue. The Account Manager will also keep the City fully informed of the status and plan for resolution. All quality assurance measures and best practices will be reviewed during formal claim review meetings. At CorVel, we are committed to providing quality services that exceed customer expectations and add value to the partnership.

Please see Attachment B: Sample Implementation Plan.

2. Detailed description of efforts your firm or entity will undertake to achieve client satisfaction and to satisfy the requirements of the "Scope of Work" section.

CorVel's best practices include consistent and effective communication with all parties involved on a claim. Such communication is a key philosophy that results in timely, improved medical outcomes.

### Initial Meeting

The first step in the partnership will begin with an initial meeting that will center on discussions about our new relationship, expectations, claims administration program and other topics as requested by the City. The Account Manager and the designated account management team will invest significant time and resources to completely understand the City's industry, business strategies, policies and overall business so we can serve as an extension of your organization to all constituents.



### Internal Communications

CorVel will create internal communications in regards to the City's account management plan, which contains the City's Special Account Instructions. These requirements will be uploaded to our claims management system which will be accessed nationally by the account management team. This will ensure that all account management personnel are aware of program deliverables and expectations, allowing us to provide consistent service to all locations, tailored to the exact needs and specifications of the City.

### Ongoing Communication

Ongoing, proactive communication will be maintained with the City and related parties to ensure that all components of service delivery are being delivered and that all expectations are being met. The Account Manager will be the main point of contact for the City who will provide support for your day-to-day needs. In addition, quarterly or annual stewardship meetings will be performed to discuss program outcomes, goals and areas of opportunities for program enhancement.

Please see Attachment A: CorVel's Response to the City's Scope of Work.

3. Detailed project schedule, identifying all tasks and deliverables to be performed, durations for each task, and overall time of completion, including a complete transition plan. Include your plan to deal with fluctuation in service needs and any associated price adjustments.

Four weeks prior to contract commencement date, CorVel representatives will meet with representatives of the City. A thorough discussion of reporting and operational procedures will be undertaken, as well as a general discussion concerning the City's liability claims philosophy.

Introduction of the liability claims staff and the City will occur, as well as the exchange of appropriate operational forms and instructions regarding their use. A clear understanding of all policies and procedures will be established so that claims handling will be efficient, cooperative and in accordance with the City's policies.

Once the liability claims administration contract is executed, CorVel will begin the transition process.

The following is a week-by-week timeline of a typical account transition:

#### Week 1

- Meet with the City officials to discuss transition plans, implement policies and procedures and execute TPA contract.
- Secure loss runs of existing files to review from TPA.
- Discuss the data conversion process with the incumbent TPA and the City.



### Week 2

- Continue to work on data conversion.
- Create a letter for claimants and vendors announcing the change to CorVel and the effective date of the change from incumbent TPA.
- Set up trust account.

### Week 3

- Initiate transition with the City in accordance with usual and customary practices in the industry including the following:
- Physical transfer of the City's claim files, electronic data and all other documents necessary to facilitate a smooth transition.
- All boxes should be numbered and have a corresponding inventory list.
- Incumbent TPA will provide a hard copy of the final claims register to CorVel.
- Forward all mail to CorVel from the incumbent TPA.

### Week 4

- Claim files will be delivered/picked up by CorVel from incumbent TPA.
- Claim files will be reviewed and audited by Account Claims Manager.
- Claims will be entered into the data processing system.
- TPA services to be initiated.

Please see Attachment C: Sample Transition Plan.

4. Detailed description of specific tasks you will require from City staff. Explain what the respective roles of City staff and your staff would be to complete the tasks specified in the Scope of Work.

CorVel requires a close partnership with our clients during the transition and implementation process. Transition to liability claims management program will include a detailed project plan, timeline for completion and milestones that includes the roles of CorVel staff. A successful completion of each transition phase with specific communication will take place between our organizations.

Throughout the process, we will have intermediate conference calls with the City's key contact personnel to ensure we all agree on the timeline and deliverables. Ongoing personal commitment sessions will help to ensure that all parties are responsible and accountable for their deliverables. We will ensure ongoing and efficient communication with the City throughout the entire process to result in an effective implementation process.



5. Proposers are encouraged to provide additional innovative and/or creative approaches for providing the service that will maximize efficient, cost-effective operations or increased performance capabilities. In addition, the City will consider proposals that offer alternative service delivery means and methods for the services desired.

**CorVel has worked with several of our clients providing mitigation efforts to reduce claim costs. A few areas that have been effective is through the use of Nurse Case Managers to review medical records to determine if the causation of the injury related to the treatment provided by the hospital and doctors. We have found this helpful on larger claims for argument with opposing counsel. In addition, use of Alternate Dispute Resolution and Voluntary Settlement Conferences can cut down legal expenses through a faster negotiation process. Structured settlements have also been effective with minor claims and opposing counsel since legal fees often delay the settlement process.**



- **Staffing**

Provide a list of individual(s) who will be working on this project and indicate the functions that each will perform and anticipated hours of service of each individual. Include a resume for each designated individual.

**CorVel will ensure the highest level of customer service and staffing. The following personnel will continue to work on the City's account:**

- [REDACTED], Vice President Liability Services
  - Functions performed: Currently manages the National Liability and Property Claims Administration program.
  - Hours of service: [REDACTED] will be available to the City of Costa Mesa 24/7.
- [REDACTED], Claims Supervisor
  - Functions performed: Currently handles all aspects of Auto BI/PD investigation and claim handling for a National account
  - Hours of service: [REDACTED] will be available to the City of Costa Mesa 24/7.
- [REDACTED], Senior Liability Adjuster & Account Manager
  - Functions performed:
    - Claims investigation and adjusting for public entity liability claims, including excessive force claims, employment related claims, common carrier claims and dangerous condition of public property claims.
    - Trial preparation and litigation management through trial
  - Hours of service: [REDACTED] will be available to the City of Costa Mesa 24/7.
- [REDACTED], Claims Assistant
  - Functions performed:
    - Assists and supports the claims staff in the set-up and administration of workers' compensation claims/case management and other tasks depending on the specific needs of the customers.
    - Hours of service: [REDACTED] will be available to the City of Costa Mesa between the hours of 7:30 AM – 4:00 PM, Pacific Standard Time.

**Please see Attachment D: Resumes.**

Upon award and during the contract period, if the contractor chooses to assign different personnel to the project, the Contractor must submit their names and qualifications including information listed above to the City for approval before they begin work.

**Should there be a need to make changes to the City's project team, we agree to provide the City with the required information for approval before the individual begins work.**



- **Qualifications**

The information requested in this section should describe the qualifications of the firm or entity, key staff and sub-contractors performing projects within the past five years that are similar in size and scope to demonstrate competence to perform these services. Information shall include:

Names of key staff that participated on named projects and their specific responsibilities with respect to this scope of work. Please include an organizational chart that reflects the titles of key staff and management contacts of each individual assigned to provide services under this contract.

**The City will continue to work with the following personnel on your program:**

- [REDACTED], Vice President Liability Services
  - Responsibilities:
    - Oversees all personnel aspects involved with staff assigned to the City account
    - Maintains availability to the City Risk Management team for account management functions for general liability claims
    - Acts as liaison between corporate office and the City for any billing issues, RIMS questions and loss control areas
- [REDACTED], Claims Supervisor
  - Responsibilities
    - Review all incoming claims, received by mail, fax, e-mail or phone and assign to handling adjuster
    - Review all incident/accident reports prepared by claimants – set up precautionary file when warranted, based on nature of incident, potential liability exposure, severity of injury or contact by City personnel concerning the filing of a potential claim.
    - Point person for account's staff, handle telephone inquiries and questions
    - Review loss runs monthly
    - Performs open claim reviews as requested by clients, preparing reports and attending subsequent claims review meeting with client personnel
    - Assist clients regarding the use or establishment of trust accounts
    - Assist clients with completion of accident reports, government code notices and statutes, loss run information, loss control and safety issues
    - Review all outgoing dictated correspondence and reports for accuracy
    - Review SIR Audit sheets on all SIR closed files to confirm amounts paid
    - Identify and report trends to clients regarding their loss experience
    - Maintain close working relationships with all clients and staff



- [REDACTED], Senior Liability Adjuster & Account Manager
  - Responsibilities
    - Responsible for receiving, reviewing, recommending accepting or denial of tort liability claims including property and personal claims filed against the City of Costa Mesa.
    - Conduct field investigations to determine the circumstances involved in claims against the City of Costa Mesa.
    - Prepare investigative reports of findings for the City of Costa Mesa.
    - Make recommendations to the City of Costa Mesa as to how a claim should be handled and the City of Costa Mesa's options involved with the claim.
    - Evaluate claimant medical reports and specials to determine extent of damages, evaluate merit of claims, medical treatment and/or specials and make recommendations to the City of Costa Mesa as to damage issues.
    - Maintain accurate and valid reserving on liability files.
    - Consult with defense counsel to prepare cases for litigation.
    - Attend Mandatory Settlement Conferences (MSCs), Voluntary Settlement Conferences (VSCs) and Mediations.
    - Review and process Defense Counsel invoices, review and process other vendor invoices as a result of litigation.
- [REDACTED], Claims Assistant
  - Responsibilities
    - Sets up new claims
    - Process mail, handle files (until paperless), and input notes/diary entries in the claims system
    - Process payments, as needed
    - Process form letters, state forms and reports
    - Assist claims examiners with telephone calls including provider, claimant and customer calls

Please see Attachment E: Organizational Chart

A summary of your firm's or entity's demonstrated capability, including length of time that your firm has provided the services being requested in this Request for Proposal.

CorVel has over 30 years of overall experience, with more than 17 years managing the City of Costa Mesa's workers' compensation claims. We have been administering liability self-insured plans since 2004. As an industry leader in liability solutions, we offer innovative claims management services, investments in technology, proprietary software and quality service models which all combine to create a national comprehensive service capability.



Throughout the years, CorVel has enjoyed long-term relationships with many of the largest and most innovative payors in the nation. Using the experience gained in those relationships, our entire client base is able to take advantage of the pooled insights of many of the leaders in the liability industry.

Our continued partnership has allowed CorVel to gain a strong understanding of the City’s needs, requirements and program goals. We have worked with the City to manage all workers’ compensation claims and look forward to the opportunity to establish a liability program for the City.

Provide at least three references that received similar services from your firm. The City of Costa Mesa reserves the right to contact any of the organizations or individuals listed. Information provided shall include:

- o Client Name
- o Project Description
- o Project start and end dates
- o Client project manager name, telephone number and e-mail address.

Company Name	Project Description	Start and End Dates	Contact Name	Address	Phone	Email
City of Montebello	Liability Claims Administration	2006 – Present	[REDACTED], Human Resources Director	1600 West Beverly Blvd. Montebello, CA 90640	P: ([REDACTED]) F: (323) 887-1443	[REDACTED]
Access Services	Liability Claims Administration	2008 – Present	[REDACTED]	3449 Santa Anita Ave. El Monte, CA 91731	(213) [REDACTED]	[REDACTED]
ASCIP	Liability Claims Administration	2004 – Present	[REDACTED] Chief Operations Officer	12621 166 <sup>th</sup> St Cerritos, CA 90703	(562) 4-[REDACTED]	[REDACTED]



- **Financial Capacity**

Provide the Proposer's latest audited financial statement or other pertinent information such as internal unaudited financial statements and financial references to allow the City to reasonably formulate a determination about the financial capacity of the Proposer. Describe any administrative proceedings, claims, lawsuits, or other exposures pending against the Proposer.

CorVel has over 30 years of experience as a national provider of healthcare management solutions to employers, third party administrators, insurance companies and government agencies. We are publicly traded on NASDAQ (CRVL) and annual revenues exceeded \$400 million in 2011. Our continued customer growth is a testament to our financial stability and our significant investments in new systems and technologies allows us to continue to deliver industry-leading solutions to the marketplace.

CorVel's financial references include the following:

**Wells Fargo**

██████████  
Vice President & Senior Relationship Manager  
Portland Commercial Banking  
Phone: ██████████  
Fax: 503-886-2039  
Email: ██████████

**Bank of America**

██████████  
Area Vice President  
Sales Support  
333 S. Hope St., 13th Floor  
Los Angeles, CA 90071  
Phone: ██████████

There has not been any investigatory or regulatory action undertaken against CorVel that would affect CorVel's performance of any duties or responsibilities contemplated by the City other than as disclosed in our publicly-filed financial statements.

Please see Attachment F: 2012 Annual Report.



- **Fee Proposal**

All Proposers are required to use the form in Appendix D to be submitted with their proposal. Pricing instructions should be clearly defined to ensure fees proposed can be compared and evaluated. Proposals shall be valid for a minimum of 90 days following submission.

Please see Attachment G: Pricing Proposal.

- **Disclosure**

Please disclose any and all past or current business and personal relationships with any current Costa Mesa elected official, appointed official, City employee, or family member of any current Costa Mesa elected official, appointed official, or City employee. *Any past or current business relationship may not disqualify the firm from consideration.*

CorVel has maintained a strong professional relationship with the City's Human Resources department for the past 17 years while providing managed care and claims administration services.

- **Sample Agreement**

The firm selected by the City will be required to execute an Agreement for Services (Agreement) with the City. The form of the Agreement is enclosed as Appendix B, **but may be modified to suit the specific services and needs of the City. If a Proposer has any exceptions or conditions to the Agreement, these must be submitted for consideration with the proposal. Otherwise, the Proposer will be deemed to have accepted the form of Agreement.** See Section 13, below.

CorVel agrees and will comply.

Please see Attachment H: Exceptions.



- **Checklist of Forms to Accompany Proposal**

As a convenience to Proposers, following is a list of the forms, included as appendices to this RFP, which should be included with proposals.

- (1) Vendor Application Form
- (2) Ex Parte Communications Certificate
- (3) Price Proposal Form
- (4) Disclosure of Government Positions
- (5) Disqualifications Questionnaire

**CorVel will provide all forms as required by the City.**

**Please see Attachment I: Forms.**



## Attachments

A: Scope of Work

B: Sample Implementation Plan

C: Sample Transition Plan

D: Resumes

E: Organizational Chart

F: 2012 Annual Report

G: Pricing Proposal

H: CorVel's Exceptions

I: Forms

J: Addendum 1

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## Scope of Work



**CORVEL**

[www.corvel.com](http://www.corvel.com)



## TABLE OF CONTENTS

3. Scope of Work.....	3
Assigned Personnel .....	3
Audit.....	4
Program Administration .....	5
Claims Administration.....	9
Investigations .....	14
Litigation Management.....	16
Statistical Reports .....	18
Excess Insurance Reporting .....	20



### 3. SCOPE OF WORK

#### ASSIGNED PERSONNEL

Administrator shall designate a Principal Adjuster to be assigned to this account to act as the primary contact for the City. The City must approve the Principal Adjuster and any other personnel assigned to perform services for the City (hereafter collectively referred to as "assigned personnel"). If for any reason the City finds, in its sole discretion, that the service provided by any assigned personnel is unsatisfactory, the Administrator will agree to assign replacement personnel that must also be approved by the City. Adjusters assigned to the account must have a minimum of five (5) years full time experience as a general liability adjuster and a minimum of three (3) years' experience with public agency liability claims adjusting. Associate in Claims designation is preferred.

CorVel will assign [REDACTED] as the designated Principal Liability Adjuster, with the City's approval, who will serve as the primary contact for the City. We will also provide the following additional experienced staff:

- [REDACTED], Vice President Liability Services
- [REDACTED], Claims Supervisor
- [REDACTED], Claims Assistant

We agree to replace assigned staff if liability claims handling and/or service performance is not satisfactory to the City. However, we respectfully request that the reason for the dissatisfaction be provided and that we allow the staff member 30 days to comply with corrective action. Any change in personnel will be approved by the City.

CorVel adjusters average 15 years' experience managing claims. The liability claims adjusters assigned to the City's account have a minimum of five years of experience, with three of those years spent managing claims for public entities similar to the City. Specifically, [REDACTED] has over 37 years of claims adjusting experience, with 28 of those years serving public entities. We are committed to providing the highest caliber staff to the City's program.



## AUDIT

The Administrator will cooperate with the City and make available any and all claim files and records available for audits. The City will have reasonable access to the necessary portions of the Administrator's facilities, records and files for review or audit purposes.

**CorVel agrees to make the City's claim records and files available for review in our offices with appropriate lead time notification so as not to disrupt the day-to-day claims handling activities of the claims staff. CorVel Supervisors are available for questions and consultation to assist the City or any outside party in their review.**



## PROGRAM ADMINISTRATION

Program administration services shall, at a minimum, include the following:

1. Provide professional and technical staff to perform the services as agreed upon under separate contract with the City and this Request for Proposal.

**CorVel will assign the following experienced professional and technical staff to handle the City's liability claims:**

- [REDACTED], Vice President Liability Services
- [REDACTED], Claims Supervisor
- [REDACTED], Senior Liability Adjuster & Account Manager
- [REDACTED], Claims Assistant

2. Represent the City in all matters related to the set-up, investigation, adjustment, processing, negotiation and resolution of liability claims against the City.

**CorVel will provide a comprehensive liability claims management program and will represent the City in set-up, investigation, adjustment, processing, negotiation and resolution of the City's liability claims. Our Liability Adjusters average over 15 years of experience and utilize proven best practices to achieve better results and higher savings for the City. We provide national support for all lines of coverage including:**

- Auto – trucks, fleets, city vehicles and equipment
- General – bodily injury and property damage claims under government code requirements
- Product – consumer goods, medical devices and other products
- Personal injury – sexual harassment, molestation, discrimination, police and employment claims

**The utilization of our prompt claim handling and investigative expertise at the onset of a claim will significantly reduce your costs including administrative fees, litigation fees, and reserves. By focusing on a long-term partnership, it is CorVel's goal to establish collaborative, strategic processes that are measurable and meet the specific needs of the City.**



3. Inform the City of changes or proposed changes in statutes, rules and regulations and case law affecting the general liability program.

**We stay active in the regulatory environment of our industry by tracking state and federal legislative and regulatory changes that affect any of the services we provide the City. We have a committee that reviews all new and pending legislation and will educate the account management team so they are able to share this information with the City.**

4. Assist in the development of policies and procedures relating to the general liability claims program.

**During implementation, CorVel will work with the City to develop an account management plan that contains the City's policies and procedures, utilizing the core principals of quality assurance and project management for the City's program. CorVel and the City will work together to develop strategies, structure, processes and resources for implementation.**

**Based on the implementation plan, CorVel will develop an account management plan which contains the City's specifications, including a special handling section to ensure CorVel's solution is tailored to the exact needs and specifications of the City. The document will be reviewed and signed by the City and CorVel to ensure there is a complete understanding of the service and program deliverables. Next, the City's account management plan and special handling instructions are uploaded and maintained in our claims system to ensure all stakeholders are aware of the program deliverables to ensure compliance and quality.**

5. Provide information and guidance regarding the general liability program and specified claims.

**In order to provide information and guidance related to the City's liability claims program, CorVel will participate in regular claim review meetings to discuss specific claims and ensure they are being managed appropriately, timely and have a clear plan for closure.**



6. Inform the City of problem areas or trends, both potential and perceived, and provide recommendations and/or solutions to address problem areas or trends.

**To aid the City in the identification of problem areas and to offer recommendations to the City's program, CorVel provides qualitative outcomes reports during quarterly and/or annual customer stewardship meetings. Stewardship reports will be tailored to meet the specific measurements as requested by the City. Stewardship reports are prepared to identify trends, benchmark to government standards and CorVel averages, and identify areas of opportunities for program enhancement.**

7. Provide copies of file correspondence and documentation as requested.

**CorVel will provide copies of file correspondence and documentation as requested by the City. The City will also have online access to all claim files through our online system.**

8. Attend appointments, including but not limited to meetings, conferences, court appearances, and scene investigations at request of the City.

**CorVel will attend all appointments as requested by the City, including City Council meetings in support of defense. We will be available to provide necessary information and answer questions should the attorney desire justification for a denial or clarification concerning a file note.**

**We will also attend appointments such as settlement meetings, conferences and scene investigations at the City's request.**

9. Provide 24-hour on-call service. This can be accomplished by providing the City with a 24-hour phone number, pager, beeper or telephone number for key personnel. The 24-hour on-call service may include, but not be limited to, responding to an incident scene, attending meetings, and conducting investigations.

**CorVel will provide the City with a 24-hour contact number for the City's key personnel to contact CorVel for information regarding response to an incident, attendance of meetings and investigations.**



10. Conduct risk management related seminars for department heads and /or the City staff at request of the City.

**CorVel will conduct ongoing orientation and educational meetings for the City's personnel, including department heads.**

**In addition to our own internal and industry sponsored staff training programs, CorVel will conduct periodic seminars for the City where we review new developments in laws and regulations. These workshop style conferences allow us to share our experiences as well as those of the City, and provide clear, step-by-step advice about liability claims management and reporting procedures.**

11. Maintain and store all hardcopy files for five (5) years after file is closed.

**CorVel maintains all hardcopy files in accordance with the above which requires a third party administrator to store all records at least until five (5) years from the date of injury.**



## CLAIMS ADMINISTRATION

Claims administration services shall, at a minimum, include the following:

1. Create and enter new claim files into the computer within 48 hours of receipt of loss notice from the City.

**CorVel will create and enter new claim files into the computer within 24 hours of receipt of loss notice from the City, exceeding the City's requirement of 48 hours.**

2. Maintain a hardcopy file for each claim.

**CorVel will maintain a hardcopy file for each claim, per the City's requirements.**

3. Review all new claims for liability and provide an assessment of liability the City no later than 30 days from receipt of loss from the City.

**Quality initial claims investigation is the cornerstone of effective claims management. It requires timely and thorough fact gathering, which makes result oriented liability claims management possible.**

**CorVel's claims personnel possess a working knowledge of the requirements of a carrier for reward as outlined in the California Civil Code Sections 2100 – 2104 and the California Government Code. We have an understanding of the requirements to establish liability and/or immunities contained therein. Liability for claims in California are governed by comparative negligence of the involved parties.**

**In addition, CorVel's claims personnel also possess a working knowledge of the California Tort Claims Act, elements of the California Government Code requirements for a dangerous condition of public property along with California Government Code immunities. These immunities may be applicable to slip or trip and fall claims, utility claims, golf course claims, police claims, underground water damage pipe failures and city vehicles incidents.**



CorVel claims personnel have the knowledge to investigate and establish whether the elements for a dangerous condition of public property existed at the time of the incident. This would also include if a dangerous condition existed as to slip, trip and fall, and whether notice of the dangerous condition of public property can be established as required by the California Government Code.

CorVel understands that the City of Costa Mesa is a unique entity and each claim consists of different parameters and thus requires a fresh perspective to be applied on an individual basis. Each separate claim is reviewed for applicable immunities and defenses as they pertain to the City's liability.

CorVel's claims personnel possess expertise in addressing all public entity issues, which begins with probing and providing factual evidence that is relevant to existing statutes and case law.

Upon completion of the initial contacts and investigation, an accurate reserve reflecting the expected cost of the claim is entered into CorVel's system no later than five business days after the initial receipt of the claim. Contact will be made with the claimant on an ongoing basis for maintenance and necessary control.

If a medical evaluation is questioned, an independent medical examination will be scheduled in a timely manner with a qualified physician. The physician will be provided with relevant medical and job information that could affect their evaluation. When the length of disability is questioned, outside surveillance is conducted in order to monitor the physical activities of the claimant.

When settlement is being considered, all medical bills, medical records and documentation of alleged lost wages will be requested from the claimant or directly from the medical providers with prior authorization. Subrogation/contribution potential will be promptly recognized and investigated, preserving required evidence and utilizing experts where needed.

4. Identify and notify possible co-defendants.

CorVel will identify and notify possible co-defendants involved in the City's liability claims.



5. Tender claims to other potentially responsible parties.

**Investigation begins with the determination of fault for the loss. The liable third party carrier or individual would then be sent notice in writing for the amount of damages sustained in the loss and the request for reimbursement. Once all damages have been confirmed, documentation including estimates and photos will be sent out with request for payment of all damages to property. This request is for full and final settlement of the entire claim. If the responsible party is uninsured, the Adjuster will negotiate a settlement with them and set up a payment plan. They will issue and have an installment agreement signed and returned by responsible party. They will be responsible for overseeing the collection of all payments until the settlement is satisfied. Once the subrogation claim is settled, the Adjuster will follow up for the settlement check and insure that it is credited against the claim file.**

6. Process all claims in accordance with the City's instructions and policies.

**CorVel agrees to process all claims in accordance with the City's instructions and policies. We will provide the City with a program tailored to best fit the City's needs and preferences.**

7. At the direction of the City, contact claimant, or their attorney, within five (5) days of receipt of claim and maintain appropriate contact until the claim is closed.

**CorVel will adhere to the City's request to initiate contact with claimants, or their attorney within five (5) days of receipt of claim. We will continue to contact the claimant on an ongoing basis for maintenance and necessary control until the claim is closed.**

8. Review status of claims and adequacy of reserves on all active cases at least every 90 days.

**CorVel agrees to review status of claims and adequacy of reserves on all active cases at least every 90 days. Our Adjusters consider the particular circumstances and government immunities of each claim and will maintain contact with the claimant to create reserves that are current, realistic and based on the probable cost of each claim.**



9. Provide narrative reports to the City when recommending disposition of a claim, when a claim goes to trial, or any other significant events that have or will occur. Reports must be clear and concise and be provided in a format as approved by the City.

**When there is the possibility of settlement of a claim, we will provide the City with an in-depth narrative report and analysis of our options including a cost benefit evaluation and a suggested plan of action in the City's approved format.**

10. Negotiate settlements within authority limits.

**We will negotiate settlements within established authority limits. Our Adjusters are experienced at properly evaluating claims and negotiating settlements.**

11. Obtain a signed release upon settlement of claims.

**CorVel will ensure a signed release is obtained upon settlement of all claims.**

12. Review vendors for appropriateness of work and cost-effectiveness.

**CorVel's software, systems, and staff are direct resources of CorVel. We currently do not outsource or utilize any significant subcontractors with the exception of auto and property appraisals. Auto appraisals are subcontracted to PDA who we have utilized for three years. Property appraisals are subcontracted to Claimspro who we have had a national involvement with for over three years.**

13. Diary all files at appropriate intervals to allow for timely completion of required activity.

**Central to CorVel's claim management system is the automation of the claims management process. Our process allows us to focus resources on the proper claims. This leads to the elimination of the traditional diary system and its attendant delays, lack of attention to deteriorating claims and elimination of mistakes inherent in manual processes.**



Diary dates are established for continued action and follow up as circumstances dictate. When establishing an action plan or providing continued daily updates, the Adjuster inputs the information into the diary system. The Adjuster then triggers a future date that the action will be completed and/or acted upon.

14. Files will clearly and concisely document action taken on the claim.

**In accordance with established best practices and the City's specific claim handling instructions, claim files will contain all correspondence including Adjuster notes detailing all actions taken on the claim.**

15. Telephone calls from the City staff, claimants or claimant's attorneys shall be returned within 24 hours. If the Administrator's appropriate staff member called is not available to return the call within this time frame, another designated staff member shall return the call.

**All telephone calls will be returned within 24 hours of receipt by the appropriate staff member or another designated staff member.**

16. Have translators available to assist with non-English speaking claimants.

**CorVel offers translation services to assist with non-English speaking claimants. Request for services can be made online with quality service providers.**

**Services include:**

- Onsite and telephonic interpretation
- Support for more than 200 languages
- Linguists for recorded statements and appointments
- Translation and transcription of documents
- Sign language services available



## INVESTIGATIONS

Investigative services shall, at a minimum, include the following:

1. Take statement of facts from all claimants when not represented by an attorney or with the attorney's permission. Statements will be preserved by recording or by taking hand written signed statements.

**Quality initial claims investigation is the cornerstone of effective claims management. It requires timely and thorough fact gathering, which makes result oriented liability claims management possible. If warranted by the damage exposure, a recorded or hand written statement will be taken to resolve questions on liability and/or injury. By having a concrete statement in hand, we are able to solidify the facts early on so they do not change in the future. We find this provides substantial benefits when settlement of a case proves adversarial or the case is taken to trial.**

2. As warranted, conduct further investigation of a claim and advise the City when further investigation is deemed warranted. Further investigation may include, but not be limited to, on-site investigation, photographs, interviewing witnesses, verification of damage or loss, taking measurements, obtaining maps/diagrams from the City or other sources, obtaining medical releases, police reports, paramedics reports, marine department or other reports as may be necessary, obtaining building permits or other records as required.

**We will conduct further investigation on a claim as needed. It is CorVel's practice to discuss any outside investigation activities with the City prior to assignment.**

3. If claimant is represented by an attorney, direct all communication to the claimant's attorney regarding the investigation, negotiation, and evaluation of any claims leading to a settlement as may be appropriate.

**CorVel will direct all communication to the claimant's attorney regarding investigation, negotiation and evaluation of any claims leading to a settlement.**



4. Report all Bodily Injury claims to the Index Bureau. Conduct Index Bureau searches for repeat claimants. Conduct additional Index Bureau searches at request of the City.

**All Bodily Injury claims will be reported to the Index Bureau in accordance with the requirements of the City. The claim will be initially indexed upon receipt and re-indexed automatically at six month intervals as long as the claim remains open, or at an interval requested by the City.**

5. Obtain approval from the City before engaging the services of an outside vendor for an investigative assignment.

**It is CorVel's practice to discuss any outside investigation activities with the City prior to assignment.**

6. At the request of the City, investigate inverse condemnation claims.

**CorVel agrees to investigate all inverse condemnation claims at the request of the City.**

7. Arrange, with prior the City approval, for expert services including but not limited to professional photography, independent medical examinations, professional engineering services, and laboratory services.

**CorVel will receive the City's approval before initiating expert services, including professional photography, independent medical examinations, professional engineering services and laboratory services.**



## LITIGATION MANAGEMENT

Litigation management services shall, at a minimum, include the following:

1. As requested by the City, the Administrator shall contact the City Attorney assigned to handle the case and provide any and all information concerning the claim and investigation.

**CorVel will contact the City Attorney assigned to a litigated case and provide any and all information concerning the claim and investigation.**

2. Maintain liaison with the City Attorney's Office and any outside defense counsel and provide such investigation as required during the entire litigation process, including but not limited to additional investigations for pre-trial and trial that may be requested by either the City Attorney's Office or defense counsel.

**CorVel will serve as a liaison between the City Attorney's Office and outside defense counsel. We will provide investigation information throughout the litigation process.**

**Defense counsel activities are monitored to assure that only approved activities are performed by the attorney and costs are controlled. Contact with defense counsel is maintained at a minimum of every 30 days and more frequent contact may be required during active periods of litigation. Diaries are set to reflect the next follow-up and its purpose.**

3. Assist the City Attorney and defense counsel in preparing and/or answering discovery as requested.

**CorVel will assist the City Attorney and defense counsel in preparing and answering discovery.**



4. Assist the City personnel in Small Claims Court actions filed by and against the City, including but not limited to, obtaining witness information, evidence, assistance in preparing the case for trial and appearance at the trial if deemed necessary by the City.

**When notified of a small claims action filed in a liability claim, CorVel immediately advises the City and guides them on for the upcoming appearance to ensure the City's success.**

**CorVel can be a valuable asset by:**

- **Providing a timely copy of the entire claim file where necessary**
- **Providing detailed investigative reports, payments and reserve estimates**
- **Providing a detailed case synopsis including:**
  1. **Issue in dispute**
  2. **Section government code**
  3. **Evidence relied upon**
  4. **Recommendations for handling**
  5. **Statute of limitations toll or procedural rule**
  6. **Theory of liability**

**CorVel will attend hearings in support of defense and to answer questions. We will be available to provide necessary information should the City desire justification for a denial or clarification concerning a file note.**



## STATISTICAL REPORTS

Administrator shall, at a minimum, include the following:

1. Specified standard reports must be received within 10 days after the end of the month/quarter, as mutually agreed upon by the parties.

**CorVel will provide the City with specified standard reports within 10 days after the end of the month/quarter, as agreed upon by CorVel and the City.**

2. Submit monthly reports during the term of the agreement. The monthly reports shall indicate the status and detail of every open claim assigned to the Administrator, including but not limited to the reserves assigned for each claim, summary of each loss by type, department, year, litigation status, and coded as to cause.

**CorVel's claim system identifies injuries by various criteria that can be sorted or converted to the City's claim files and new losses. Several of the basic criteria in which claims can be sorted include:**

- Line of Business
- Adjuster
- Claim Status
- Location
- Claimant Name
- Report Date
- Fiscal Year
- Incident Date
- Policy Year
- Claim Number
- Litigation

**Reports are available in various formats and history periods, including "as of" and actual time. The City can expect to receive standard reports no later than the 10<sup>th</sup> of each month. Standard reports include:**

- Open and closed claims summary report - all years, date of injury, claimant, department, claim number, cause of injury, line of business, etc.
- Open claims summary report
- Check register by check number
- Summary of losses by year
- Annual list of all claims having a total incurred over \$25,000
- Reserve change reports
- Total liability incurred by coverage



3. The Administrator will enter into its computer any and all files handled in-house by the City. The City will provide the Administrator with all information necessary for such input.

**CorVel will manually enter into our system and all file information pertaining to the City's program and will provide the City all information.**

4. Special reports to be provided as requested by the City.

**CorVel's standard reporting capabilities are robust, however we can generate ad hoc reports should the City have any special reporting needs. Ad hoc reports can be made with any data element we capture in the claims system.**



## EXCESS INSURANCE REPORTING

Administrator shall, at a minimum, provide the following services regarding excess insurance reporting:

1. Report to any excess insurance carrier(s) in accordance with policy provisions. The City will provide the names and addresses of excess insurance carriers. Provide the City with written notification that the required notice has been made to the excess carrier within ten (10) days of the notice of claim.

**Any claim that has reached 50% of the City's self-insured retention level or has the potential to exceed it shall be reported to the City and the excess insurer in accordance with the reporting criteria established by the excess insurer. All cases that meet the established reporting criteria are to be reported to the City within ten (10) days of when the known criterion is met.**

2. Seek reimbursement from the excess insurance carrier for any losses in excess of the City's self-insured retention.

**CorVel will seek reimbursement from the excess insurance carrier for any loss more than the City's self-insured retention.**

New Account Set Up	Responsible Party		Target Date	Date Complete	Comments
	Client	CorVel			
Contract and Statement of Work		X			
Obtain contract	X	X			
Review contract	X	X			
Contract approval	X	X			
Contract signed		X			
Statement of Work completed		X			
Establish effective date-Award notice, agree on implementation plan timeline	X	X			
Schedule initial management meeting	X	X			
Establish implementation team		X			
Determine service staff	X	X			
Forward Statement of Work to CorVel implementation managers		X			
Forward claim frequency information to RVP		X			

**Account Service Instructions**

Determine reporting requirements data, components, processes and claims office interface	X	X			
Draft service instructions based on requirements and program design		X			
Finalize CorVel service hub matrix	X	X			
Approval of final service instructions	X	X			
Enter instructions in database and communicate with field		X			
Identify approved defense counsel to be integrated into CorVel approved list	X	X			
Create reporting requirements	X	X			
Create coverage specifications		X			
Review and final approval of service instructions	X	X			

**Claim Reporting Implementation**

Secure list of contacts for each location	X	X			
Establish toll free reporting lines and web based reporting requirements	X	X			

**Hierarchy**

Secure hierarchy	X	X			
Print structure and provide to client for review		X			
Approve final structure	X	X			

**Stewardship**

Establish Stewardship meetings	X	X			
Establish monthly open items call (minimum)	X	X			
Maintain open item matrix		X			

**Account Management**

Assign customer Account Manager	X	X			
Introduce dedicated Account Manager to client	X	X			
Coordinate regional set-up/implementation meetings	X	X			
Internal confirmation of service model		X			

**Historical Data Transfer**

Specify tape and documentation requirements	X	X			
Ensure previous TPA supplies descriptions for any proprietary claims codes	X	X			
Determine years of historical claim information required	X	X			
Pre-edit tape(s) claim a and draft tape(s)		X			
Send pre-edit tape(s) for mapping		X			
Request additional information to address hierarchy and product line errors		X			
Provide all historical claims information		X			
Check for balancing		X			
Check for accuracy		X			
RE-check for hierarchy and product line errors		X			
Request additional information to address hierarchy and product line errors		X			

Begin loading claim information		X			
Run reports		X			
Design and review process for physical file transfer		X			
Develop procedure for transfer files from prior TPA		X			
Address issue of shipping oversight files (if any) to CorVel		X			
Develop matrix of offices for file distribution		X			
Coordination and actual shipping of files		X			
Assign Regional Service Director and Regional Service Coordinator		X			
Coordinate conference call between Regional Service Director and Coordinator		X			

**TPA Migration**

Notices to providers and vendors		X			
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**CorVel Customer Set-Up**

Submit umbrella number request	X	X			
Define structure and reporting hierarchy	X	X			
Fill out location structure spreadsheet		X			

**Care<sup>MC</sup> Customer Requirements**

PeopleSoft customer set-ups		X			
Aging report needs	X	X			
Determine client payment authority levels	X	X			
Determine account coding		X			
Determine safety coding		X			
Coordinate mapping of class codes to pay type codes		X			
Class code mapping required for customers with proprietary pay type codes		X			
Complete Care <sup>MC</sup> customer set-up form and submit via work order		X			
Attach Care <sup>MC</sup> customer set-up form		X			
Attach location structure to be loaded to Care <sup>MC</sup>		X			
Attach customer checklist		X			
Define customer's Adjuster payment authority levels	X	X			
Submit internal Adjuster user access requests		X			
Care <sup>MC</sup> internal access		X			

Determine local or regional access requirements		X			
Submit external customer access requests		X			
Care <sup>MC</sup> external client online access		X			
Determine and request Care <sup>MC</sup> external client location specific address		X			
Obtain codes	X	X			
Determine user access mappings to customer hierarchy		X			
Determine Care <sup>MC</sup> location level requirements		X			
Obtain policy information and load to Care <sup>MC</sup>	X	X			

**CorVel User Set-Ups**

Care <sup>MC</sup> set-up		X			
Determine user access mappings to customer hierarchy		X			
Create list of users, security needed and need for claim system access	X	X			
Secure list of new users/password selection		X			
Schedule training for new users	X	X			
Additional Care <sup>MC</sup> set-ups		X			
Develop format for additions, revisions and changes to reporting structure		X			
Capture organizational hierarchy/location/individual		X			

**Invoicing**

Electronic funds transfer requirements	X	X			
Invoicing-contacts		X			
Invoicing frequency/payment terms		X			
Establish payment method for service fee	X	X			

**Banking Arrangements/ Checkwriting**

Provide report showing 12 months paid by appropriate hierarchy funding level		X			
Provide loss fund adjustment requirement with funding options based on client requests		X			
Provide necessary banking instructions/ forms for client review		X			
Implement necessary banking letters		X			
Number of bank accounts and method of banking (wire/fax)		X			
Frequency of banking replenishment		X			

Identify distribution additional funding		X			
Provide required additional funding		X			
Determine funding threshold levels		X			
Set-up and fund accounts-work order needed		X			

**Reports**

Finalize criteria for monthly reports		X			
Define reporting distribution, frequency and method (web, electronic, paper)		X			
Establish if CorVel will receive historical data to include closed file detail	X	X			
Determine if standard reporting meets requirements		X			

**EDI**

Determine bill history data load requirements	X	X			
Determine claim history data load/image requirements	X	X			
Determine payment history data load requirements	X	X			
Date paid processes		X			
Inbound claim feed-Care <sup>MC</sup>		X			
Invoicing EDI		X			
Establish contact with EDI partner (vendor, client TPA)	X	X			
Conference with client and CorVel IT personnel		X			
Determine clients history capabilities (full vs. incremental)		X			
Client supplied test file		X			
Verify test file data and layout, determine programming requirements		X			
Load production data		X			

**WEEK 1**

MILESTONE: Meet with the City representatives to discuss and review the transition plan details and sign contracts.

MILESTONE: Meet with the City representatives to implement policies and procedures, as well as implement a panel of investigators.

**WEEK 2**

MILESTONE: Schedule training sessions with the City personnel.

- Introduce Claims Adjuster who will administrate the City's account
- Notify the incumbent TPA of the change of administrators and provide a detailed plan for transition.

**WEEK 3**

- Create a letter for vendors and claimants announcing the change and the effective date of the change.
- Complete development of the CorVel/the City team.
- Conduct in-house training of all staff regarding the City's tailored requirements.

**WEEK 4**

MILESTONE: Conduct training sessions regarding the specifics of the City's claims handling practices.

MILESTONE: Notify all the City personnel of the change in administrators via check attachments or internal memorandum.

- Provide the City with claims packets.
- Provide the City with online system access and training.

**WEEK 5**

MILESTONE: Initiate transition with incumbent TPA in accordance with usual and customary practices in the industry including the following:

- Box claims alphabetically or provide a numerical system to identify files by claimant name.
- All boxes should be of standard “bankers” size and the contents identified in writing.
- Provide a copy of all the City annual reports and any necessary interim reports, and respond to any unanswered mail.
- Forward all mail to CorVel on a daily basis for the first thirty (30) days and on a weekly basis thereafter.

MILESTONE: Mail notice of changes to all claimants with open files.

**WEEK 6**

MILESTONE: Complete the audit of all transferred claims;

MILESTONE: Input all claims into the data processing system;

MILESTONE: Initiate TPA services on all files.

CorVel will notify all injured claimants, vendors and associated parties of the change in administrators by mail and/or email. The letter will go out within two weeks of identification of all appropriate parties.

An extensive claims review will be completed one hundred and eighty days after contract inception. At this time, CorVel will meet with the City representatives. Reserves will be adjusted according to the known exposures of the claims. Any cases that are in a position to be closed will be discussed.

## SUMMARY OF QUALIFICATIONS

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- Experienced liability claims professional with more than 20 years' experience
- Areas of expertise include, government entity claims experience, general liability, auto liability, product liability and private self-administered TPA programs.
- Strong analytical and problem solving skills with ability to handle and resolve complex litigated and significant exposure claims to conclusion.
- Background in supervising, mentoring and training of claim staff

## PROFESSIONAL HISTORY

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- 2012 – Present: CorVel Corporation. Claims Supervisor currently handling all aspects of Auto BI/PD investigation and claim handling for a National account
- 1999 – 2012: SRS/Sedgwick CMS. Claims Mentoring consultant. Managed all general liability and auto BI/PD claims to conclusion and responsible for supervising claims staff for a self-insured grocery account
- 1997 – 1999: Independent Contract Adjuster for AIG, St. Paul, Home Insurance Companies, handled large national accounts including, commercial auto, general liability, product liability and construction defect.
- 1995 – 1997: GAB, Casualty Supervisor. Responsible for managing and supervising liability claims staff in handling general and product liability claims for a large national home improvement warehouse store.
- 1992 – 1995: Alexis Risk Management, Sr. Liability Claims Specialist responsible for MTA account including investigation, evaluation and settlement of all BI/PD claims to include litigation, attending small claims hearings, mediations.

## EDUCATION

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- High School Diploma (1970) – George Washington High School, Los Angeles, California

## CREDENTIALS AND AFFILIATIONS

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- Insurance Legal Principles (Cert) 2001 – American Educational Institute, Inc.
- Hartford Insurance Company Coverage School (Cert) 2000 – Hartford, CT

## SUMMARY OF QUALIFICATIONS

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- **Multiline claims adjusting background**
- **More than 37 years of claims adjusting experience**
- **Experience in investigation, litigation management and trial preparation of complex high exposure cases for both the public and private sectors.**
- **More than 28 years in public entity claims specialization.**

## PROFESSIONAL HISTORY

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- **2010 – Present: CorVel Corporation, Senior Claims Adjuster.** Public entity liability claims investigation and adjusting to include excessive force claims, employment related claims, common carrier claims and dangerous condition of public property claims. Trial preparation and litigation management through trial.
- **1999 – 2010: County of Riverside, Senior Liability Claims Adjuster.** Public entity liability claims investigation and adjusting. Trial preparation and litigation management. Investigation and adjusting of first party property losses including damage to vehicles, structures, boiler & machinery owned by the County. Investigation and adjusting of airport liability claims.
- **1993 – 1994: Peter Corrick Adjusters, Adjuster.** Commercial and personal lines claims investigation and adjusting. Product liability claims investigation and adjusting. Construction defect claims investigation and adjusting.
- **1983 – 1993: Carl Warren & Company, Supervisor.** Commercial and personal lines claims investigation and adjusting. Product liability claims investigation and adjusting. Construction defect claims investigation and adjusting. Environmental claims (Hazmat) investigation and adjusting. Public entity claims investigation and adjusting.

## EDUCATION

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- **Associate in Arts, Pasadena Community College, Pasadena, California**
- **Bachelor of Science, Brigham Young University, Provo, Utah**
- **Supervisory Academy Certificate, County of Riverside**

## CREDENTIALS AND AFFILIATIONS

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- **CSAC Excess Insurance Authority Legislative Committee, Sacramento, CA**
- **Riverside Superior Court-Community Planning Committee. Appointed by Riverside Superior Court Presiding Judge**

## SUMMARY OF QUALIFICATIONS

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- **Knowledge of general liability and insurance claims**
- **Highly motivated, organized and detail oriented**

## PROFESSIONAL HISTORY

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- **January 2007 – Present: CorVel, Claims Assistant.**
  - Receive and set up new claims
  - Send out first acknowledge letter
  - Create file folder
  - Enter notes for adjusters into system
  - Process all ISO requests
  - Assist ten Adjusters on a general basis
  - Billing of the timesheets for Adjusters
  - Data entry of checks daily for expenses and clamant payments
  - Have worked on minor PD claims for 3 years
  - Maintain the closed file room, open and disburse incoming mail, copy work
- **January 2002 – December 2006: Call Warren & Company, New Loss Set-Up Specialist**
  - Set up all new claims for the insurance bucket
  - All billing for the public entity and national claims from the San Bernardino office
  - Copywork, as well and handle 12 line phone system
  - Order all the supplies for the San Bernardino office
  - Training of clerical team
  - Certified in Excel I and II

# CORVEL

VICE PRESIDENT, LIABILITY SERVICES

## SUMMARY OF QUALIFICATIONS

---

- **More than 24 years of overall insurance experience**
- **More than 22 years of Managerial experience**
- **Markets and oversees the National Property and Liability program for CorVel**
- **More than 24 years of multi-line claims investigation experience and handling complex litigation for private and public sector clients**

## PROFESSIONAL HISTORY

---

- **2006 – Present: CorVel Corporation, Property and Liability Services.** Currently manages the National Liability and Property Claims Administration program.
- **1988 – 2006: Langhammer & Associates, Vice President.** Multi-line claims handling with emphasis on private and public sector claims.
- **1982 – 1988: Hartford Insurance Company, Claims Manager.** Responsible for large technical and clerical staff. Handled large liability and property exposure losses.

## EDUCATION

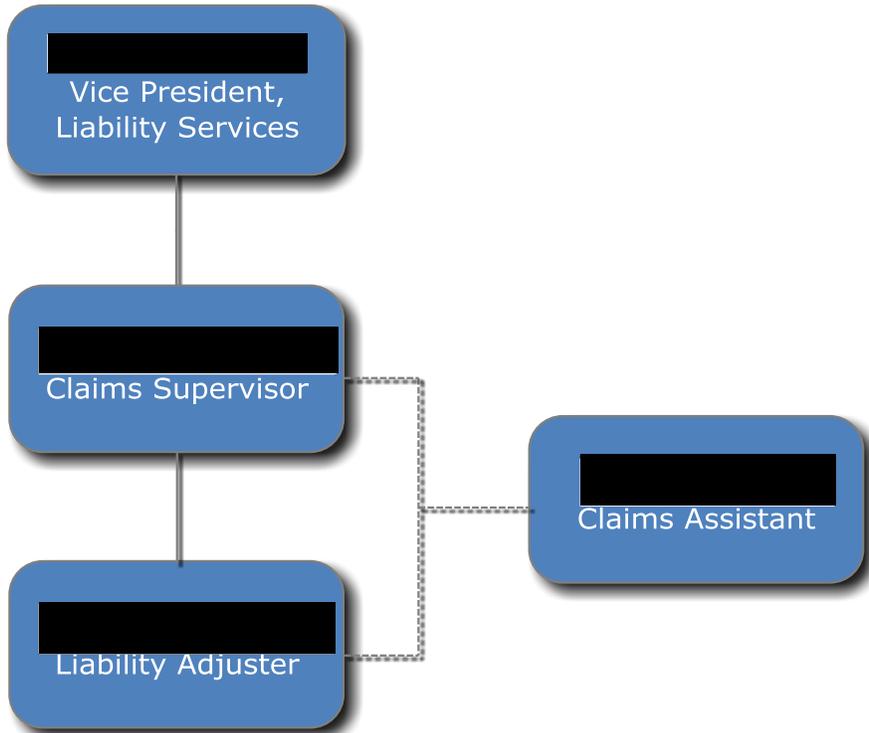
---

- **Bachelors Degree of Economics – Oklahoma University Norman (1980)**

## CREDENTIALS AND AFFILIATIONS

---

- **Casualty Law Associate – American Education Institute (1986)**
- **RPA – Licensed California Adjuster –** [REDACTED]



# PRICING PROPOSAL FORM

## THIRD PARTY LIABILITY CLAIMS ADMINISTRATION

Provide hourly rates, along with estimated annual pricing in accordance with the City's current requirements, as set forth in section 3 Scope of Work. Also provide your firm's proposed Staffing Plan on a separate sheet of paper. Proposer should use a separate form to state pricing for any added value.

Pricing shall remain firm for a minimum of two (2) years. Any and all requests for pricing adjustments for follow-on contract renewal periods shall be provided no later than sixty (60) days prior to the end of the contract period. Any such proposed price adjustments shall not exceed The Bureau of Labor Statistics Consumer Price Index (CPI) data for Los Angeles-Riverside-Orange County, CA, All Items, Not Seasonally Adjusted, "annualized change comparing the original proposal month and the same month in the subsequent year. (This information may be found on the U.S. Department of Labor's website at [www.bls.gov](http://www.bls.gov).)

Employee	Hourly Rate	Hours worked	Total Cost	Overtime rate
-----	\$ -----	-----	-----	\$ -----
-----	\$ -----	-----	-----	\$ -----
-----	\$ -----	-----	-----	\$ -----
-----	\$ -----	-----	-----	\$ -----
-----	\$ -----	-----	-----	\$ -----
-----	\$ -----	-----	-----	\$ -----

Total Estimated Annual Price	\$ -----
------------------------------	----------

ADD ANY ADDITIONAL COST PROPOSAL SHEETS HERE

Please see the following page for CorVel's pricing proposal for the City's liability program.



# Response to Request for Pricing for City of



**CORVEL**

[www.corvel.com](http://www.corvel.com)



Thank you for allowing CorVel to present our program and initial pricing options for **City of Costa Mesa**.

### Liability Claims

Fiscal Year 2013	\$89,470.00
Fiscal Year 2014	\$92,140.00

*If more than 76 claims are received in the contract year, the charge will be \$895 per claim.*

**CITY OF COSTA MESA**

**REQUEST FOR PROPOSAL ("RFP")**

**EXCEPTIONS**

**If awarded the contract, CorVel reserves the right to negotiate the following sections:**

**Appendix B – Professional Services Agreement:**

- Section 4.0 – Term and Termination
- Section 6.9 – Indemnification and Hold Harmless
- Section 6.11 – PERS Eligibility Indemnification
- Section 6.12 – Ownership of Documents
- Section 6.13 – Confidentiality

**Add to the Agreement:**

- CorVel's Schedule describing Liability services.



**DISCLOSURE OF GOVERNMENT POSITIONS**

Each Proposer shall disclose below whether any owner or employee of the firm currently hold positions as elected or appointed officials, directors, officers, or employees of a governmental entity or held such positions in the past twelve months. List below or state "None."

<b>Name</b>	<b>Title</b>	<b>Entity</b>
None.		

**EX PARTE COMMUNICATIONS CERTIFICATION**

Please indicate by signing below one of the following two statements:

**Please sign only one statement.**

I certify that Proposer and Proposer's representatives have not had any communication with a City Councilmember concerning the Third Party Liability Claims Administration RFP at any time after September 9, 2012

 \_\_\_\_\_

**OR**

I certify that Proposer or Proposer's representatives have communicated after September 9, 2012 with a City Councilmember concerning the Third Party Liability Claims Administration RFP. A copy of all such communications is attached to this form for public distribution.

\_\_\_\_\_





**REQUEST FOR PROPOSAL**  
**FOR**  
**THIRD PARTY LIABILITY CLAIMS ADMINISTRATION**



**RELEASED BY**  
**HUMAN RESOURCES DIVISION**  
**CITY OF COSTA MESA**

**RELEASE DATE: September 19, 2012**

**The referenced document has been modified as per the attached Amendment No. 1**

**Please sign this Amendment where designated and return the executed copy with submission of your proposal. This amendment is hereby made part of the referenced proposal as through fully set forth therein. Any questions regarding this amendment should be addressed to Kimberly Wilson, email [Kimberly.Wilson@Costamesaca.gov](mailto:Kimberly.Wilson@Costamesaca.gov)**

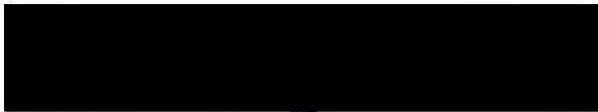
**2. SCHEDULE OF EVENTS**

This request for proposal will be governed by the following schedule (All dates are subject to change at the discretion of the City):

Release of RFP.....September 10, 2012  
Deadline for Written Questions .....September 28, 2012  
~~Responses to Questions Posted on Web .....October 12, 2012~~  
Responses to Questions Posted on Web .....October 8, 2012  
Proposals are Due .....October 18, 2012  
Interview (if held) .....November 5 – 9, 2012  
Approval of Contract .....December 4, 2012

Approval of Contract TBD  
All dates are subject to change at the discretion of the City

*All other provisions of the invitation of this proposal shall remain in their entirety.  
Vendors hereby acknowledge receipt and understanding of the above Amendment.*



Signature Date

CorVel Enterprise Comp, Inc.  
Company Name



Typed Name and Title

2010 Main Street, Suite 600

Irvine, CA 92614  
Address

# **KEENAN & ASSOCIATES**



# RESPONSE TO REQUEST FOR PROPOSAL

CITY OF COSTA MESA

Third Party Liability Claims Administration

October 18, 2012

Presented By:

*Keenan*  
Associates

[REDACTED]  
4240 Riverwalk Parkway, Suite 400  
Riverside, CA 92505  
Cell: [REDACTED]  
Toll Free: (800) 654-8347, [REDACTED]  
Fax: (951) 788-8013  
E-mail: [REDACTED]

[REDACTED]  
Vice President  
4240 Riverwalk Parkway, Suite 400  
Riverside, CA 92505  
Cell: [REDACTED]  
[REDACTED]  
Fax: (951) 788-8013  
E-mail: [REDACTED]

# TABLE OF CONTENTS

<b>COVER LETTER/RFP VENDOR APPLICATION FORM .....</b>	<b>1</b>
<b>PROPOSAL REQUIRED RESPONSES.....</b>	<b>5</b>
BACKGROUND AND PROJECT SUMMARY.....	5
METHODOLOGY .....	8
STAFFING .....	11
QUALIFICATIONS .....	13
FINANCIAL CAPACITY .....	14
FEE PROPOSAL.....	14
DISCLOSURE .....	15
SAMPLE AGREEMENT.....	15
<b>EXHIBITS .....</b>	<b>16</b>



2355 Crenshaw Blvd.  
Suite 200  
Torrance, CA 90501  
P.O. Box 4328  
Torrance, CA 90510

310 212-3344  
310 328-6793 fax Main  
[www.keenan.com](http://www.keenan.com)  
License No. 0451271

October 18, 2012

Ms. Kimberly Wilson  
City of Costa Mesa  
77 Fair Drive  
Costa Mesa, CA 92626

**Re: RFP for Third Party Liability Claims Administration**

Dear Ms. Wilson,

Thank you for allowing Keenan & Associates the opportunity to participate in the City of Costa Mesa's RFP process for Third Party Liability Claims Administration. We are pleased to be able to present our proposal in accordance with the received RFP and believe that our firm will be able to provide the best value added services to you not just in the administration of your claims but also in managing efficiency.

Founded in 1972, Keenan & Associates has 40 years of experience in property and liability claim administration for public agencies (i.e., municipalities, community colleges, public school districts and special districts) of similar size and complexity as the City of Costa Mesa. Statewide, we provide casualty administration services to more than 100 public sector entities including 65 trusts and joint power authorities (JPA) programs.

With Keenan & Associates as your TPA Partner, we will provide proactive claims management, resources and assistance. Resources will include our most experienced municipal Claims Adjuster who will be dedicated to the City's account and a Claims Manager to assist with many aspects of claims handling, including best practices and the most cost effective claims resolution. We will extend significant resources to you to help manage your claims exposures and contain costs.

We provide our clients with Administrative, Adjustment and Investigative Services.

**ADMINISTRATIVE SERVICES:**

- Monthly status reports on all active claims, indicating the open or closed status of each reported claim assigned to Keenan, the details of each claims, the payments during the month and the reserve status.
- Establish/maintain a trust account from which claims are paid, at the City's request.
- Provide for the payment of claim losses and expenses according to the agreed guidelines.

**ADJUSTMENT SERVICES:**

- Periodic review and adjustments of reserves on all open Claims.
- With the City's authority, investigate, evaluate and adjust all Claims by a covered party.
- Notification to primary and excess coverage providers of all Claims. Seek reimbursements for loss in excess of retention or deductible.
- Pursue and direct subrogation/third-party recovery against any party responsible or partially responsible for loss.
- Recommendation of rejection of claims when appropriate.
- Obtain Release Agreements in connection with the settlement of claims.

**INVESTIGATIVE SERVICES:**

- Review all reported claims.
- Initiate investigation through in-house review of claims when warranted or when requested by client.
- Provide a report to client with the findings of such investigation and information regarding any potential for subrogation/third-party recovery.

We look forward to having the opportunity to meet with the selection committee to discuss the specific details contained in our proposal, which is valid for 90 days from the proposal due date of October 18, 2012.

If you have any questions regarding our proposal, please feel free to contact [REDACTED] Senior Vice President, at ([REDACTED] or via e-mail at [REDACTED] or [REDACTED] Vice President, at [REDACTED] or via e-mail at [REDACTED]. As Vice President, I am authorized to bind Keenan & Associates to a contract.

Respectfully submitted,

[REDACTED]  
Vice President

INSERT APPENDIX A PAGE 1

INSERT APPENDIX A PAGE 2

# PROPOSAL REQUIRED RESPONSES

## BACKGROUND AND PROJECT SUMMARY

*The Background and Project Summary Section should describe your understanding of the City, the work to be done, and the objectives to be accomplished.*

Keenan's Property & Liability Claims Administration is a full-service, multi-faceted, Third Party Administrator (TPA). Our specialized work with public entities gives us a thorough working knowledge of all California Government Code provisions affecting your program. Our seasoned claims professionals have extensive experience with California municipalities and special districts, police, fire, transit and utility services.

Keenan has extensive experience providing property and casualty claims administration services to 100 public agency clients throughout California. We handle claims from first dollar up through various reinsurance and excess layers and have been successful in establishing positive and professional relationships with both reinsurers and excess carrier partners. We retain full responsibility through to final resolution always keeping the client's and carrier partner's best interest in mind.

Keenan's approach to Third Party Administration mirrors that of the City of Costa Mesa. Our goal is to offer a quality claims delivery program that emphasizes communication with both the client and the claimants, reduces litigation and controls costs. Keenan integrates Liability Claims Administration services to effectively and efficiently address public agency risk management and insurance needs. As an industry specialist, we provide focused, relevant information, leading to fast, effective problem solving and enhanced budget performance.

It is the philosophy of Keenan to provide our clients with the highest level of service and the best attainable result in the handling of claims. We believe that each claim is unique, requiring careful analysis of all facts to develop a cost effective strategy for resolution. We will work closely together with the City representative, attorneys and other vendors to achieve the most favorable outcomes. Our aggressive claims handling enables us to be very successful in obtaining numerous defense verdicts and summary judgments.

Our integrated approach gives our clients the optimum balance of prevention, risk retention, rapid claims resolution and cost savings. Our teams are coordinated and work together to provide you with improved performance, reduced administration, and enhanced business efficiency to accommodate all tasks specified in the Scope of Work provided in this RFP.

## CLAIMS SERVICE ADVANTAGE

- **Partnership:** Critical aspects of our service include interaction involving you in the decision making process of your claims.

- **Our Niche:** We exclusively manage public sector property and liability claims. We have dedicated adjusters who have years of handling claims for cities, counties and special districts and interface with legal defense firms that have specialized municipality expertise.
- **Catastrophe Action Plan:** Mandates that when disasters or serious losses occur that our claims people have immediate involvement to arrange for a specialized investigation to preserve evidence.
- **Customer First:** Our passion to provide superior service drives us to understand each client's need.
- **High touch, High quality:** Our dedicated experienced staff does not treat a claim as just another loss, but as a situation which must be aggressively handled to provide the most beneficial resolution to the *client's* interest.
- **Corporate Best Practices:** We effectively communicate our policies and operational goals to our internal and external strategic business units.
- **Dedicated Service Team:** To ensure you receive quality support.

**OUR SERVICES AT A GLANCE**

Our experienced Claims Team empowered to meet your needs	Commitment to customer service	Medicare Set-Aside Experts
Application of Government Code	Court Appearances	Proactive Field Investigation
Experience with the public risk, police, fire, transit and utilities services environment	Trust Account Management	Investigations to preserve essential evidence
24-7 Emergency Hot Line Service	Computerized Loss Runs	Attendance / Presentations at JPA Meetings
Excess/Reinsurance Program Management	Prepare and file reports with the Index Bureau	Ongoing adjuster training
Litigation Management	Third Party Carrier Liaison	Internal quality assurance audit team

## **CLAIM HANDLING GUIDELINES**

Once the City of Costa Mesa's appointed administrator notifies Keenan's claims manager of a potential claim via correspondence or by phone, Keenan will initiate and follow the following process:

- File Set Up Procedures and Core Claims Services
  1. In the initial set up process, the manager will request additional documentation relevant to each loss from the City as needed.
  2. The manager assigns the new loss to the designated adjuster.
  3. Each new claim is set up within 24 hours of the initial notification.
  4. An acknowledgement letter is submitted to the City within 24 hours of receipt of the claim.
  5. The adjuster will contact with the City of Costa Mesa within 48 business hours of receiving the claim file.
  6. The adjuster will discuss the plan of action directly with the City of Costa Mesa's appointed administrator to include the investigation of the claim.
  7. Throughout the life of the claim, the adjuster will make the appropriate contact with the third parties involved.
  8. Should a claim become litigated, the adjuster will work closely with the City of Costa Mesa's appointed administrator and/or legal counsel.
  9. All settlement recommendations are submitted to the City of Costa Mesa for a signed authorization. Once the adjuster has secured the signed approval, negotiations begin.
  10. If awarded this contract, Keenan can establish and manage the City's trust account should the City request one.
  11. The adjuster will make initial contact with the claimant and provide information regarding the claims process.
  12. Files are maintained on a regular diary in accordance to the status of the claim file.
  13. Periodic status reports will be forwarded to the City of Costa Mesa as necessary.
  14. Adjuster will provide the City of Costa Mesa with a recommended plan of action for claims handling.

15. All recommendations including settlements, rejections, or claim strategies are submitted to the City of Costa Mesa for review and authorization.

## METHODOLOGY

*Provide a detailed description of the approach and methodology to be used to accomplish the Scope of Work of this RFP. The Methodology Section should include:*

- 1) *An implementation plan that describes in detail (i) the methods, including controls by which your firm or entity manages projects of the type sought by this RFP; (ii) methodology for soliciting and documenting views of internal and external stakeholders; (iii) and any other project management or implementation strategies or techniques that the respondent intends to employ in carrying out the work.*

Our sample implementation plan is included in **Exhibit 1**.

- 2) *Detailed description of efforts your firm or entity will undertake to achieve client satisfaction and to satisfy the requirements of the "Scope of Work" section.*

Please see our detailed response to the Background and Project Summary section.

- 3) *Detailed project schedule, identifying all tasks and deliverables to be performed, durations for each task, and overall time of completion.*

Our sample implementation plan is included in **Exhibit 1**.

- 4) *Detailed description of specific tasks you will require from City staff. Explain what the respective roles of City staff and your staff would be to complete the tasks specified in the Scope of Work.*

We anticipate working closely with City staff in the third party liability claims administration process including frequent meaningful communication throughout the life of the claim. This includes but is not limited to prompt claim reporting, discussions surrounding the details of the claim, investigation and claims resolution strategies. We understand that this communication may extend beyond finance, risk management and human resources. We strive to create working relationships throughout the agency to ensure that, as your administrator, we capture all of the pertinent information conducive to logical claim resolution.

- 5) *Proposers are encouraged to provide additional innovative and/or creative approaches for providing the service that will maximize efficient, cost-effective operations or increased performance capabilities. In addition, the City will consider proposals that offer alternative service delivery means and methods for the services desired.*



As an added value to our claims administration expertise and product offering, Keenan provides **P&C Bridge**, a Web based portal that will enable the City of Costa Mesa to bridge compliance, training, communication, analysis and Risk Management in one secure platform.

Following is an overview of **P&C Bridge**, our cutting edge technology offered exclusively to our Property & Casualty clients.

This innovated Web-based product, already in use by other public entities, provides:

- A customizable home page with current news, claims dashboards, safety tips and insurance updates.
- A "cost of risk" section that allows you, on one page, to monitor and manage claims within your self-insured retention (SIR).
- General Liability reports and analytic section allows detailed reports to be run, in real time, on demand.
- Ad hoc reporting in P&C Bridge allows users to create multidimensional views of claim data, providing a means to pinpoint types of losses by location or exposure, to allow for immediate action to prevent future losses.
- Keenan U training offering on-line courses in subjects such as claim prevention, risk management, claim reporting and many others.

#### **KEENAN ONLINE U – WEB BASED ON-LINE TRAINING**

Public Entity resources are becoming more scarce and limited with the current economic conditions still facing the State. Almost every public entity is trying to do more with less. **Keenan Online U** is an online safety training and tracking system designed **specifically for public agency employees**. All courses are written by expert authors and are set in a public entity environment. More than 30 courses are currently available with more being added periodically. The courses are categorized in the following five workplace colleges:

- Police, Fire and EMS
- Public Works and Utilities
- Parks and Recreation
- Transportation Authority

- Administrative, Office, and Management

Online learning and safety training is a **cost effective alternative** to conventional live instructor training. Online training with Keenan Online U gives you **better compliance** and **less time away from the workplace** because employees take the courses at their own pace from their own computer.

- Keenan Online U training can provide substantial savings to the City as opposed to instructor led courses.
- Produces a 60-percent faster learning curve than instructor-led training alone
- All learners are taught the same consistent, correct information
- Achieves a high retention rate, making e-learning more valuable for employees
- Data management system allows entities and supervisors to monitor utilization and record completions in one convenient data base.
- Complements instructor-led training to reinforce important topics
- Relevant, engaging, timely courses are dynamic and consistently updated
- Allows learners to bookmark course in case of interruption
- Convenient, Secure Access to Safety and Compliance Courses



Keenan Online U reduces travel costs, time out of office, materials, and instructor costs. Online learning brings learning to people instead of people to learning. Employees can securely access Keenan Online U anytime, anywhere from any computer that connects to the Internet.

### **Automated Assignment, Tracking and Record Management**

Keenan Online U lets you assign courses to specific groups or individuals, and automatically tracks and reports on each learner as they complete their training assignments. Employees can print their own completion certificates, while the compliance records are automatically updated.

Screenshots of our recently enhanced **Keenan Online U** are included in **Exhibit 2**.

**STAFFING**

*Provide a list of individual(s) who will be working on this project and indicate the functions that each will perform and anticipated hours of service of each individual. Include a resume for each designated individual.*

**KEY PERSONNEL ASSIGNED TO THE CITY OF COSTA MESA**

Key Personnel	Job Title / Functional Role
[REDACTED]	Vice President, Account Executive
[REDACTED]	Senior Vice President, Account Executive
[REDACTED]	Vice President, Property & Casualty
[REDACTED]	Claims Manager
[REDACTED]	Claims Adjuster, Liability

The key personnel indicated above will provide oversight and support for the Third Party Claims Administration services provided to the City of Costa Mesa. Each of these key personnel has extensive experience with public agencies.

Additional adjusters will be assigned to support the City, as required. We will work with the City to ensure that the number of support personnel provided by Keenan, allows for appropriate staffing levels throughout the course of the contract.

Should the City desire to explore the option of dedicated staff we are willing to work with the City to discuss specific terms for a dedicated staffing model.

**[REDACTED] – Senior Vice President**

[REDACTED] has over 40 years of experience in workers' compensation, both as a consultant and as the co-founder and president of third party administrator Colen and Lee (Admisure). After 25 years he sold his interest in that firm, he became a Workers' Compensation Specialist for the law firm of Lister, Martin & Thompson, responsible for client relations, expert testimony, business development and retention, litigation file preparation, research, claim background investigation, lien trials and negotiations and appearances at the Workers' Compensation Appeals Board. He is also certified by the state of California as a Workers' Compensation Claims Administrator.

**[REDACTED] – Vice President**

[REDACTED] joined Keenan & Associates in 2009 as Vice President in the Property and Casualty Division. His career in risk management and insurance spans a period of over twenty years. Before joining Keenan, [REDACTED] industry experience included serving as the Regional Vice President of the Western region of ESIS Inc. a large insurance services firm and a subsidiary of ACE USA. [REDACTED] also held roles in management for Kemper Services, Broadspire, GAB Robins and Crawford & Company. In addition to

these leadership roles his experience includes the production and servicing of accounts, including public agencies, health care groups, hospitals, staffing and business service companies in the Fortune 1000. [REDACTED] attended the California State University and is currently pursuing his Chartered Property and Casualty Underwriter (CPCU).

**[REDACTED] – Vice President, Property Liability Claims Administration**

[REDACTED], Vice President Property & Casualty for Keenan & Associates in Torrance, CA, has overall responsibility for the claims administration of all Property & Liability Claims.

[REDACTED] joined Keenan & Associates in 2005 but started his 33-year career in the insurance industry working for Allstate. He has also worked at companies such as American Reserve, Farmers Insurance Group, G. J. Sullivan Company, Reinsurance and was an independent consultant for a number of years. Steve has experience in primary, excess and reinsurance claims, dealing mostly with large complex losses and reinsurance recovery. On a management level, [REDACTED] has managed multiple departments with responsibility for the development and implementation of new systems, policies and procedures.

[REDACTED] graduated from California State University, Long Beach with a Bachelor of Science degree and from California State University, Dominguez Hills with a Master's degree in Negotiation and Conflict Management.

**[REDACTED] – Assistant Vice President**

[REDACTED], Assistant Vice President/Branch Manager has more than 21 years of experience in the industry. [REDACTED] has been with Keenan & Associates for the last 14 years and has managed the day to day operations of the Torrance claims department for the last six years. Arlene has extensive experience in public entity claims and has experience in handling; employment liability, complex general liability, auto, property, and product liability as well as medical malpractice claims.

Prior to joining Keenan & Associates in 1998, she worked for Crawford and Company as a Senior Outside Claims Adjuster. She was responsible for national self-funded accounts. Arlene graduated from Mount St. Mary's College with a Bachelor of Arts Degree in Liberal Arts, and received her Master of Arts in Clinical Psychology at Pepperdine University. As Torrance's Claims Manager, Arlene administers and supervises the day-to-day activities of the branch claims operation and staff. She is also responsible for litigation management.

**[REDACTED] – Claims Adjuster, Liability**

[REDACTED] joined Keenan & Associates in 2006. She has more than 29 years of experience in the industry, with more than 13 years with self-funded companies (Von's, Ralph's and Thrifty Drug Store). She has experience in handling public liability claims which include first and third party auto claims. For the first ten years of her career she

worked for insurance companies handling third party commercial and personal auto claims as well as general liability claims (Harbor Insurance Co./Surplus Line Claims Adjusting Co., Home Insurance Co, INA/Aetna). [REDACTED] has an Associate of Arts degree from Los Angeles City College.

*Upon award and during the contract period, if the contractor chooses to assign different personnel to the project, the Contractor must submit their names and qualifications including information listed above to the City for approval before they begin work.*

Keenan understands and agrees to this stipulation.

## QUALIFICATIONS

*The information requested in this section should describe the qualifications of the firm or entity and key staff performing projects within the past five years that are similar in size and scope to demonstrate competence to perform these services. Information shall include:*

*Names of assigned personnel dedicated to the account and their specific responsibilities with respect to this scope of work. Please include an organizational chart that reflects the titles of key staff and management contacts of each individual assigned to provide services under this contract.*

Please see the staffing section. We have included an organizational chart in **Exhibit 3**.

*A summary of your firm's demonstrated capability, including length of time that your firm has provided the services being requested in this Request for Proposal.*

Please see the Background and Project Summary Section.

*Provide at least three references that received similar services from your firm. The City of Costa Mesa reserves the right to contact any of the organizations or individuals listed. Information provided shall include:*

- *Client Name*
- *Project Description*
- *Project start and end dates*
- *Client project manager name, telephone number, and e-mail address.*

Keenan provides numerous services to the clients listed below. We are proud to offer the City of Costa Mesa the following client references and encourage you to contact any of them and ask about our resources, responsiveness and results:

CITY OF PALM SPRINGS	
Point of Contact:	[REDACTED]
Address:	3200 Tahquitz Canyon Way PO Box 2743 Palm Springs, CA 92263-2743
Phone:	( [REDACTED] )

RIVERSIDE COUNTY OFFICE OF EDUCATION	
Point of Contact:	[REDACTED] Chief Personnel Officer Division of Personnel Services
Address:	PO Box 868 Riverside, CA 92502
Phone:	( [REDACTED] )

MOUNT SAN JACINTO COMMUNITY COLLEGE DISTRICT	
Point of Contact:	[REDACTED] Dean of Business Services
Address:	1499 North State Street San Jacinto, CA 92583
Phone:	( [REDACTED] )

#### FINANCIAL CAPACITY

*Provide the Proposer's latest audited financial statement or other pertinent information such as internal unaudited financial statements and financial references to allow the City to reasonably formulate a determination about the financial capacity of the Proposer. Describe any administrative proceedings, claims, lawsuits, or other exposures pending against the Proposer.*

Our most recent audited financial statement is included in **Exhibit 4**. There are no administrative proceedings, claims, lawsuits or other exposures pending against Keenan & Associates which would impact our ability to provide services to the City of Costa Mesa.

#### FEE PROPOSAL

*All Proposers are required to use the form in Appendix D to be submitted with their proposal. Pricing instructions should be clearly defined to ensure fees proposed can be compared and evaluated. Proposals shall be valid for a minimum of 90 days following submission.*

Our fee proposal is detailed in **Exhibit 5**. Please note we are able to provide translator services at an additional fee.

## DISCLOSURE

*Please disclose any and all past or current business and personal relationships with any current Costa Mesa elected official, appointed official, City employee, or family member of any current Costa Mesa elected official, appointed official, or City employee. Any past or current business relationship may not disqualify the firm from consideration.*

Keenan has no past or current business and/or personal relationships with any current Costa Mesa elected official, appointed official, City employee, or family member of any current Costa Mesa elected official, appointed official, or City employee.

## SAMPLE AGREEMENT

*The firm selected by the City will be required to execute a Professional Services Agreement (PSA) with the City. The form of the Agreement is enclosed as Appendix B, but may be modified to suit the specific services and needs of the City. If a Proposer has any exceptions or conditions to the Agreement, these must be submitted for consideration with the proposal. Otherwise, the Proposer will be deemed to have accepted the form of Agreement. See Section 13, below.*

Keenan accepts the PSA as is and presents no proposed changes.

## EXHIBITS

Exhibit 1	Sample Implementation Plan
Exhibit 2	Keenan Online U Screenshots
Exhibit 3	Organizational Chart
Exhibit 4	Keenan Audited Financial Statement
Exhibit 5	Fee Proposal
Exhibit 6	Required Forms and Certifications

# EXHIBIT 1

## SAMPLE IMPLEMENTATION PLAN

# EXHIBIT 2

## KEENAN ONLINE U SCREENSHOTS

# EXHIBIT 3

## ORGANIZATIONAL CHART

**EXHIBIT 4**

**KEENAN AUDITED FINANCIAL STATEMENT  
CONFIDENTIAL**

# EXHIBIT 5

## FEE PROPOSAL

# EXHIBIT 6

## REQUIRED FORMS AND CERTIFICATIONS

- **Ex Parte Communications Certification**
- **Disqualification Questionnaire**
- **Disclosure of Government Positions**
- **Addendum 1**
- **Addendum 2**

# **TRISTAR RISK MANAGEMENT**



*25 years...leading with integrity, delivering results*

**RESPONSE TO  
REQUEST FOR PROPOSAL  
THIRD PARTY LIABILITY CLAIMS ADMINISTRATION**

**Presented To The:**



**CITY OF COSTA MESA**  
Human Resources Division  
77 Fair Drive  
Costa Mesa, California 92626

**OCTOBER 18, 2012**

**Presented By:**

**[REDACTED], Manager, Sales & Marketing**  
**(714) 543-0700, ext. [REDACTED] • (714) 571-1844 fax**  
**[REDACTED]**



**TRISTAR**  
**RISK MANAGEMENT**

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**Response To  
Request for Proposal  
Third Party Liability Claims Administration**

**Presented To**

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**TABLE OF CONTENTS**

<b>SECTION I.</b>	<b>VENDOR APPLICATION FORM AND COVER LETTER.....</b>	<b>1</b>
<b>SECTION II.</b>	<b>BACKGROUND AND PROJECT SUMMARY SECTION.....</b>	<b>2</b>
	<b>METHODOLOGY SECTION .....</b>	<b>2</b>
	<b>STAFFING .....</b>	<b>13</b>
	<b>QUALIFICATIONS.....</b>	<b>14</b>
	<b>FINANCIAL CAPACITY.....</b>	<b>16</b>
	<b>FEE PROPOSAL .....</b>	<b>16</b>
	<b>DISCLOSURE .....</b>	<b>16</b>
	<b>SAMPLE AGREEMENT .....</b>	<b>17</b>
	<b>CHECKLIST OF FORMS TO ACCOMPANY PROPOSAL.....</b>	<b>17</b>
<b>SECTION III.</b>	<b>FORMS AND AMENDMENTS</b>	
<b>SECTION IV.</b>	<b>PROPOSAL ATTACHMENTS</b>	
	A. Transition Plan	
	B. Organizational Chart	
	C. Financial Statements	

October 16, 2012

City of Costa Mesa  
Human Resources Division  
77 Fair Drive  
Costa Mesa, California 92626

Re: Response to Request for Proposal  
Third Party Liability Claims Administration

To Whom It May Concern:

Thank you for the opportunity to submit this proposal as a Third Party Administrator for the City of Costa Mesa's Liability Claims program.

Please see attached for our completed Appendix A, "Request for Proposal-Vendor Application Form". **Jennifer Harpenau**, Manager, Sales & Marketing, is the contact person during proposal evaluation. The undersigned, **Thomas J. Veale**, President, is the individual authorized to bind TRISTAR to the terms of our proposal. TRISTAR stipulates that our proposal price will be valid for a period of at least 180 days. TRISTAR's proposed servicing office from which the City's project will be managed is located at 3230 East Imperial Highway, Suite 300, Brea, CA 92821.

TRISTAR combines solid claims management fundamentals with a high level of communication and customer service. TRISTAR's foundation is in California and we have vast experience in working with public agencies.

At TRISTAR, we pride ourselves in being able to customize our claims administration programs to meet the specific needs of each customer. We strive to be an extension of the City's Human Resources Division to ensure prompt, fair and equitable claims administration and settlements. We understand the various stakeholders of the City's program and believe that we are in a unique position to balance the needs of each of them. TRISTAR's experience and commitment to clients' programs have proven to produce cost reductions. Our proactive claims management policies and procedures, as well as other programs and services are described in detail within our proposal.

TRISTAR knows that its first priority is to its customers. Because of our years of handling City accounts as well as other California public sector clients, we are confident that our staff and technical expertise can exceed the requirements for the management of the City's liability claims program. We believe our proposal demonstrates our knowledge, experience and capabilities to provide quality services now and well into the future, for the City of Costa Mesa.

Sincerely,



  
President



**Names & Titles of Corporate Board Members**

(Also list Names & Titles of persons with written authorization/resolution to sign contracts)

Names	Title	Phone
<b>Board Members:</b> [REDACTED]	President	(562) 495-6600, ext. [REDACTED]
[REDACTED]	SR VP and CFO	(562) 495-6600, ext. [REDACTED]
[REDACTED]	SR VP/Sales/Marketing	(562) 495-6600, ext. [REDACTED]

**Officers:**

[REDACTED]	President	(562) 495-6600, ext. [REDACTED]
[REDACTED]	SR. VP/CFO/Secretary	(562) 495-6600, ext. [REDACTED]
[REDACTED]	SR VP/Sales/Marketing	(562) 495-6600, ext. [REDACTED]
[REDACTED]	VP/HR	(562) 495-6600, ext. [REDACTED]
[REDACTED]	VP/IT	(562) 495-6600, ext. 1 [REDACTED]
[REDACTED]	VP	(562) 495-6600, ext. [REDACTED]
[REDACTED]	VP	(562) 495-6600, ext. [REDACTED]
[REDACTED]	VP	(562) 495-6600, ext. [REDACTED]
[REDACTED]	VP	(562) 495-6600, ext. [REDACTED]

Federal Tax Identification Number: [REDACTED]

City of Costa Mesa Business License Number: TRISTAR will obtain a Costa Mesa Business License upon award of contract.

(If none, you must obtain a Costa Mesa Business License upon award of contract.)

City of Costa Mesa Business License Expiration Date: N/A at this time.



- **Background and Project Summary Section**

**The Background and Project Summary Section should describe your understanding of the City, the Scope of Work for the project, and the objectives to be accomplished.**

TRISTAR Risk Management (TRISTAR) has thoroughly reviewed the City's Request for Proposal, and we understand the scope of work to be done and objectives to be accomplished. We are committed to meeting and exceeding the City's expectations in the performance of the project.

TRISTAR provides effective and efficient claims administration services to our California clients in accordance with all California laws, with the objective of providing the City's claimants with appropriate benefits and medical treatment in a prompt and efficient manner.

Our claims philosophy consists of a general statement of intent to handle claims ethically and in a manner that is fair, honest and equitable to all parties involved. Our philosophy and statement of Good Faith is consistent with that of Egan v. Mutual of Omaha Ins. Co., "A covenant of good faith and fair dealings requires contracting parties to refrain from doing anything to injure the right of the other to receive the benefits of the agreement." (24 Cal. 3d 809.)

In the spirit of this substantive case law, TRISTAR believes that as an administrator we have a duty to investigate claims thoroughly. We do not deny coverage based on either unduly restrictive policy interpretations or standards known to be improper, and we will not unreasonably delay or deny the processing or payment of claims.

We set our standards high for both quality service and proactive claims administration. We comply with all State and Federal laws governing various lines of claims administration and, in fact, our practices often exceed mandated timeframes. For each standard, a quality control mechanism is developed to measure our performance.

Today's environment calls for innovative and proactive claims cost management programs. TRISTAR continues to be a frontrunner in both of these areas and we believe that our proposal will provide the City with a customized approach to managing the City's liability claims program. In our twenty-five years as an administrator, we have learned to listen to our clients and create partnerships in a wide variety of disciplines. We believe we have the flexibility to adapt and to both follow our customers' lead as well as guide them to successful program outcomes.

- **Methodology Section**

**Provide a detailed description of the approach and methodology to be used to accomplish the Scope of Work of this RFP. The Methodology Section should include:**

1. **An implementation plan that describes in detail (i) the methods, including controls by which your firm or entity manages projects of the type sought by this RFP; (ii) methodology for soliciting and documenting views of internal and external stakeholders; (iii) and any other project management or implementation strategies or techniques that the respondent intends to employ in carrying out the work.**



TRISTAR's approach to the City's liability claims program will start with an effective, efficient, and professional implementation of the City's program. Simultaneous to the efforts in moving functions over to our administration, we will customize workflows and service components to meet the needs of the City. We will assemble a team of claims professionals to administer the claims obligations not only in full compliance with all the applicable rules and regulations, but the recognized best practices to meet the needs of all of the shareholders in the process.

Further, it is our plan to foster a "partnership like" relationship for the ongoing administration of the program. Key components to this will be open and regular communication at various levels of our two organizations and the coordination of our efforts to best match to philosophy and approach desired by the City.

#### Program Implementation and Customization

Upon notification of award of the contract, TRISTAR will develop a "New Client Implementation" document for the City which will identify the City's contact information, servicing instructions, and other information TRISTAR would need to efficiently manage the City's liability program.

We will set up installation meetings with the City's key staff as soon as possible. One purpose of the installation meeting is to introduce the staff at TRISTAR. We invite and encourage attendance by the key people in the City's various departments who would have direct contact with TRISTAR regarding the claims administration.

#### Implementation Plan

Included in **Attachment A** is a sample **Transition Plan**, which includes key dates, activities, and responsible personnel, and can be customized to meet the needs and requirements of the City. The City's account can be set up in as little as 2 weeks from the contract award or signature date, and will be up and running by the contract commencement date.

TRISTAR has a tremendous amount of experience implementing new accounts of all sizes, from clients with a handful of claims requiring only part of an adjuster to accounts with thousands of files requiring dozens of adjuster. Our experience working with public entity accounts has allowed us to develop both a detailed implementation plan and team to ensure a successful program implementation with minimal disruption to the City. Our depth of resources allows us to have team members in I.T., accounting, and branch operations working together to set-up of all required system interfaces and procedures, and notification to the City's claimants and vendors and communication and training of all City contacts involved in processing City claims. An essential part of the program implementation is to keep all parties at the City and TRISTAR updated on the progress and necessary steps required to move forward to complete the process.

In addition to the communication with the various parties involved in the day-to-day claims administration, TRISTAR will establish a "Client Service Instructions" (CSI) document for the City outlining issues that will trigger contact to the City's management. Activities that typically call for additional communication include, but are not limited to, delays for investigation, referrals for litigation, passing certain financial thresholds, settlements, or any other complex claim issues. The CSI is developed upon notice of award of the contract. Several discussions will occur with the City to finalize service instructions, and a final document is distributed within 30 days of contract inception. The completed CSI is provided to the City, adjuster and supervisor.



The CSI address all areas related to claims management, including, but not limited to: vendor panels, notification of reserve changes, settlement authority amounts and procedures, monthly reports, claim reviews, caseloads, subrogation, litigation management and customer service. The CSI is updated annually or sooner if a significant change in claim handling requirements is requested by the City or there are changes in personnel or procedures in the branch office. The CSI is also provided, upon request, to an auditor conducting a review of the City's files.

**2. Detailed description of efforts your firm will undertake to achieve client satisfaction and to satisfy the requirements of the "Scope of Work" section.**

TRISTAR will comply with and fully satisfy the requirements of the City's Scope of Work, and it is our intent to meet and exceed the City's expectations in the performance of the City's project. We recognize that these are the City's minimum requirements, and thus we have described, where appropriate throughout, our proposed methodologies and procedures for accomplishing the tasks required to administer the City's liability claims program.

**3. Detailed project schedule, identifying all tasks and deliverables to be performed, durations for each task, and overall time of completion, including a complete transition plan. Include your plan to deal with fluctuation in service needs and any associated price adjustments.**

TRISTAR will handle all open claims at the time of transfer. We have established detailed guidelines for the current vendor regarding the transfer of the physical and electronic files, which include change in billing processes for the current vendors utilized by the City, data specifications, and other associated functions to ensure a smooth transition for claimants, providers and the City's Human Resources staff. These guidelines will be reviewed and approved by the City well in advance before the effective date of the contract.

New clients are requested to aid in the coordination of data transfer from their current administrator. It will be necessary to identify the I.T. contact with the City's current administrator and coordinate the transfer of data and test files. We estimate data transfer to take between two and four weeks for completion of data transfer and testing. This is assuming we have complete cooperation from the City's current vendor.

As part of the file transfer, we will ask the prior administrator to identify any "hot" cases involving issues that need to be addressed immediately. We will review all of the files upon transfer, starting with a complete inventory. To ensure that all "hot" files are dealt with quickly, we will ask the City's contacts for a list of files that they consider to be of high importance. TRISTAR completes an initial review of all files within sixty (60) days of receipt of the claim files. A checklist is utilized to assure key issues are reviewed. These issues include current disability, diagnosis (initial and current), litigation status and subrogation. The initial review assists the claims staff to prioritize outstanding issues for follow up. The review is completed by the claims adjusters and supervisors assigned to the files. If needed, TRISTAR will provide internal auditors to accomplish this task without charge to the City.

The key to a successful transition is communication and a detailed transition plan that all parties commit to giving their full cooperation. Please see **Attachment A** for a sample **Transition Plan**, which can be customized to meet the needs and requirements of the City.

Should there be any fluctuations in service needs that may incur additional costs, we will discuss with the City prior to submitting any price adjustments in the service agreement between the City and TRISTAR.



**4. Detailed description of specific tasks you will require from City staff. Explain what the respective roles of City staff and your staff would be to complete the tasks specified in the Scope of Work.**

TRISTAR will comply with all of the requirements contained in the following tasks. We have provided our general procedures and methodologies, where appropriate.

ASSIGNED PERSONNEL

TRISTAR will comply with all the City's requirements for assigned personnel.

TRISTAR proposes [REDACTED] as the Principal Adjuster to be assigned to the City account. Alexis has over 34 years of experience in the claims industry. She is currently a Senior Casualty Adjuster in the Property and Casualty Liability Unit. She has spent the majority of her career in the Third Party Claim Administration arena. She has held positions as a Field Investigator, Claims Adjuster, Sr. Claims Adjuster, Litigation Management Adjuster, Supervisor and Construction Defect Analyst. She has handled a wide variety of claims including automobile liability, general liability, product liability, homeowners and commercial property losses, hospitality claims, food contamination claims, including product recalls, product liability claims, as well as construction defect claims and builder's risk claims. She has an extensive background in investigation, negotiation/mediation and litigation. In the construction defect arena the claims involved the defense of developers, general contractors and subcontractors involving single family homes, commercial buildings and multi-unit complexes. [REDACTED] has attended Triton College and the University of Illinois studying Education and Art History. She has an Associate of Arts degree in Paralegal Studies from South Coast College. She has earned the AIC and CCLA designations and holds adjuster licenses in California, Texas, Washington, Nevada, New York and Utah.

TRISTAR provides back-up adjusters to provide coverage during the assigned adjuster's absence from work due to vacation or illness. In the case of a change of personnel, we work very closely with our Human Resources department to replace open positions in the shortest possible time.

TRISTAR provides support personnel which include an Administrative Assistants, Clerical Assistants, Clerical Specialists, Word Processors, File Clerks, and Receptionist.

[REDACTED] is the Branch Manager of our Brea office and manages a staff of over 75 employees. [REDACTED] has over 22 years of insurance industry experience. [REDACTED] branch is a multi-line branch which consists of units in workers' compensation, general liability and construction defect. She spent the majority of her career working for insurance carriers with the last 9 years working in the Third Party Claim Administration arena. She has held positions as a Casualty Claims Adjuster, General Liability Adjuster, Casualty Claims Analyst, WC Claims Examiner, Senior WC Claims Examiner, and WC Claim Supervisor. She has handled a wide variety of claims including automobile liability, general liability, product liability, homeowners liability, construction defect, and workers' compensation. [REDACTED] has an extensive background in investigation, negotiation/mediation, compensability analysis, supervision and management of employees. She is a natural born leader who prides herself and motivating other to success. She has a B.S Degree in Business Administration from Southeast Missouri State University and she has a SIP certification in workers' compensation. [REDACTED] is pursuing her CPCU designation and has successfully completed 9 of the 10 CPCU classes towards her designation. [REDACTED] will play a key role in the development, implementation, and administration of the City's account. [REDACTED] has an excellent understanding of the unique requirements of programs similar to the City.



TRISTAR will maintain the necessary staffing levels at all time to meet or exceed the City's minimum staffing requirements during the life of the contract.

We are confident that our staff and technical expertise can meet or exceed the requirements for the management of the City's liability program. Additionally, the proximity to the City's main office (approximately 21 miles or 25-minute drive) would allow for more flexibility in face-to-face meetings and communication.

#### AUDIT

TRISTAR will cooperate with and/or provide assistance with any audits conducted and requested by the City.

#### Program Administration

TRISTAR will comply with all the City's requirements for program administration. TRISTAR has incorporated our "Best Practices" into our internal "Claims Policy and Procedure Manual", which we utilize in conjunction with the "Client Service Instructions", developed specifically for the City.

TRISTAR's quality assurance department is responsible for ensuring that our clients stay current on and liability statutes, rules and regulations. We will provide the City with periodic updates on legislative changes, regulatory changes and case decisions that have significant impacts upon the City's claims administration program. These updates will range from formal announcements to all TRISTAR clients concerning broad application of these changes to informal discussions between the claims staff and risk management staff as it pertains to a specific claim.

Upon client implementation, a protocol will be established for the claims review process. Generally, formal claim reviews occur on a quarterly basis. Once a date has been established, thirty days prior TRISTAR will request the client indicate any population of claims they wish to be reviewed (e.g., claims over \$50,000, particular departments, types of claims, etc.).

TRISTAR will maintain and store all hard copy files for five (5) years after file is closed. Closed files are maintained according to our clients' requirements or maintained indefinitely due to life time reopening statues, and stored where approved by the City.

#### CLAIMS ADMINISTRATION

TRISTAR will comply with all the City's requirements for claims administration.

#### Receipt of New Claim Information

New claims are received either by electronic data entry by a client, mail, email, fax or phone. TRISTAR typically enters all liability claims into the claim system to ensure the line of insurance selected is appropriate for each incident submitted. A supervisor, manager or designated adjuster reviews all new claims immediately upon receipt for the purpose of review and assignment. The assigned adjuster is responsible for entering the known information into the claims system, obtaining a claim number and directing makeup of a physical file. The adjuster accomplishes this within two working days of receipt with information available at the time. The adjuster enters all initial claims notes in the system and addresses all issues by either commenting or indicating that an issue does not exist. The adjuster identifies a plan of action and determines appropriate future diaries.



### Initial Diary

As part of initial entry of information, the adjuster must assign each file a diary date for review by the adjuster and a diary date for review by a supervisor. All files must have future diary dates at all times. The diary date is dictated by the facts of the claim and when future adjuster review is required. The date should not be more than thirty (30) days in the future unless the claim is inactive.

### Coverage

The adjuster is required to be familiar with the contract between TRISTAR and the City to make sure the type of claim submitted is one that falls within the contract. The adjuster will consult with the supervisor or manager regarding any questions in regard or any coverage issues, who will clarify requirements with the City or City account manager.

### Excess Coverage

The adjuster will determine if the claim is subject to excess coverage and, if so, the criteria that should trigger notice to the excess carrier, the form of notice required by the excess carrier and to where and to whom the notice and status reports should be directed.

The method and form for reporting to and updating excess carriers will vary greatly depending on the dictates of each carrier. The adjuster must be familiar with the requirements of each excess carrier and, if unsure, contact the carrier for instructions. Most importantly is that adjuster immediately identify those claims that meet the reporting criteria and that these are timely reported, that the excess carrier is kept updated and that the file reflect both actions clearly in writing so that no issue arises that can effect coverage available to the City.

### Communications

The adjuster is responsible for communications with the claimant or his attorney, the City, defense counsel, and, where applicable, the excess carrier. Courtesy communications with brokers may also occur, if applicable. The adjuster should contact the claimant or his attorney as soon as possible after receipt of a new claim. If claimant is not represented, immediate contact may avoid litigation. Where possible, good communications with a claimant attorney can often result in a more rapid evaluation, a proper resolution of the claim and the avoidance of some or all litigation costs or internal resources.

### Diaries

All open claims must have a future diary date scheduled. Claims with known dates of events beyond 30-45 days can have a diary set accordingly. Each diary review shall include a brief synopsis of the status and action taken, documentation on the adequacy of the reserves, the applicability of subrogation and a plan of action detailing activity to bring the claim to conclusion.

Exceptions to the above are those claims with specific Client Service Instructions outlining the requirement for diary review and plan of actions.

Supervisors shall have all new claims on a 26 and 110-day diary to monitor the claim. The 26-day diary will ensure that the adjuster has sent all appropriate notices and/or letters. The 110-day diary is to monitor and review the claim following the adjuster's 90-day review. For jurisdictions that allow a claim to be delayed for an investigation, the supervisor shall maintain an appropriate diary on the claim to ensure timely denial or acceptance is completed.

There are numerous other circumstances for which a supervisor shall maintain a diary including:



- Active claims with a total incurred over \$100K
- Claims with reserves approaching excess levels
- Claims that are politically sensitive to the client
- Subrogation cases for the statute of limitations and recovery/litigation
- Claims with complex issues

The diary interval will be at the supervisor's discretion, but shall not exceed nine (9) months. At diary, the supervisor must make a notepad entry and if setting another diary, state the justification for the diary interval.

Supervisors and adjusters monitor for claims without diaries by running a special diary report in the claim system at least once each month to assure that all claims have future diary dates.

### Reserving

One of the most important functions of claims administration is to establish and maintain claim reserves. Proper reserving is critical to the financial stability of our clients. It is important that each case be evaluated initially and whenever substantive new information is received to determine the dollar amount that reflects the adjuster's best judgment as to the claims probable settlement value and expense costs until resolution.

The following are reasons why it is critical that our reserves are established correctly and on a timely basis:

- The accuracy of the City's financial statements, which include reserves as current liabilities, is dependent upon appropriate reserves.
- The City actuaries' determination of Incurred But Not Reported (IBNR) losses is based on an analysis of both paid and unpaid losses.
- The reserves established by the claims administration department make up the unpaid loss portion.

Loss reserves are a major component used to calculate loss ratios for each client. The client can use loss ratios to evaluate the performance, and loss ratios can affect premium rates.

The adjuster establishes the initial reserve in the claim system within five (5) business days of receipt of the claim. The adjuster will document supporting rationale of any reserve or reserve change entered in the claim system file.

Reserves will be re-evaluated at each diary review, at the time of the 90-day review and whenever significant information is received that may alter the course of the claim. Reserves will be adjusted (up or down) within 30 days of receipt of significant information or sooner if necessary. The adjuster is responsible for reviewing and documenting the adequacy of the reserve at each diary review.

### 90-day Review

The adjuster will complete a thorough review of all claims at 90 days from receipt of the claim.

A complete 90-day review includes the following:

- Completion of the 90-Day Review Checklist
- Review and completion of all required coding in the claim system (claimant screen, litigation screen and other applicable screens such as Vehicle Screen.
- The adjuster will schedule their next diary review of the claim



The adjuster will forward the claim file to the supervisor or manager for review. The supervisor or manager must document in the claim system notepad their review and comment accordingly. The 90-day review by the supervisor or manager shall be completed by the 110th day from receipt of the claim or conversion from a medical only to an indemnity. At the time of their review, the supervisor shall enter all appropriate diaries for their subsequent review of the claim.

### Settlement

The settlement of a claim often involves many different parties – TRISTAR, the City and/or insured, excess carriers, Medicare, defense and claimant attorneys and various lien claimants. Communication between all parties is essential to assure the adjuster addresses and resolves all issues.

The adjuster will adhere to the City Client Service Instructions for specific settlement authorization requirements. The adjuster will provide all supporting documents with the settlement authority request submitted to the City. Once the adjuster receives settlement authorization from the City, settlement negotiations may proceed as authorized by the City.

The City establishes settlement authority levels; and the Client Service Instructions detail authority limits. The adjuster must be aware of settlement authority levels for each self-insured or insurer client as well as TRISTAR's internal authority levels. The adjuster obtains settlement authority from the appropriate authorities on all settlements. The adjuster accomplishes this utilizing the Settlement Authority Request Form, which requires authorization in writing.

When a claim has or will pierce the retention level, the adjuster must include the excess carrier in the settlement negotiations. Failure to do so may breach the client's contract with the excess carrier resulting in a reduced recovery. The adjuster documents all settlement negotiations and agreements in the in the claim system notepad.

### Outside Vendors

The handling of claims often necessitates the use of outside vendors. The adjuster will utilize vendors that meet the approval of the City, that provide quality and timely service and that are cost competitive.

To achieve the goals, each adjuster needs to be familiar with the requirements of the City. Some clients will reserve the right to select outside vendors, particularly defense counsel, or may have an approved panel, or use in-house legal counsel. The City may reserve the right to approve certain types of expenditures before the adjuster retains certain vendors (e.g. sub rosa).

Regardless of the selection process, the adjuster needs to be specific about the services requested and place limitations on the vendor to avoid unexpected costs. The adjuster will scrutinize each invoice to assure that the billing is proper.

The adjuster should periodically evaluate all outside services for cost effectiveness and, where appropriate, advise client of more cost effective alternatives.



## INVESTIGATIONS

The adjuster will secure all information necessary to thoroughly investigate a claim, and perform all investigations necessary to determine the nature and extent, if any, of the City's liability. The adjuster will secure all available information necessary to resolve the claim, which may include, but is not limited to, statements from the City personnel, the claimant, and witnesses; photographs of the area of loss; police reports; repair estimates and medical bills.

## LITIGATION MANAGEMENT

TRISTAR has litigation handling guidelines and billing guidelines for outside defense counsel. We have found that these often need to be tailored to the specific needs and desires of each client. Often clients have been dealing with certain firms for long periods and have special working relationships or agreements in place, particularly as to billing.

Whatever the modifications, the goals of both guidelines would be that the litigation efforts are cost effective, the plan of action is mutually agreeable to City, TRISTAR and counsel, that all three parties have open lines of communication. TRISTAR stresses early identification of claims with settlement potential and early resolution of the litigation. The guidelines will spell out reporting requirements, plan of action requirements, and budgeting requirements.

TRISTAR will handle meritorious claims in a manner to prevent litigation wherever possible. If a third party claimant should commence litigation, TRISTAR immediately acknowledges receipt of the lawsuit to the City. The adjuster assigns the case to a defense attorney approved by City, following the guidelines established by the client.

Upon assignment to defense counsel, TRISTAR introduces and fully reviews the case with the assigned counsel. This assures that the attorney working on the case is informed of all relevant facts and damage exposures so all necessary subpoenas for records and/or witnesses will be issued and depositions taken appropriately.

TRISTAR will request that the assigned defense counsel's first report include recommendations for discovery, preliminary assessment of liability, potential exposure (settlement versus jury verdict range), and a proposed litigation budget. As part of litigation management, it is important for defense counsel to provide TRISTAR their evaluation in their first report (in addition to a litigation budget) so we can determine whether or not the attorney has full grasp of the issues and damages.

TRISTAR maintains liaison with the attorney and coordinate, on a timely basis, any investigation deemed necessary during pre-trial or trial. We maintain supervision of the legal file from the receipt of the lawsuit to conclusion.

Prior to any arbitration or trial, we require the assigned defense counsel complete a Pre-Trial Report. The client receives copies of all pleadings, correspondence, medical reports, expert witness reports, deposition summaries, case evaluations, and investigation reports.

As part of our litigation management, TRISTAR requests defense counsel obtain pre-approval on all significant discovery. Vendor invoices are forwarded to TRISTAR for our evaluation and payment as opposed to the defense attorney making advance payments on these costs. We request that defense counsel advise us of any investigation, which they deem necessary. If possible, we will undertake the investigation from our offices to avoid incurring the cost of an outside investigation or defense counsel obtaining additional information at their hourly rate.



TRISTAR scrutinizes all legal bills for appropriateness of charges, duplications, and advanced charges. TRISTAR will follow specific litigation guidelines as outlined by City.

#### STATISTICAL REPORTS

TRISTAR utilizes **cSTAR**, a state-of-the-art, Windows-based risk management information system that has been highly customized and is supported by our seasoned IT department staff. TRISTAR's claim system provides a myriad of reports designed to enable personnel to analyze data from the risk management perspective. The system includes over 80 standard reports (with unlimited ad-hoc capabilities), such as Loss Prevention, Loss Triangles, Claim Logs, Deductible reports, Frequency and Severity reports, Payment reports, 1099's, and many others.

TRISTAR will provide for the City a customized report package monthly, quarterly, and annually, via e-mail and will include a check register, list of all open claims, with financial information and a "Summary by Incident or Policy Year" report. TRISTAR provides additional standard reports, excel extracts and ad-hoc reports upon request. TRISTAR's internal I.T. staff can easily customize any standard report.

#### EXCESS INSURANCE REPORTING

The adjuster will determine if the claim is subject to excess coverage and, if so, the criteria that should trigger notice to the excess carrier, the form of notice required by the excess carrier and to where and to whom the notice and status reports should be directed.

The method and form for reporting to and updating excess carriers will vary greatly depending on the dictates of each carrier. The adjuster must be familiar with the requirements of each excess carrier and, if unsure, contact the carrier for instructions. Most importantly is that adjuster immediately identify those claims that meet the reporting criteria and that these are timely reported, that the excess carrier is kept updated and that the file reflect both actions clearly in writing so that no issue arises that can effect coverage available to the City.

- 5. Proposers are encouraged to provide additional innovative and/or creative approaches for providing the service that will maximize efficient, cost-effective operations or increased performance capabilities. In addition, the City will consider proposals that offer alternative service delivery means and methods for the services desired.**

#### Dashboard

TRISTAR will provide "Dashboard" access to the City in addition to the claim system access. TRISTAR has customized our Dashboard access program in conjunction with a third party software vendor. Dashboard software gives the City immediate automated data collection, consolidation and publishing tools complete with graphics. All Dashboard claims information is real-time. *This tool eliminates manual reporting, is industry-proven and provides "best practice" metrics.* The Dashboard tools allow the user to easily point a mouse to a various fields to automatically review claims and associated graphs and data as shown in print screens below. Our customized Dashboard will not only allow the City to analyze their claim program status and trends, but also allows our managers to review and identify certain claims and trends for supervisory review of the adjusters' claims handling practices.



### Paperless Environment

cSTAR is robust and a highly customized risk management tool. While our paperless system, *iSTAR*, was designed to enhance the quality and efficiency of our claims handling processes, the two systems are maintained on two separate platforms. TRISTAR's electronic file system maintains files that are categorized by pre-defined categories such as medical, legal, correspondence. The electronic files are "bracketed" and resemble hard copy files. The electronic, paperless environment gives us the ability to have organized files which also eliminates unmatched documents. Each file has its own electronic recycle trash bin for duplicate reports, etc.; however, documents put in the recycle cannot be permanently deleted.

### iSTAR – Automated Workflows and Paperless Environment

iSTAR is more than a document image repository. iSTAR is an electronic document routing system that enables users to process work more efficiently, faster, and more accurately than with traditional paper processing. iSTAR workflows streamline collaboration and accelerate the completion of critical business tasks. The integration of the document imaging, workflows, and claims management systems create efficiencies along with checks and balances to increase productivity and accuracy. Our staff works in a dual screen environment with the claims system up on one screen and the document imaging and workflow tools on the other.

Mail is received and scanned at a central location and is delivered to the adjuster's electronic in-box on a daily basis. The adjuster reads and identifies incoming documents. By assigning a document type or keyword, there may be one or more workflows or diaries initiated within the iSTAR system. These workflows are designed to ensure compliance with regulatory due dates and requirements as well as TRISTAR policies and procedures.

One of the most powerful components of iSTAR is its management capability. The supervisor and manager have the ability to view where every piece of mail is, where it has been, what the adjuster or staff have done with it. Managers and supervisors can identify areas where claims activities may be creating a backlog and make adjustments via processes or resources to keep claims moving towards resolution. iSTAR allows our managers to review and identify certain claims and trends for supervisory review of adjusters claim handling practices, and client claim program status.



- **Staffing**

**Provide a list of individual(s) who will be working on this project and indicate the functions that each will perform and anticipated hours of service of each individual. Include a resume for each designated individual.**

TRISTAR proposes [REDACTED] as the Principal Adjuster to be assigned to the City account. Alexis will handle all liability claims for the City.

- Education: Attended Triton College and University of Illinois studying Education and Art History; Associate of Arts degree in Paralegal Studies from South Coast College.
- Certifications: AIC and CCLA designations and holds adjuster licenses in California, Texas, Washington, Nevada, New York and Utah
- Prior Professional Experience: 34 years of experience in the claims industry.
  - Has held positions as a Field Investigator, Claims Adjuster, Sr. Claims Adjuster, Litigation Management Adjuster, Supervisor and Construction Defect Analyst.
  - Has handled a wide variety of claims including automobile liability, general liability, product liability, homeowners and commercial property losses, hospitality claims, food contamination claims, including product recalls, product liability claims, as well as construction defect claims and builder's risk claims.
  - Has an extensive background in investigation, negotiation/mediation and litigation.
  - In the construction defect arena the claims involved the defense of developers, general contractors and subcontractors involving single family homes, commercial buildings and multi-unit complexes.

TRISTAR provides back-up adjusters to provide coverage during the assigned adjuster's absence from work due to vacation or illness. In the case of a change of personnel, we work very closely with our Human Resources department to replace open positions in the shortest possible time. TRISTAR provides support personnel which include an Administrative Assistants, Clerical Assistants, Clerical Specialists, Word Processors, File Clerks, and Receptionist.

TRISTAR will assign a Claims Supervisor to be assigned to the City, who will be responsible for technical staff supervision and quality assurance.

[REDACTED] is the Branch Manager of our Brea office and manages a staff of over 75 employees. [REDACTED] is responsible for overall branch operations and customer service. She will also play a key role in the development, implementation, and administration of the City's account. She has over 22 years of insurance industry experience.

- Education: B.S Degree in Business Administration, Southeast Missouri State University
- Certifications: SIP certification in workers' compensation; currently pursuing her CPCU designation and has successfully completed 9 of the 10 CPCU classes towards her designation
- Prior Professional Experience:
  - Spent the majority of her career working for insurance carriers with the last 9 years working in the Third Party Claim Administration arena
  - Has held positions as a Casualty Claims Adjuster, General Liability Adjuster, Casualty Claims Analyst, WC Claims Examiner, Senior WC Claims Examiner, and WC Claim Supervisor
  - Has handled a wide variety of claims including automobile liability, general liability, product liability, homeowners liability, construction defect, and workers' compensation.



TRISTAR will maintain the necessary staffing levels at all time to meet or exceed the City's minimum staffing requirements during the life of the contract. We are confident that our staff and technical expertise can meet or exceed the requirements for the management of the City's liability program. Additionally, the proximity to the City's main office would allow for more flexibility in face-to-face meetings and communication.

**Upon award and during the contract period, if the contractor chooses to assign different personnel to the project, the Contractor must submit their names and qualifications including information listed above to the City for approval before they begin work.**

TRISTAR acknowledges and will comply with this requirement.

- **Qualifications**

**The information requested in this section should describe the qualifications of the firm or entity and key staff performing projects within the past five years that are similar in size and scope to demonstrate competence to perform these services. Information shall include:**

**Names of assigned personnel dedicated to the account and their specific responsibilities with respect to this scope of work. Please include an organizational chart that reflects the titles of key staff and management contacts of each individual assigned to provide services under this contract.**

Please refer to the staffing information above and Attachment B – Organizational Chart.

**A summary of your firm's demonstrated capability, including length of time that your firm has provided the services being requested in this Request for Proposal.**

TRISTAR Risk Management has been in business of administering casualty and liability claims for twenty-five (25) years. TRISTAR Risk Management is a division of TRISTAR Insurance Group. Founded in 1987, TRISTAR Insurance Group is the largest privately held independent third party administrator and 6th largest property and casualty TPA in the nation. TRISTAR Insurance Group provides third party claims administration services for self-insured employers and insured policyholders. Our clients include self-insured public and private entities, programs, captives, insurance corporations, and reinsurers. TRISTAR has forty-four (44) locations in 25 states, with eight (8) branch offices in California.

TRISTAR Insurance Group is comprised of six complimentary companies that provide a wide range of risk management and insurance services to our customers:

- TRISTAR Risk Management (TRISTAR or TRM) – provides Third Party Administration services for self-insured employers and insured policyholders, including claims administration of general liability, professional liability, automobile, property, group health risks, and workers' compensation.
- TRISTAR Managed Care (TMC) – provides medical bill review service, and access to local and regional PPO networks, including pharmacy, radiology, durable medical equipment, and physical therapy cost containment programs.



- MEDSTAR Medical Management (MEDSTAR) – since the early 90's, MEDSTAR has provided medical case management services including early intervention, utilization review, telephonic and field case management, return to work, treatment protocols, and customized wellness programs.
- TRISTAR Benefit Administrators (TBA) – provides third party administrator services for self-insured employers and insured policyholders including claims administration of group health benefits.
- TRISTAR ICS - provides third party administrator services for all aspects of leaves of absence and group disability claims. Their services include Family Medical Leave Act (FMLA) and employer-specific leave policies, insured and self-insured short term disability (STD) plans, private or self-insured State Disability Insurance (SDI) plans, and coordination with leave of absence and workers' compensation programs.
- Corporate Staffing Solutions, Inc. (CSSI) – provides temporary and permanent recruitment to the insurance industry and greatly assists TRISTAR companies in rapidly locating qualified claims personnel for its operations.

**Provide at least three references that received similar services from your firm. The City of Costa Mesa reserves the right to contact any of the organizations or individuals listed. Information provided shall include:**

- **Client Name**
- **Project Description**
- **Project start and end dates**
- **Client project manager name, telephone number, and e-mail address.**

San Jose Unified School District  
Project: Third Party Liability Claims Administration  
Dates: 1/1/2004 – Present  
Project Manager: [REDACTED]

Mesa Unified School District #4  
Project: Third Party Liability Claims Administration  
Dates: 7/1/2006 – Present  
Project Manager: [REDACTED]

Bexar County  
Project: Third Party Liability and Workers' Compensation Claims Administration, and Managed Care  
Dates: 4/1/2001 - Present  
Project Manager: [REDACTED]

Hidalgo County  
Project: Third Party Liability and Workers' Compensation Claims Administration, and Managed Care  
Dates: 7/1/2003 - Present  
Project Manager: [REDACTED]



- **Financial Capacity**

**Provide the Proposer's latest audited financial statement or other pertinent information such as internal unaudited financial statements and financial references to allow the City to reasonably formulate a determination about the financial capacity of the Proposer. Describe any administrative proceedings, claims, lawsuits, or other exposures pending against the Proposer.**

Please see Attachment C – Financial Statements.

TRISTAR is currently involved in the following pending litigation:

1. [REDACTED] US District Court, for District of Colorado. Basis of suit was wrongful termination by employer/client. Claimant fell, was treated and continued to have problems. Employer did not feel it could accommodate. Suit alleges TRISTAR in collusion with employer to find less than full recovery, which was a medical opinion. No apparent exposure. Matter pending.
2. [REDACTED]. District Court, Larimer County, State of Colorado. In Pro Per WC claimant alleges her neck was injured during therapy. Suit founded in medical malpractice but names TRISTAR. First response to suit will be Motion for Dismissal, as the complaint against TRISTAR is unfounded on its face. Pending.
3. [REDACTED] Workers' compensation claimant sued AME physician and client, physician cross-complained against TRISTAR. No apparent exposure. Pending.
4. [REDACTED]. Workers' compensation claimant sued client for wrongful termination and also named TRISTAR. TRISTAR has been dismissed, but is following case. Pending.

- **Fee Proposal**

**All Proposers are required to use the form in Appendix D to be submitted with their proposal. Pricing instructions should be clearly defined to ensure fees proposed can be compared and evaluated. Proposals shall be valid for a minimum of 90 days following submission.**

Please refer to our completed Pricing Proposal Form. Our pricing instructions are clearly defined to ensure fees proposed can be compared and evaluated. Our proposal shall be valid for a minimum of 90 days following submission.

- **Disclosure**

**Please disclose any and all past or current business and personal relationships with any current Costa Mesa elected official, appointed official, City employee, or family member of any current Costa Mesa elected official, appointed official, or City employee. *Any past or current business relationship may not disqualify the firm from consideration.***

TRISTAR does not have any past or current business and personal relationships with any current Costa Mesa elected official, appointed official, City employee, or family member of any current Costa Mesa elected official, appointed official, or City employee.



- **Sample Agreement**

The firm selected by the City will be required to execute a Professional Services Agreement (PSA) with the City. The form of the Agreement is enclosed as Appendix B, but may be modified to suit the specific services and needs of the City. If a Proposer has any exceptions or conditions to the Agreement, these must be submitted for consideration with the proposal. Otherwise, the Proposer will be deemed to have accepted the form of Agreement. See Section 13, below.

TRISTAR has provided the following exceptions or modifications to the City's Agreement of Services provided in the RFP.

6.9. Indemnification and Hold Harmless: To the fullest extent permitted by law, the Consultant assumes liability for and shall save and protect, hold harmless, indemnify, and defend the City and its elected and appointed officials, officers, and employees (all the foregoing, hereinafter collectively, "Indemnitees") from and against all claims, suits, demands, damages, losses, expenses, and liabilities of any kind whatsoever (all the foregoing, hereinafter collectively "Claims") including, without limitation, attorneys' fees, arising out of, resulting from, relating to, or claimed to have arisen out of, resulted from or related to the ~~engagement of Consultant or the~~ negligent acts, errors, or omissions in the performance of this Agreement by the Consultant (including its subcontractors and suppliers).

It is expressly intended by the parties that Consultant's indemnity and defense obligations shall apply, and Indemnitees shall be fully indemnified without offset, deduction or contribution, ~~regardless of any negligence or other fault of Indemnitees, or any of them, and whether or not such~~ except to the extent Indemnitee negligence or other fault caused or contributed to the arising of the Claims.

- **Checklist of Forms to Accompany Proposal**

As a convenience to Proposers, following is a list of the forms, included as appendices to this RFP, which should be included with proposals

- (1) Vendor Application Form
- (2) Ex Parte Communications Certificate
- (2) Price Proposal Form
- (3) Disclosure of Government Positions
- (4) Disqualifications Questionnaire

Please refer to our completed forms in the next section, with the exception of the Vendor Application Form, which is attached to the Cover Letter.

**EX PARTE COMMUNICATIONS CERTIFICATION**

Please indicate by signing below one of the following two statements.

**Please sign only one statement.**

I certify that Proposer and Proposer's representatives have not had any communications with a City Councilmember concerning the Third Party Liability Claims Administration RFP at any time after September 9, 2012.



---

v

**OR**

I certify that Proposer or Proposer's representatives have communicated after September 9, 2012 with a City Councilmember concerning the Third Party Liability Claims Administration RFP. A copy of all such communications is attached to this form for public distribution.

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# PRICING PROPOSAL FORM

## THIRD PARTY LIABILITY CLAIMS ADMINISTRATION

Provide hourly rates, along with estimated annual pricing in accordance with the City's current requirements, as set forth in section 3 Scope of Work. Also provide your firm's proposed Staffing Plan on a separate sheet of paper. Proposer should use a separate form to state pricing for any added value.

Pricing shall remain firm for a minimum of two (2) years. Any and all requests for pricing adjustments for follow-up on contract renewal periods shall be provided no later than sixty (60) days prior to the end of the contract period. Any such proposed price adjustments shall not exceed The Bureau of Labor Statistics Consumer Price Index (CPI) data for Los Angeles-Riverside-Orange County, CA, All Items, Not Seasonally Adjusted, "annualized change comparing the original proposal month and the same month in the subsequent year. (This information may be found on the U.S. Department of Labor's website at [www.bls.gov](http://www.bls.gov).)

Employee	Hourly Rate	Hours worked	Total Cost	Overtime rate
Supervisor	\$96	55	\$5,280	\$
Claims Examiner III	\$80	280	\$22,400	\$
Clerical Assistant	\$50	62	\$3,100	\$
	\$			\$
	\$			\$
	\$			\$

Total Estimated Annual Price	\$30,780
------------------------------	----------

ADD ANY ADDITIONAL COST PROPOSAL SHEETS HERE

## ADDITIONAL COSTS

Data Conversion: \$3,500

## ALLOCATED LOSS ADJUSTMENT EXPENSES

The following activities are allocated expenses and will be paid against the claim. They are as follows:

- Fees of attorneys, including representation at hearings or pretrial conferences;
- Fees of court reporters;
- Court costs, court fees and court expenses, service of process;
- Costs of undercover operative and detective services;
- Costs of employing experts for advice, opinions, or testimony concerning claims under investigation or in litigation and costs of appraisals;
- Costs of independent medical examinations and/or evaluations for rehabilitation and/or to determine the extent of the City's liability;
- Costs of legal transcripts of testimony taken at coroner's inquests, criminal proceedings, or civil proceedings;
- Costs of copies of public records and/or medical reports;
- Fees paid to witnesses and corresponding travel expenses;
- Costs of photographs and photocopy services;
- Costs of time and expense claims administration fees;
- Vocational rehabilitation, medical case management and utilization review;
- Medical bill review services;
- Preferred Provider Organization fees or other similar cost containment programs;
- Electronic Index Bureau inquiry or reporting fees;
- Interest paid as a result of litigation;
- State mandated electronic data interchange (EDI) costs, if applicable;
- Federal query/reporting fees for Section 111 of the Medicare, Medicaid and SCHIP Extension Act of 2007.

**STAFFING PLAN FOR THE CITY**

Supervisor: (.03) FTE  
Claims Examiner III: (.15) FTE  
Clerical Assistant: (.03) FTE



**DISCLOSURE OF GOVERNMENT POSITIONS**

Each Proposer shall disclose below whether any owner or employee of the firm currently hold positions as elected or appointed officials, directors, officers, or employees of a governmental entity or held such positions in the past twelve months. List below or state "None."

<b>Name</b>	<b>Title</b>	<b>Entity</b>
<a href="#">None</a>		



REQUEST FOR PROPOSAL  
FOR  
THIRD PARTY LIABILITY CLAIMS ADMINISTRATION



RELEASED BY  
HUMAN RESOURCES DIVISION  
CITY OF COSTA MESA

RELEASE DATE: September 19, 2012

The referenced document has been modified as per the attached Amendment No. 1

Please sign this Amendment where designated and return the executed copy with submission of your proposal. This amendment is hereby made part of the referenced proposal as through fully set forth therein. Any questions regarding this amendment should be addressed to Kimberly Wilson, email [Kimberly.Wilson@Costamesaca.gov](mailto:Kimberly.Wilson@Costamesaca.gov)

**2. SCHEDULE OF EVENTS**

This request for proposal will be governed by the following schedule (All dates are subject to change at the discretion of the City):

Release of RFP.....	September 10, 2012
Deadline for Written Questions .....	September 28, 2012
<del>Responses to Questions Posted on Web .....</del>	<del>October 12, 2012</del>
<b>Responses to Questions Posted on Web .....</b>	<b>October 8, 2012</b>
Proposals are Due .....	October 18, 2012
Interview (if held) .....	November 5 – 9, 2012
Approval of Contract .....	December 4, 2012

Approval of Contract TBD

All dates are subject to change at the discretion of the City

*All other provisions of the invitation of this proposal shall remain in their entirety.  
Vendors hereby acknowledge receipt and understanding of the above Amendment.*

 October 15, 2012  
Signature      Date

  
Manager, Sales & Marketing  
Typed Name and Title

TRISTAR Risk Management  
Company Name

203 N. Golden Circle Drive, Suite 200

Santa Ana, CA 92705  
Address



REQUEST FOR PROPOSAL  
FOR  
THIRD PARTY LIABILITY CLAIMS ADMINISTRATION



RELEASED BY  
HUMAN RESOURCES DIVISION  
CITY OF COSTA MESA

RELEASE DATE: September 28, 2012

The referenced document has been modified as per the attached Amendment No. 2

Please sign this Amendment where designated and return the executed copy with submission of your proposal. This amendment is hereby made part of the referenced proposal as through fully set forth therein. Any questions regarding this amendment should be addressed to Kimberly Wilson, email [Kimberly.Wilson@Costamesaca.gov](mailto:Kimberly.Wilson@Costamesaca.gov)

**2. SCHEDULE OF EVENTS**

This request for proposal will be governed by the following schedule (All dates are subject to change at the discretion of the City):

Release of RFP.....	September 10, 2012
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Responses to Questions Posted on Web .....	October 8, 2012
Proposals are Due .....	October 18, 2012
<del>Interview (if held) .....</del>	<del>November 5-9, 2012</del>
<b>Interview (if held) .....</b>	<b>November 13-16, 2012</b>
Approval of Contract .....	December 4, 2012

Approval of Contract TBD  
All dates are subject to change at the discretion of the City

• **Submission of Proposals**

*Complete written proposals must be submitted in sealed envelopes marked and received no later than 12:00 p.m. (P.S.T) on October 18, 2012 to the address below. Proposals will not be accepted after this deadline, with no exceptions. Faxed or e-mailed proposals will not be accepted.*

Costa Mesa City Clerk  
~~Attn: Jennifer Sommers~~  
**Attn: Kimberly Wilson**  
77 Fair Drive  
Costa Mesa, CA 92626

RE: RFP - Third Party Liability Claims Administration

*All other provisions of the invitation of this proposal shall remain in their entirety. Vendors hereby acknowledge receipt and understanding of the above Amendment.*

October 15, 2012

Signature

Date

TRISTAR Risk Management

Company Name

Manager, Sales & Marketing

Typed Name and Title

203 N. Golden Circle Drive, Suite 200

Santa Ana, CA 92705

Address

# **ATTACHMENT A**

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## **Transition Plan**

# CITY OF COSTA MESA

(Specific actions, names of responsible parties, and estimated due dates are subject to change pending award of contract to TRISTAR and initial meeting with the City. Tentative dates are based on an estimated contract award date – to be determined.)

## PROPOSED IMPLEMENTATION PLAN

ACTION		DUE DATE
1. Provide sample transition letter to the City. Changes made by the City: <ul style="list-style-type: none"> <li>– [Date] data conversion deadline for former TPA vendor,</li> <li>– Letter to claimants [search for claimants – change] by former TPA vendor on [Date],</li> <li>– no new claims to former TPA vendor after [Date], and</li> <li>– TRISTAR to pick up files.</li> </ul>	Client Services	TBD
2. TRISTAR to provide a list of biographies on key staff servicing the City.	Operations	TBD
3. Develop and review file transfer guidelines for electronic and physical files.	Client Services	TBD
4. Review pick-up and delivery details.	Operations	TBD
5. Provide the City with available claim system user restriction options.	Information Technology	TBD
6. Request test tape with vendor information including tax id, address, and amount paid.	Client Services	TBD
7. Provide TRISTAR with hardcopy detailed loss report valued as of [Date].	City / Prior TPA	TBD
8. Review form letters with the City for claim system correspondence field.	Operations	TBD
9. Provide listing of departments, locations, occupations, NAICS codes. Review for changes in current system.	City / Client Services / IT	TBD
10. Review and finalize banking arrangements	Client Services	TBD
11. Review customized report package.	Client Services	TBD
12. Provide Certificates of Insurance and Performance Bonds, if applicable.	Operations	TBD

**DRAFT**

**Subject to change based on the City's needs and requirements.**

# CITY OF COSTA MESA

(Specific actions, names of responsible parties, and estimated due dates are subject to change pending award of contract to TRISTAR and initial meeting with the City. Tentative dates are based on an estimated contract award date – to be determined.)

## PROPOSED IMPLEMENTATION PLAN

ACTION		DUE DATE
13. Provide list of City users with restrictions.	City	TBD
14. Provide the City training plan/schedule for authorized users.	Client Services	TBD
15. Finalize service agreement.	Client Services	TBD
16. Access to the City test data valued [Date]. Data to be loaded [Date]. IT review on [Date] and scheduled for release on [Date].	Information Technology	TBD
17. Completion of claim system interface with the City. HR and bank reconciliation. TRISTAR to communicate directly with the City's consultant, if applicable.	Information Technology	TBD
18. City staff training on our claim system, cSTAR.	Client Services	TBD
19. Claimant notification letters to claimants, service providers regarding TPA change.	Client Services	TBD
20. Open claim file inventory at time of transfer.	Operations	TBD
21. Conduct introductory meetings with TRISTAR and the City's staff	Client Services / Operations	TBD
22. Review findings and status of takeover with the City.	Operations	TBD
23. Complete I.T. conversions/compare takeover claim inventory to RFP. Identify problems (if any) and develop a plan of action.	Client Services	TBD
24. Final transition analysis, establish future claim review dates, and stewardship reports.	Client Services / Operations	TBD

**DRAFT**

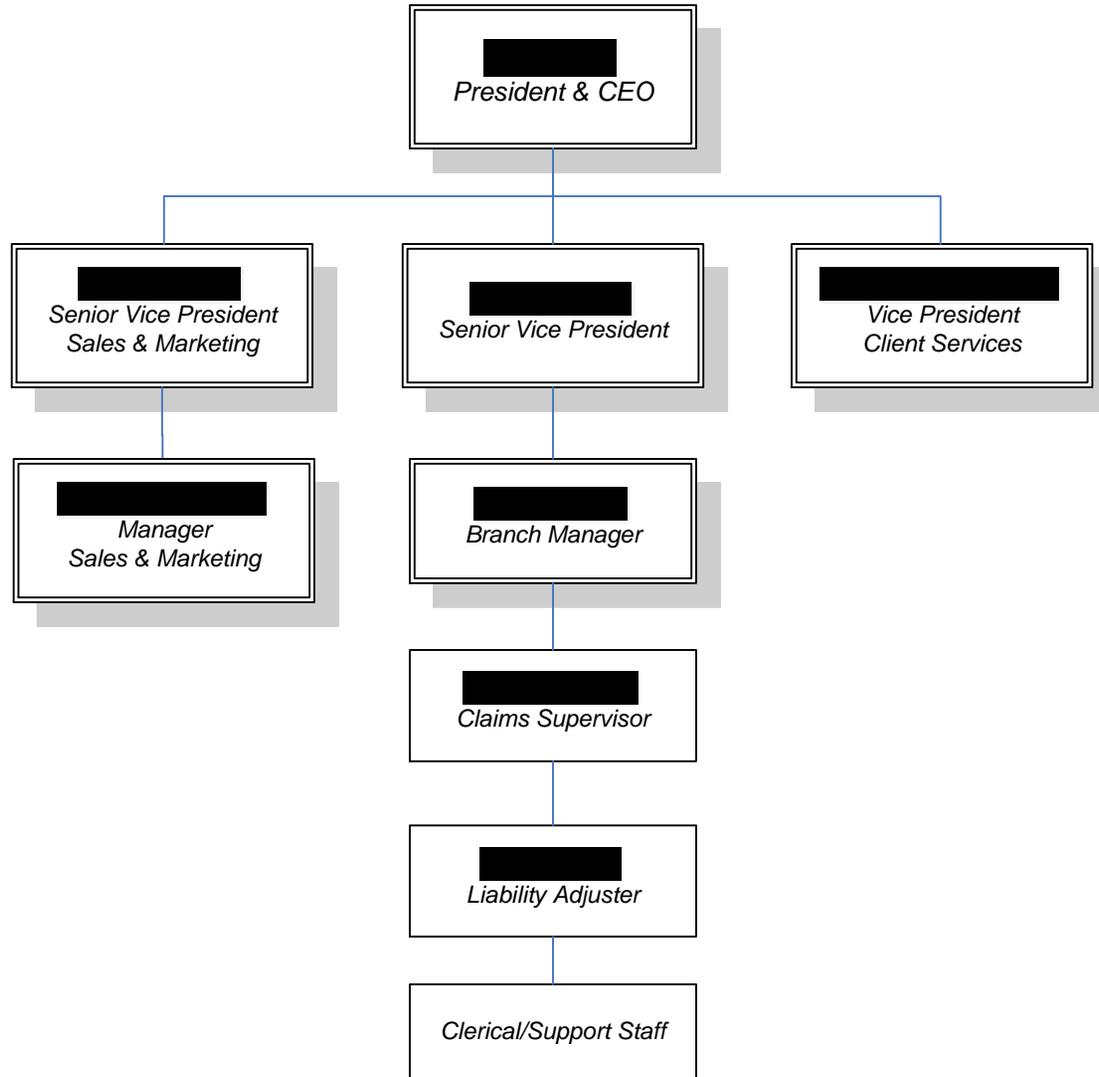
**Subject to change based on the City's needs and requirements.**

# **ATTACHMENT B**

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## **Organizational Chart**

# Proposed Organizational Chart City of Costa Mesa



# **ATTACHMENT C**

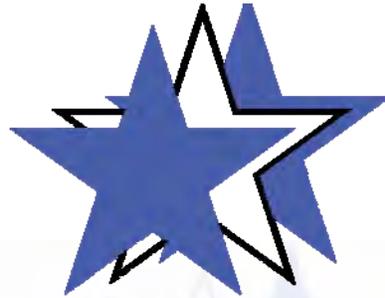
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## **Financial Statements**

# TRISTAR Service Company, Inc. and Subsidiaries

Consolidated Financial Statements as of and  
for the Years Ended December 31, 2011 and 2010,  
Supplemental Consolidating Schedules as of and  
for the Year Ended December 31, 2011, and  
Independent Auditors' Report

**CONFIDENTIAL**



**TRISTAR**  
**RISK MANAGEMENT**

203 N. Golden Circle, Suite 200  
Santa Ana, California 92705  
[www.tristarrisk.com](http://www.tristarrisk.com)

**Celebrating 25 Years**

*Leading with integrity, delivering results*

# **YORK RISK SERVICES GROUP**



*Proposal for*



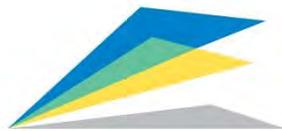
**REQUEST FOR PROPOSAL  
FOR  
THIRD PARTY LIABILITY CLAIMS ADMINISTRATION**

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*Submitted by:*

**[REDACTED]**  
*Vice President, Liability Operations*  
&

**[REDACTED]**  
*Program Manager*



**YORK**<sup>TM</sup>

**750 The City Drive, Suite 350  
Orange, CA 92868**

**October 18, 2012**

*Proposal for*



**Table of Contents**

<b>Vendor Application Form &amp; Cover Letter .....</b>	<b><a href="#">Section 1</a></b>
<b>Background &amp; Project Summary .....</b>	<b><a href="#">Section 2</a></b>
<b>Methodology .....</b>	<b><a href="#">Section 3</a></b>
<b>Staffing .....</b>	<b><a href="#">Section 4</a></b>
<b>Qualifications .....</b>	<b><a href="#">Section 5</a></b>
<b>Financial Capacity.....</b>	<b><a href="#">Section 6</a></b>
<b>Fee Proposal.....</b>	<b><a href="#">Section 7</a></b>
<b>Disclosure &amp; Sample Agreement .....</b>	<b><a href="#">Section 8</a></b>
<b>Forms to Accompany Proposal .....</b>	<b><a href="#">Section 9</a></b>
<b>Attachments .....</b>	<b><a href="#">Section 10</a></b>



**Names & Titles of Corporate Board Members**

(Also list Names & Titles of persons with written authorization/resolution to sign contracts)

Names	Title	Phone
[REDACTED]	Senior Vice President	([REDACTED])
[REDACTED]	Executive Vice [REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	Executive Vice President	([REDACTED])

Federal Tax Identification Number: [REDACTED]

City of Costa Mesa Business License Number: None

(If none, you must obtain a Costa Mesa Business License upon award of contract.)

City of Costa Mesa Business License Expiration Date: Not applicable



750 The City Drive, Suite 350  
Orange, CA 92868  
(714) 620-1336  
www.yorkrsg.com

October 18, 2012

Kimberly Wilson, RFP Facilitator  
City of Costa Mesa  
77 Fair Drive  
Costa Mesa, CA 92626

RE: Cover Letter for Request for Proposal for Third Party Liability Claims Administrator

Dear Ms. Wilson:

York Risk Services Group, Inc. (“York”) appreciates the opportunity to submit this proposal to partner as the Third Party Administrator for the City of Costa Mesa’s (“City”) liability program.

As a leading provider of third party claims administration solutions, we have been privileged to administer liability and property claims for public entities state-wide, including over 184 separate entities and 68 cities.

We are proposing a competitive fee structure that, coupled with our fresh and innovative approach to claims management, will allow the City to realize tremendous value in our services. Based on our review of your data, we are confident in our ability to provide quality service at a great value through a customized team approach that leverages 1) our experience, 2) a service model designed with the City’s needs in mind, 3) leadership that will deliver on our commitments, and 4) state-of-the-art technology that allows York to operate more efficiently and the City to effectively manage its program through powerful reporting capabilities:

1. Experience & Expertise

York offers the City 26 years of experience in liability programs. York has a keen understanding of the City’s program as a result of our experience managing many programs similar to the City, including the Cities of Oxnard, Bakersfield, and Sacramento. Our long history with these clients has given us the necessary expertise in handling liability claims for municipalities. We included these clients, among others, as references and invite you to contact them.

2. Service Model Customized for the City

York’s customized program approach centers around one key component – communication. We feel that, in order to provide exceptional customer service, all parties must work together to ensure timely and accurate exchange of information. In line with this philosophy, we are proposing a service model with one senior adjuster [REDACTED], and we will assign [REDACTED]—a claims professional with over 35 years of multi-line claims handling experience and over **15 years of experience handling public entity clients**—to provide technical oversight of your claims specialists and ensure proper legal defense. [REDACTED] and [REDACTED] are based out of our San Bernardino office but will be onsite in our Orange office when needed to manage your program effectively.



3. Proactive Litigation & Investigation Management

York understands that a proactive approach to litigation management and investigation is one of the most effective ways to control the City's costs. In his role as Account Manager, [REDACTED] will act as a liaison between York and the City. He will also provide litigation guidance to the claims adjusting staff and will help facilitate a positive, productive relationship with the City. Ultimately, [REDACTED] will partner with the City in the enforcement of your litigation management policy through direction of litigation plans and budgets to ensure the most effective use of the City's defense funds.

4. State-of-the-art RMIS

Our state-of-art, internet-based *Claims Connect*<sup>TM</sup> risk management information system is a very robust paperless environment capable of filtering a number of data fields, which will allow the City to not only trend losses but also run customized reports. This will enable the City to analyze a variety of information that will assist in the targeted reduction of overall claim frequency and severity. *Additionally, Claims Connect*<sup>TM</sup> empowers York's adjusters to operate more efficiently, allowing them to devote their time to proactive claims management and cost control.

[REDACTED] is the individual authorized to bind York. The proposal price will be valid for a period of 90 days.

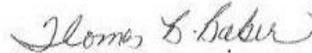
York understands that partnership means providing exceptional service to the City while controlling the cost of your claims. We will be there when you need us most, and we look forward to the opportunity to discuss our proposal with you during an oral interview.

Best Regards,



[REDACTED]  
President, Public Entity

[REDACTED]  
Phone: (714) 620-1336



[REDACTED]  
Vice President, Liability Operations

[REDACTED]  
Phone: (916) 746-8834



## Section 2

### **BACKGROUND & PROJECT SUMMARY**

**The Background and Project Summary Section should describe your understanding of the City, the Scope of Work for the project, and the objectives to be accomplished.**

During its many years of liability claims experience, York has established a philosophy of handling practices which achieves the goals of:

- FAIRNESS in claim handling and settlements.
- RESPONSIVENESS to the needs of our clients with particular attention given to the public relations environment surrounding our clients.
- PROMPTNESS and EFFICIENCY in claim disposition.
- RELIABILITY and professional conduct in all endeavors on behalf of our clients.
- EQUITY in compromising claims and in our service charges to our clients.

#### Communication

Communication between the City and York is the most crucial aspect of our relationship and will play the primary role in the success of our program. It is essential for everyone involved in the claims process to communicate openly and timely. During our implementation process, [REDACTED] will discuss the most appropriate communications plan that meets your needs and implement it as part of the program process. We have extensive experience interacting with our clients' staff at all levels of their organization through a wide variety of communication methods including phone, email, written reports, face-to-face meetings, oral presentations, etc.

Moreover, York's policy is to return telephone calls and respond to inquiries promptly, but no later than one (1) business day after receipt. York will also schedule claim review meetings under the direction of the City. At these meetings we review the progress of serious claims, claim trends and causes, the adequacy of reserves and relevant changes in the law.

#### Paperless Claims System

York's proprietary claims management information system (CMIS) is *Claims Connect*<sup>™</sup>. Claims Connect<sup>™</sup> is a paperless system. While our staff has extensive experience setting up and maintaining a paper-based claim record system, we believe the paperless claims system provides our clients with the most efficient and secure means of administering their claims program and managing their claims data. Paperless systems save money by reducing the use of paper and postage. Claims Connect<sup>™</sup> allows our adjusters to operate with efficiency, ***which in turn allows them to devote more time to managing your files proactively and controlling your costs.***

#### Setting Up New Claim Files

York establishes a new file with our receipt of the claim submitted by, or on behalf of, the claimant. Claims can be reported by mail, fax, e-mail or phone to any of our offices. Our after-hours emergency number and home telephone numbers of our staff will also be provided as ***we provide 24-hour claims service.*** Our experience is that our control of the claim from the onset can substantially reduce our client's liability claims costs.

After receiving a report of a claim or incident report, we create the claim file and enter the data, including Reserves, into the claims information system. We also acknowledge receipt via e-mail,



advising the client of the claim number and the adjuster assigned. We provide our initial evaluation to our client within five working days. This includes:

- An outline of details of the loss.
- Claimant data, including name(s) of claimant(s).
- Initial Reserve recommendation.
- Recommended plan of future activity, including governmental tort claim action required; e.g. Notice of Late Claim, Notice of Insufficiency, Notice of Rejection, or no action, if strategy so suggests.

This is our normal procedure, ***but we are flexible to meet the needs of our clients and are willing to modify this procedure.*** The City will be provided with a log-in name and password through [REDACTED], which allows the City to view Adjuster notes, claims financials, including reserve history and payment details. The City can run custom queries, view standard reports and maintain their own personalized diaries.

### Reserve Philosophy

We recognize that reserving for liability claims is one of the most important things we do as Third Party Claims Administrators.

We endeavor to reserve based on ultimate net loss and to avoid a stair step approach where reserves are constantly increased during the life of the claim. Initial reserve will be established within the first five (5) days of receipt of the claim. Subsequent reserve changes are to be adjusted within 14 days upon receipt of material changes. Any deviation is documented in the claim file.

We recognize that not all areas will immediately warrant a reserve, e.g., no BI or PD claimed at the outset; no legal expense anticipated. We establish the applicable reserve within five days of assignment, based on investigation completed to that time. Reserves for Loss and Expenses, including legal fees and costs, are evaluated and maintained separately in our claims management information system. We strive to have a more precise reserve by the time our full captioned report is due, 30 days after assignment, and our investigation is largely complete.

We realize and emphasize that reserving is not an exact science, but is based on the following:

- The nature of the loss
- Liability of the client
- Comparative liability of the claimant
- Type of injury
- Cost of medical care
- Extent of medical care
- Lost income
- Credibility of the claimant
- Witness capability of the claimant
- Age, marital status, dependents of the claimant
- Prognosis, permanence, scarring, disfigurement
- Capability of claimant counsel, if any
- Litigation environment of the particular jurisdiction
- Adjuster's experience with similar claims
- Jury verdicts



## Investigation

Our prompt contact (within 24 hours) with the claimant(s) or claimant's(s') attorney and concise initial investigations can significantly influence future settlement value. This contact also represents our commitment to providing quality customer service that reflects the City's commitment to providing service to its customers. During the first five days after receiving a new claim, our investigation includes contact with City personnel and any witnesses, documented with statements, if possible. We secure all applicable records and other documents to verify injuries and property damage. We obtain all official reports, photographs and diagrams of the scene, and use video when appropriate.

During the course of our investigation, we ask ourselves:

- What is the potential of this claim?
- What are the facts?
- Who is the best source?
- How much is enough?
- Does the file speak for itself?

In other words, we quickly identify issues at hand and how to resolve those issues, documenting the file as our investigation addresses the facts, coverage, liability and damages. We perform the investigation necessary to make our liability and damages assessment, not over-investigating those matters, but considering resolution at every opportunity. We promptly identify indemnity and defense rights owed to the client through contracts and additional insured endorsement and aggressively pursue tenders on their behalf. **We report all injury claims to the Index Bureau** and have them re-indexed once or twice a year while the claim remains open.

Property damage claims will be inspected promptly and the damages evaluated and assessed. Our adjusters are always alert to **subrogation** potential and will work with City staff to aggressively pursue recovery from responsible third parties on the City's behalf.

Within 30 days of receipt of the claim, we provide our client with a comprehensive written report that contains the following captions:

- a. **Tort Claim** – Outlines our recommendation for response to the tort claim and the current procedural status
- b. **Facts** – Detailed review of the facts of the claim as determined through field investigation (scene inspection, photograph, diagrams, etc.) statements of the parties and witnesses, official reports, internal reports, etc.
- c. **Injuries and Property Damage** – Review of the claimed injuries and damages for each claimant and discussion of the value of those damages based on documentation and the law
- d. **Liability** – Assessment of the client's legal liability based on the information available at that time.
- e. **Evaluation** – Preliminary assessment of the value of each claim based on verified damages, legal liability, other responsible parties, indemnity/defense rights, additional insured status, Medicare Liens, and other related factors. This will also include Reserve recommendations.
- f. **Subrogation/Recovery** – Identification of the potential for recovery from other responsible parties for damages sustained by the client and the plan to secure recovery.
- g. **Excess Reporting** – Confirmation as to whether the loss is reportable to the client's excess pool or carrier(s), the status of such reporting and any coverage issues
- h. **Further Activity** - A clear Plan of Action that moves the file toward resolution. This will include strategies for negotiations and alternative dispute resolution.



### Ongoing Status Reports

Throughout the pendency of the claim, we provide written status reports that update significant events in the file, particularly those that impact the value and assessment of the claim. Each status report will provide comment and an update of the Plan of Action. It is our practice to provide status reports every 30 days; however, the frequency and format of these reports can be modified to best meet the client's needs.

### Closing Report

At the conclusion of each claim, we provide the client with a written report that confirms the basis on which the claim was closed; e.g. tolling of the statute of limitations, settlement, defense verdict, etc. This report also provides a summary of the payments made on the claim and any releases or other closing documents.

### Litigation Management

It has been our long-standing philosophy that quick claimant contact and immediate on-site investigation can reduce exposure and keep costs and losses to a minimum. Our skilled claims staff makes every attempt to minimize the number of cases leading to litigation and facilitate early settlements where liability exists.

We carefully review all new claims to assure compliance with the California Tort Claims Act and assert all available defenses. We promptly identify indemnity and defense rights owed to the client through contracts and additional insured endorsements and aggressively pursue tenders on their behalf. Regular supervisory review of the file further assures timely and economic resolution of all claims.

Teamwork between the Claims Administrator and defense counsel, demonstrated by documented communication, is paramount for effective litigation management. York abides by and actively enforces our clients' litigation management policies and procedures. This area of legal defense can be the most expensive part of a program unless the administrator continues to manage the claim throughout litigation. This begins with our initial written assignment to defense counsel with complete file documentation and specific instructions and direction. In addition, we review all bills and expenses prior to payment and manage the legal expenses to assure compliance with the agreed budget and litigation plan. We require that no unauthorized discovery take place, and clear retention of all experts with our client

York continues with close monitoring of the file through closure, and often handles settlement negotiations if entered into, including attendance at all settlement conferences and mediations. We will be available to attend court hearings and trials as requested.



## Section 3

### METHODOLOGY

- 1. An implementation plan that describes in detail (i) the methods, including controls by which your firm manages projects of the type sought by this RFP; (ii) methodology for soliciting and documenting views of internal and external stakeholders; (iii) and any other project management or implementation strategies or techniques that the respondent intends to employ in carrying out the work.**

██████████ will ultimately be responsible for implementing your program and ensuring that the day-to-day claims management exceeds your expectations. Additionally, Mr. ██████████ will conduct internal audits on two open claims per month for ██████████, the senior adjuster. Any additional training required as a result of the audit findings are implemented immediately by Mr. ██████████, and audits are taken into account during annual performance evaluations. These audits assure we maintain the high standards of claims handling for which we have become known.

- 2. Detailed description of efforts your firm will undertake to achieve client satisfaction and to satisfy the requirements of the "Scope of Work" section.**

York effectively lowers the cost of claims by conducting thorough investigations at the onset of each loss, actively managing litigation and outside vendors, and providing a state-of-the-art claims system that allows our adjusters to operate efficiently and the City to acquire the data its needs to implement internal programs to control costs.

Through our initial and ongoing status reports, we will provide the City with its own file on every claim that meets the City's criteria for reporting. York's claims management information system requires that a diary be maintained for each open file. It is our practice to set a 10-day claims review diary for the adjuster when the file is opened. A diary is also maintained by the Program Manager, acting as Supervisor, to assure regular and effective supervision of the file.

Initial supervisory review is conducted within 30 days. After the initial reporting to the City, thoughtful diary is maintained. The diary could be as short as 30 days in matters that are still under investigation, or as long as 180 days in cases where the Claim has been rejected and we are simply awaiting the expiration the statute of limitations. The Program Manager conducts an initial file review 90 days from the date opened and maintains a separate diary, as needed. The Program Manager is responsible for monitoring the quality of work, caseloads and also for adherence to our client's account handling instructions. The Program Manager will become involved in handling any unusually complex or severe claim.

- 3. Detailed project schedule, identifying all tasks and deliverables to be performed, durations for each task, and overall time of completion, including a complete transition plan. Include your plan to deal with fluctuation in service needs and any associated price adjustments.**

York will customize a Transition Plan to meet the needs and requirements of the City to include processes to set up the City's account, length of time necessary to get the account operational and ready to take calls, set-up of computer screens and the City's access to the claims system. *Please refer to Section 11, Attachment A: Sample Transition Plan.* David Rumore will work closely with



you to ensure a smooth transition. York has transitioned many programs the size and scope similar to the City with minimum disruption to staff and employees.

York commences the process of the program transfer from the City's current administrator on the date that the contract is awarded. We will work closely with the incumbent through the physical file transfer and initiate the electronic data conversion. We recommend that the incumbent provide an initial electronic file set as soon as the contract is awarded so that work can commence on the data conversion long before the actual transfer of administration.

**4. Detailed description of specific tasks you will require from City staff. Explain what the respective roles of City staff and your staff would be to complete the tasks specified in the Scope of Work.**

During the transition period, we request the following types of information from the City:

- Designated liaison for transition matters
- primary point of contact for intake and reporting of claims
- Contact info. For contacts in key departments
- Names of persons who will receive claims reports, loss runs, invoices and other communications
- List of preferred defense counsel
- Information regarding excess carriers, including policies and reporting requirements

In cases where a file is to be established without a claim having been submitted, we will request the following information from the City:

- Date and time of Incident
- Claimant name
- Claimant address
- Claimant phone number
- Client contact
- Client phone number
- Location of incident
- Description of incident

Additionally, York will maintain ongoing communication with City staff in order to ensure overall satisfaction with the program.

**5. Proposers are encouraged to provide additional innovative and/or creative approaches for providing the service that will maximize efficient, cost-effective operations or increased performance capabilities. In addition, the City will consider proposals that offer alternative service delivery means and methods for the services desired.**

In addition to the efficiency of our state-of-the art, paperless claims system and the proactive, cost-effective approach to claims management by our seasoned professionals, York is offering the City two pricing options to enable the City to select the pricing option that best meets its budgetary needs.



## Section 4

### STAFFING

**Provide a list of individual(s) who will be working on this project and indicate the functions that each will perform and anticipated hours of service of each individual. Include a resume for each designated individual.**

York will designate two claims professionals to manage the City's liability program. [REDACTED] will act as the Program Manager for the City, and [REDACTED] will manage the City's claims as the senior adjuster. Please see Section 11, Attachment B for resumes of the proposed team.

#### [REDACTED], Program Manager

*Role:* The Program Manager for the City will report to the Vice President of Liability Operations, [REDACTED], and will be the primary point of contact for the City for matters relating to the management of claims staff assigned to the City's account and the administration of the claims. Mr. [REDACTED] will be responsible for compliance with the technical claims requirements of the contract. He will be directly involved in the handling of complex, high-profile litigated claims. *He* will provide overall technical oversight on the claims handling process. He will directly supervise a team of claims handlers and support staff with specific direction and insight on individual claims, including reserves and litigation management. He approves reserve changes and payments above adjuster authority, assigns claims to adjusters based on expertise and caseload, and conducts claim reviews with the client. He also conducts quality control reviews of the claim files as well as performance evaluations to encourage performance improvement.

*Hours:* York anticipates that Mr. [REDACTED] will dedicate approximately five hours each week to managing the City's program.

#### [REDACTED], Principal Adjuster

*Role:* [REDACTED] will manage the City's claims from initial reporting to closure. The role of the senior adjuster includes, but is not limited to, the following:

- Manage defense and coverage counsel, including litigation costs and fees
- Handle complex litigated claims with input and guidance from the Program Manager
- Evaluate claim for compliance with the California Tort Claims Act.; develop and implement a plan of action for timely administrative response to the claim, including sending statutory notices.
- Evaluate claim for reporting requirements under client's excess insurance coverage and make timely reports to excess coverage provider
- Evaluate claim for potential third party contribution through risk transfer arrangements, including contractual and equitable indemnity rights owed to client; pursue contribution and subrogation on behalf of the client
- Identify key issues and investigation required
- Settle claims within assigned levels of authority as set forth in complex, detailed client account instructions

*Hours:* York anticipates that Ms. [REDACTED] will dedicate approximately 10 hours each week to managing the City's program.



## Section 5

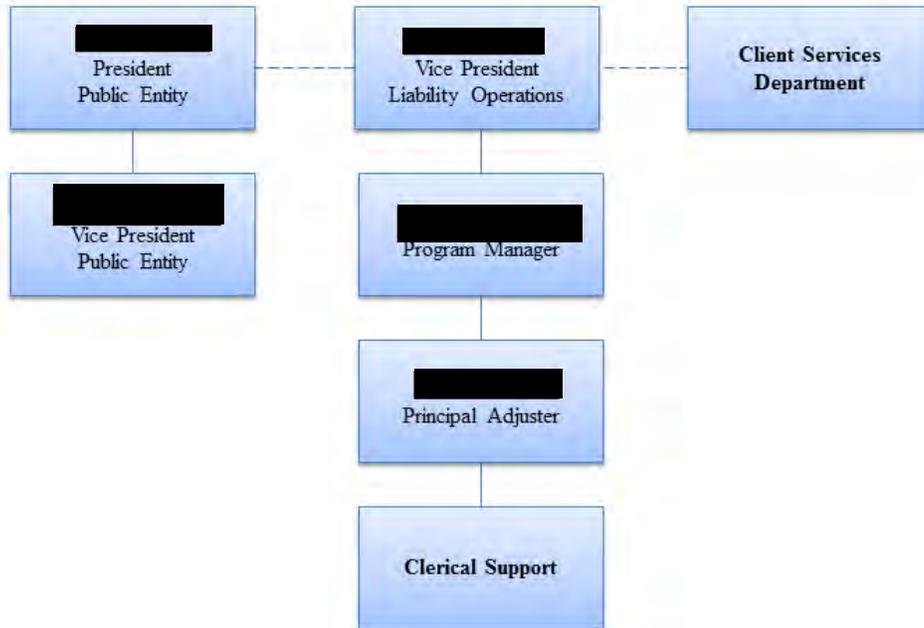
### QUALIFICATIONS

Names of assigned personnel dedicated to the account and their specific responsibilities with respect to this scope of work. Please include an organizational chart that reflects the titles of key staff and management contacts of each individual assigned to provide services under this contract.

York will assign the following personnel to manage the City's liability program:

- [REDACTED], Program Manager – [REDACTED] will be responsible for overall delivery of claims administration services and will provide technical oversight of the program.
- [REDACTED], Principal Adjuster – [REDACTED] will provide the day-to-day claims handling for the City from initial investigation through closure.

York has reviewed the City's data and has developed the following customized service model to meet your needs:



**A summary of your firm's demonstrated capability, including length of time that your firm has provided the services being requested in this Request for Proposal.**

York occupies a significant presence as a claims administrator within the California public entity community, supported by our 26 years of experience providing claims administration services. York provides claims administration services to over 1,000 individual public agencies in California, including four counties. Currently, public entities account for nearly 90% of our overall liability clients.

Our staff has extensive public entity liability claims administration experience gained both from prior employers and with this firm. York is proposing [REDACTED] as the claims manager with over 35 years of experience handling liability claims, over 15 years of which included public entity clients.

Through this experience, York has developed expertise in the application of laws, rules and regulations which govern California public agencies. We carefully review all new claims to assure compliance with the California Tort Claims Act and assert all available defenses.

**Provide at least three references that received similar services from your firm. The City of Costa Mesa reserves the right to contact any of the organizations or individuals listed. Information provided shall include:**

- o **Client Name**
- o **Project Description**
- o **Project start and end dates**
- o **Client project manager name, telephone number, and e-mail address.**

**Reference #1**

Company Name: City of Sacramento  
Contact Person: [REDACTED]  
Telephone: [REDACTED]  
Email: [REDACTED]  
Project Period: 1989 – Present  
Project Description: Self-Insured General and Automobile Liability Claims Administration and Subrogation Services

**Reference #2**

Company Name: City of Oxnard  
Contact Person: [REDACTED]  
Telephone: ([REDACTED])  
Email: [REDACTED].us  
Project Period: 2004 – Present  
Project Description: Self-Insured General and Automobile Liability Claims Administration and Subrogation Services

**Reference #3**

Company Name: City of Bakersfield  
Contact Person: [REDACTED], Risk Manager  
Telephone: [REDACTED]  
Email: [REDACTED]  
Project Period: 2005 – Present  
Project Description: Self-Insured General and Automobile Liability Claims Administration and Subrogation Services



## Section 6

### **FINANCIAL CAPACITY**

**Provide the Proposer's latest audited financial statement or other pertinent information such as internal unaudited financial statements and financial references to allow the City to reasonably formulate a determination about the financial capacity of the Proposer. Describe any administrative proceedings, claims, lawsuits, or other exposures pending against the Proposer.**

York Risk Services Group is a privately held company, whose financial reports are confidential and proprietary in nature. York enjoys a strong income statement and balance sheet with more than sufficient working capital to sustain the company and provide stability for our clients. Please refer to York's audited financial statements in separately sealed envelope.

York Risk Services Group, Inc. is in the business of adjusting claims. Consequently, York is sued from time to time. Parties often sue under the mistaken belief that York is an insurer. Sometimes parties sue York because they are frustrated with the claims adjustment process or are seeking to gain an advantage in the claims adjustment process. York's clients often agree to defend and indemnify York in these matters. On rare occasions York's clients have sued York. All material claims against York would be noted in financial statements. No pending or threatened litigation has been material nor has any pending or threatened litigation even been noted in any financial statement.



## Section 7

### FEE PROPOSAL

This fee proposal shall be valid for a minimum of 90 days following submission.

### PRICING PROPOSAL FORM THIRD PARTY LIABILITY CLAIMS ADMINISTRATION

Provide hourly rates, along with estimated annual pricing in accordance with the City’s current requirements, as set forth in section 3 Scope of Work. Also provide your firm’s proposed Staffing Plan on a separate sheet of paper. Proposer should use a separate form to state pricing for any added value.

*\*\*Please see our proposed Staffing Plan in Section 5 on page 10 of this proposal.*

Pricing shall remain firm for a minimum of two (2) years. Any and all requests for pricing adjustments for follow-on contract renewal periods shall be provided no later than sixty (60) days prior to the end of the contract period. Any such proposed price adjustments shall not exceed The Bureau of Labor Statistics Consumer Price Index (CPI) data for Los Angeles-Riverside-Orange County, CA, All Items, Not Seasonally Adjusted, “annualized change comparing the original proposal month and the same month in the subsequent year. (This information may be found on the U.S. Department of Labor’s website at [www.bls.gov](http://www.bls.gov).)

Employee	Hourly Rate	Hours worked	Total Cost	Overtime rate
██████████, Program Manager	\$66.00	247	\$16,330*	Not applicable
██████████, Principal Adjuster	\$66.00	495	\$32,670*	Not applicable
	\$		\$	\$
	\$		\$	\$
	\$		\$	\$
	\$		\$	\$

Total Estimated Annual Price	\$55,000*
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\*Not to exceed annual cap. The estimated hours are based on the City’s claims history provided in Addendum 1. In addition to service hours worked, the Total Estimated Annual Price includes Time & Expense rates billed as allocated expenses as listed in Option 1 below. However, we are offering a not to exceed annual fee of \$55,000.



***York Price Proposal  
for  
City of Costa Mesa***

*October 18, 2012*

York understands that, in the current economic climate, public entities face budgetary challenges. Recognizing that the decision to contract with a third party administrator for the City's liability program represents a significant budgetary decision, we have endeavored to simplify your review of our proposed pricing by providing a line-item comparison of our pricing against what the City currently pays. We hope this is helpful to you as you complete your review.

<b>Option 1 – Time &amp; Expense</b>		
<b>Time &amp; Expense Rates</b>	<b>York Price Proposal</b>	<b>Current Price</b>
<b>Services</b>	\$66.00 per hour	\$54.00 per hour
<b>Mileage</b>	IRS rate	.50 per mile/or IRS rate
<b>Telephone</b>	Included	8% of services (\$4.32 per hour)
<b>Photocopies</b>	.25 cents per page	.30 cents per page
<b>Pages/Stenographic</b>	Included	\$5.00
<b>Photographs</b>	Included	\$2.25 each
<b>Office Expense</b>	Included	15% of services (\$8.10 per hour)
<b>Set up fee</b>	\$25.00 per file	½ hour Services Rate above
<b>Data Processing</b>	Included	\$30.00 per incident only or in-house reporting x 32 = \$960.00/year
<b>1099 Preparation</b>	Included	Included
<b>Cassettes</b>	Included	Included
<b>Index/OFAC (per submission)</b>	\$12.00 each	\$18.00 each (Pass through – was \$15.00)
<b>MMSEA</b>	Included	\$4.85 X 76 claims = \$368.60
<b>Miscellaneous</b>	At cost	At cost
<b>Administrative Fee</b>	\$1,000 Annually	\$300 monthly fee x 12 = \$3,600
<b>Not to Exceed Cap</b>	\$55,000 Annually	\$75,000 Annually

<b>Option 2 – Flat Annual Fee</b>		
<b>Flat Fee</b>	<b>York Price Proposal</b>	<b>Current Price</b>
<b>All-in Flat Annual Fee</b>	\$45,000*	Not offered

\*The all-in flat annual fee is predicated on the data presented in Addendum 1 of 76 claims per year. Any claims over and beyond that amount would be billed at the Time & Expense Rates.



## Section 8

### **DISCLOSURE & SAMPLE AGREEMENT**

**Please disclose any and all past or current business and personal relationships with any current Costa Mesa elected official, appointed official, City employee, or family member of any current Costa Mesa elected official, appointed official, or City employee. *Any past or current business relationship may not disqualify the firm from consideration.***

To the extent of our information with roughly 2,500 employees and privacy rights, York does not have any knowledge of past or current business nor personal relationships with any current Costa Mesa elected official, appointed official, City employee, or family member of any current Costa Mesa elected official, appointed official, or City employee.

**The firm selected by the City will be required to execute a Professional Services Agreement (PSA) with the City. The form of the Agreement is enclosed as Appendix B, but may be modified to suit the specific services and needs of the City. If a Proposer has any exceptions or conditions to the Agreement, these must be submitted for consideration with the proposal. Otherwise, the Proposer will be deemed to have accepted the form of Agreement.**

We respectfully submit the following additions or modifications to the City's sample contract but are open to further discussion to clarify intent before any changes are incorporated or considered by the City.

Page 23 of the Sample Agreement: Endorsements 5.3 add "except as per indemnification clause."

Page 25 of the Sample Agreement: Indemnification:

York accepts total responsibility, and is willing to defend, indemnify and hold harmless the City, its City Council and each member thereof, and every officer, employee, representative or agent of the City for the negligent or otherwise wrongful acts or omissions of York, its officers, agents and employees. However, York is not an insurer and does not insure any risks of any kind. Accordingly, York cannot accept responsibility for all claims arising out of the performance of the contract, except to the extent that payments not otherwise due are due solely because of York's negligent or otherwise wrongful acts or omissions.



*Section 9*

**FORMS TO ACCOMPANY PROPOSAL**

**EX PARTE COMMUNICATIONS CERTIFICATION**

Please indicate by signing below one of the following two statements:

**Please sign only one statement.**

I certify that Proposer and Proposer's representatives have not had any communication with a City Councilmember concerning the Third Party Liability Claims Administration RFP at any time after September 9, 2012



---

**OR**

I certify that Proposer or Proposer's representatives have communicated after September 9, 2012 with a City Councilmember concerning the Third Party Liability Claims Administration RFP. A copy of all such communications is attached to this form for public distribution.

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**DISCLOSURE OF GOVERNMENT POSITIONS**

Each Proposer shall disclose below whether any owner or employee of the firm currently hold positions as elected or appointed officials, directors, officers, or employees of a governmental entity or held such positions in the past twelve months. List below or state "None."

<b>Name</b>	<b>Title</b>	<b>Entity</b>
None		



*Section 10*

**ATTACHMENTS**

*Sample Transition Plan*----- *Attachment A*

*Resumes*----- *Attachment B*





# **INTERVIEW MATERIALS**

**This section contains the handouts and/or slides used by the proposer(s) during the interview.**



**CARL WARREN & COMPANYTY**  
**INTERVIEW MATERIALS**





**CARL WARREN & COMPANY**  
Claims Management and Solutions

**Third Party Liability Claims Administration**  
for the  
**City of Costa Mesa**

**November 14, 2012**

**CONFIDENTIAL AND PROPRIETARY**





**KEENAN & ASSOCIATES  
INTERVIEW MATERIALS**



**City of Costa Mesa**

**Third Party Liability Claims Administration**

*Experience...Process...Results*  
**The Keenan Integrated Solution**

*Innovative Solutions. Enduring Principles.*

**Keenan**  
*Associates*

# Keenan's Integrated Solution

## *Grasp of the Project*

- City of Costa Mesa's Third Party Liability Claims Administration services
  - We will be in full compliance with the City's scope of work
    - Program Administration
    - Claims Administration
    - Investigations
    - Litigation Management
    - Statistical Reports
    - Excess Insurance Reporting
- Keenan's Relationship with the City of Costa Mesa
  - Our passion to provide superior service drives us to understand the City's needs.
  - We will partner with the City to ensure efficient handling and positive claim outcomes.



# Liability Claims Administration

## *Grasp of the Project*

- In addition to the Scope of Services, Keenan can also provide the following:
  - Adhoc Reports
    - Customizable loss run and statistical data
  - CMS Reporting (included at no additional charge)
  - Medicare Set-Aside on an individual basis (outside vendor)
  - P&C Bridge
    - A secure, web-based portal providing tools that allow you to track critical data, receive vital communication and assign trainings on relevant topics.
    - 24/7 access
    - Training and educational information



# Liability Claims Administration

## *Approach and Work Plan*

- Transitioning to Keenan
  - To ensure a smooth transition, the scope of services provided to the City includes but is not limited to the following:
    - Transition Strategic Plan & Orientation
      - Meet with the City to discuss progress, procedures and introduction to Staff
    - Claim File Intake
      - Schedule orientation meeting to discuss inventory of claims and special handling needs
    - Data conversion & computer set up (at no additional charge)
      - Contact prior administrator, secure current loss run, P&C Bridge access
    - Checking Account Set Up (if requested)



# Liability Claims Administration

## *Approach and Work Plan*

- We have completed many implementations over the past several years.
- Our team of experts have overcome all challenges we have faced.
- We will work through all obstacles to successfully administer your claims.



# Liability Claims Administration

## *Approach and Work Plan*

- Support from the City
  - Claim intake
    - Data conversion
  - Communication with City Staff
    - Prompt claims reporting
    - Discussion regarding the details of claims
    - Investigation and claims resolution strategies
- Keenan's Support for the City
  - Manage and implement strategies
  - Hands on technical support for implementation/integration
  - Support services and applicable charges are outlined in the cost proposal



# Liability Claims Administration

## *Approach and Work Plan*

- Additional Support (at no additional cost)
  - Adhoc Reporting
  - Trust Account Management
  - P&C Bridge (training and statistical data)
  - Automatic Indexing
- Emergency Compliance
  - Keenan will have immediate involvement in all emergency investigations
    - 24 hours/7 days a week emergency hot line service
- No additional cost for flexibility

# Liability Claims Administration

## *Qualifications and Experience*

- **Staffing**
  - Our team has extensive experience in public agency claims
  - Dedicated support staff
  - No turnover
  - Willingness to adjust to your specific needs
- **Cost History**
  - 100% of past contracts have stayed within the proposal cost
    - Our clients are either Time and Expense or Not to Exceed contracts
- **Client Challenges**
  - Ex: Clients' legal issue – We adjusted the work flow to accommodate required changes to ensure the clients' legal needs were met

# Liability Claims Administration

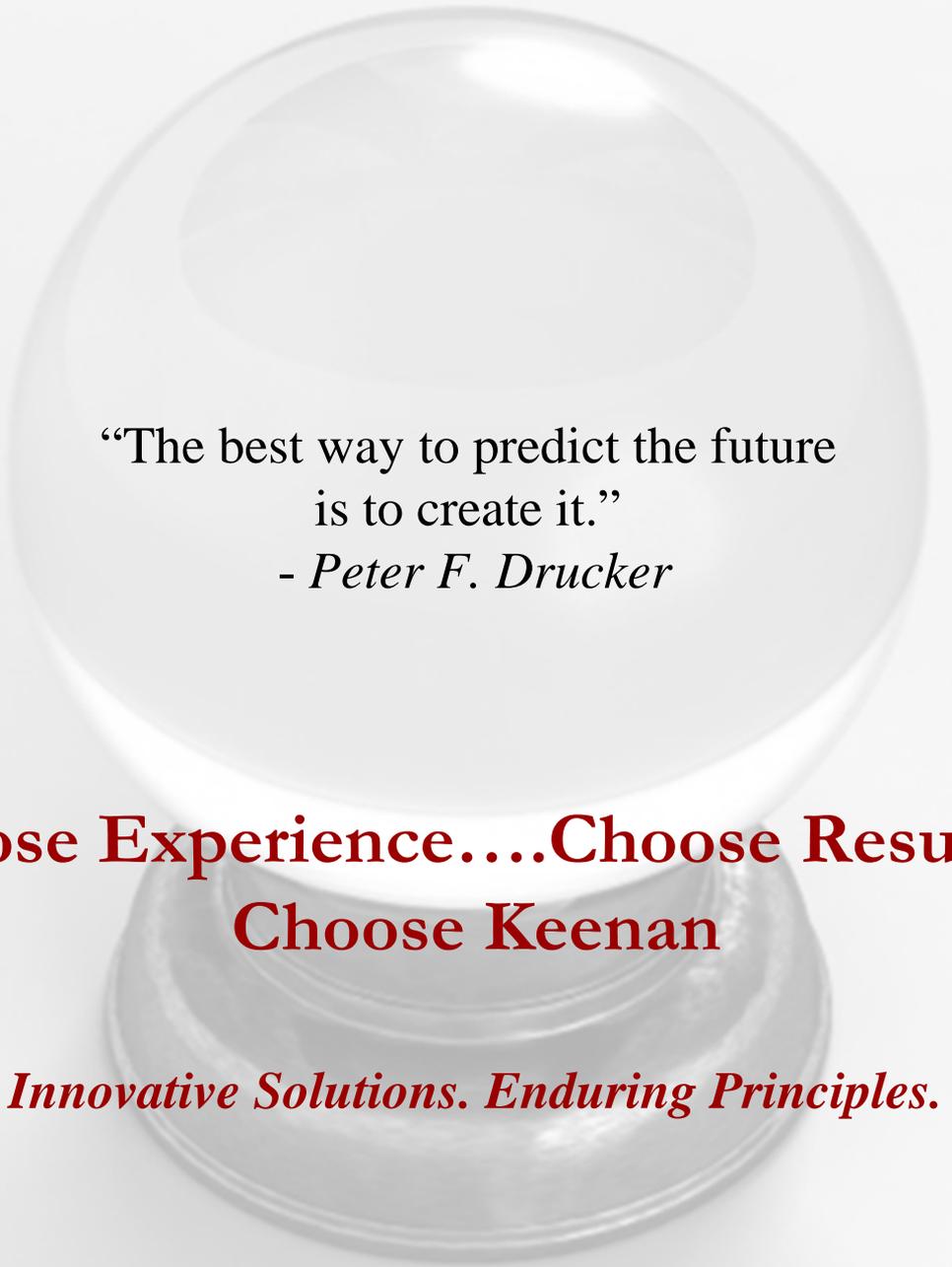
## *Qualifications and Experience*

- Keenan agrees to complete a business analysis with Dunn & Bradstreet and provide any requested financial statements.

# Liability Claim Administration

iVOS

System Demonstration



“The best way to predict the future  
is to create it.”  
- *Peter F. Drucker*

**Choose Experience....Choose Results...  
Choose Keenan**

*Innovative Solutions. Enduring Principles.*



# **EVALUATION DOCUMENTS**

**This section shows evaluation instructions, meeting agenda(s), evaluation forms, reference check letter, negation check list, evaluation committee member statement and suggested interview questions.**





# Evaluation Committee Agenda

**Team:** Third Party Liability Claims Administration

**Process/Project:** Contracting City Services

**Date:** October 23, 2012

**Time:** Distribution

**Place:**

**Meeting Facilitator:** Kim Wilson 714-754-5062

**Evaluators and Other Attendees:**

		Resource: Kimberly Hall Barlow

Required Action	Agenda Topics:	Person Providing Information:
	<b>Review Action Items</b>	<b>Kim Wilson</b>
Review	<b>Topic 1:</b> RFP Schedule of Events	Kim Wilson
Review	<b>Topic 2:</b> RFP Documents	Kim Wilson
Review	<b>Topic 3:</b> Evaluation Instructions	Kim Wilson
Review & Sign	<b>Topic 4:</b> Member Statements	Kim Wilson & Committee
Record Evaluation Scores	<b>Topic 5:</b> Evaluation Forms & Scores	Kim Wilson & Committee
Review	<b>Topic 6:</b> Reference checks & Questions	Kim Wilson & Committee
Review	<b>Topic 7:</b> Negotiation checklist	Kim Wilson
Q&A	<b>Topic 8:</b> Overall Pre-Award Selection Process	Kim Wilson
	<b>Identify Items for Evaluation Committee</b>	Committee



**CITY OF COSTA MESA  
DEPARTMENT OF FINANCE  
INTEROFFICE MEMORANDUM**

**BOBBY YOUNG,  
DIRECTOR OF FINANCE**

**TO: EVALUATION COMMITTEE**

**FROM: KIM WILSON, PURCHASING**

**DATE: OCTOBER 9, 2012**

**SUBJECT: THIRD PARTY LIABILITY CLAIMS ADMINISTRATION**

You have been chosen for the evaluations of the following proposals:

- |                          |                            |
|--------------------------|----------------------------|
| 1. AdminSure             | 4. Keenan & Associates     |
| 2. Carl Warren & Company | 5. TRISTAR Risk Management |
| 3. CorVel                | 6. York                    |

Attached is an evaluation template you will be using for each proposal that will be distributed to you. For each criterion, enter the number in the score box based on the following scale;

- 0 - (Zero) Criterion was not address at all.
- 1 – Unacceptable
- 2 – Below Average
- 3 – Average
- 4 – Above Average
- 5 – Exceptional

You should evaluate the proposal independently and each proposal is to be evaluated against RFP requirements. If you need further clarification, do not contact the proposer but e-mail your questions to me instead.

After your review, please forward your evaluation sheets to me no later than Tuesday, October 30<sup>th</sup> at noon, so I can summarize your scores and comments. The evaluation team meeting is scheduled to be held at Costa Mesa City Hall on Thursday, November 1<sup>st</sup> from 9:00-10:00, so we can discuss the scores given to each proposal, develop a team score, determine the proposers who will move onto the Interview phase of this process and make changes to the Interview questions if deemed necessary.

If you have any questions regarding this process, please call me at [REDACTED] or email me at [kimberly.wilson@costamesaca.gov](mailto:kimberly.wilson@costamesaca.gov) . Thank you for your participation and cooperation in this project.

***Distribution:***

[REDACTED]

# THIRD PARTY LIABILITY CLAIMS ADMINISTRATION

## EVALUATION COMMITTEE MEMBER STATEMENT

Request for Proposal:

### THIRD PARTY LIABILITY CLAIMS

You have been asked to participate in the evaluation of proposals that have been received as the result of the competitive solicitation referenced above. A proposal was received from each of the companies listed on the attached Inter-Departmental Communication dated October 23, 2012.

It is essential that the integrity of the evaluation process be maintained to insure that each Proposer is given fair and equal consideration. Your knowledge of and/or past or current association with particular firms and/or individuals must not influence your evaluation. The proposals and any subsequent respective clarifications and/or negotiations must stand alone, and you are required to be particularly objective and guard against any tendency to favor a particular firm or individual. (This does not mean that you are to ignore past or current experiences with a particular firm in which goods or services they supplied to the City were sub par.)

You are required to report to Purchasing, any actual or potential conflict of interest and the nature of the conflict. (You personally, or if your spouse or child has or had any association or interest with the business entity or any principal employee of the business entity.)

An additional consideration is the need to maintain confidentiality during the evaluation regarding the contents of the Proposers' responses, as well as the proceedings of the evaluation committee. Any inquiries regarding the evaluation of this particular solicitation must be directed to Kim Wilson.

You are asked to read and sign the following statement:

I have read, understand, and agree to the above, and I will adhere to the policies presented. I know of no conflict of interest on my part, nor have I accepted any gratuities or favors from Proposers, which would compromise my objectivity. I have no personal interest in seeing that a specific Proposer is awarded a contract. I shall keep all evaluation proceedings in strict confidence prior to contract award. I will do my best to base my recommendation for contract award solely upon the evaluation criteria in the solicitation and each Proposer's response.

Committee Member Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Member Name \_\_\_\_\_

Please sign and return this form to Kim Wilson immediately upon receipt.

Best Regards,

Kim Wilson  
RFP Facilitator  
City of Costa Mesa



Fax: (714) 754-5040

Email: [kimberly.wilson@costamesaca.gov](mailto:kimberly.wilson@costamesaca.gov)

# EVALUATION FORM

**PROPOSER:**

Scores are given from 0 - 5 points indicating:  
 0 - the criterion was not addressed at all  
 1 - unacceptable  
 3 - acceptable  
 5 - exceptional

		EVALUATOR NAME HERE
WEIGHT	CRITERIA	SCORE
25	<b>Qualifications of Entity and Key Personnel:</b> Includes ability to provide the requested scope of services, the Proposer's Financial capacity, recent experience conducting work of similar scope, complexity, and magnitude for other public agencies of similar size, references.	
	Comments:	
10	<b>Approach to Providing the Requested Scope of Services:</b> Includes an understanding of the RFP and of the project's scope of services, knowledge's of applicable laws and regulations related to the scope of services.	
	Comments:	
50	<b>Price Proposal:</b> Price Proposal will be evaluated on the bases of the Total Estimated Annual Price submitted in Appendix D.	
	Comments:	
15	<b>Innovative and/or creative approaches to providing the services that provide additional efficiencies or increased performance capabilities.</b>	
	Comments:	





# Interview Agenda

**Team: THIRD PARTY LIABILITY CLAIMS ADMINISTRATION**

**Process/Project:** Contracting City Services

**Date:** November 14, 2012

**Time:** 1:00 pm

**Place:** CITY HALL, Conference Rm 1A

**Meeting Facilitator:** Kim Wilson

***Evaluators and Other Attendees:***

Internal resources	Outside resource(s)	
[REDACTED]	[REDACTED]	
[REDACTED]		
[REDACTED]		Resource: Kimberly Hall Barlow

Time	Agenda Topics:	Person Providing Information:
	<b>Review Action Items</b>	<b>Kim Wilson</b>
	<b>Topic 1:</b> Proposal Scores & Comments	Committee
	<b>Topic 2:</b> Reference Check Summaries	Kim Wilson
	<b>Topic 3:</b> DNB Summaries	Kim Wilson
	<b>Topic 4:</b> Interview Questions	Kim Wilson & Committee
	<b>Topic 5:</b> Interview Evaluation Forms	Kim Wilson & Committee
	<b>Topic 6:</b> Negotiation checklist	Kim Wilson
	<b>Topic 7:</b> Attentive Listening Skills	Kim Wilson
	<b>Topic 8:</b> Overall Pre-Award Selection Process	Kim Wilson
	<b>Identify Items for Evaluation Committee</b>	Committee

Proposal Interviews for the  
**Third Party Liability Claims Administration RFP**  
For the City of Costa Mesa

November 14, 2012  
City of Costa Mesa  
1<sup>st</sup> Floor Conference Room 1A  
Civic Center  
77 Fair Drive  
Costa Mesa, CA 92626

**Keenan & Associates**

**1:00PM – 1:45PM**



**Carl Warren & Company**

**2:00PM – 2:45PM**



**Panel Members**



**RFP Facilitator**

Kim Wilson



[Kimberly.wilson@costamesaca.gov](mailto:Kimberly.wilson@costamesaca.gov)



# INTERVIEW EVALUATION FORM

## THIRD PARTY LIABILITY CLAIMS ADMINISTRATION

*Carl Warren*

CATEGORY	WEIGHTED VALUE	SCALE 0 - 5
<b>Grasp of the project</b> Requirements including identification of critical elements and key issues.	15 Points	_____
<b>Approach</b> Work plan for the project, including innovative approaches	25 Points	_____
<b>Qualification and Experience</b> Of the Project manager, other key individuals	25 Points	_____
<b>Communication Skills</b> Of Personnel and response to key questions	20 Points	_____
<b>Quality of the overall Presentation</b>	15 Points	_____

### COMMENTS:

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Rated By: \_\_\_\_\_

**INTERVIEW EVALUATION FORM**  
**THIRD PARTY LIABILITY CLAIMS ADMINISTRATION**

*Keenan & Associates*

CATEGORY	WEIGHTED VALUE	SCALE 0 - 5
<b>Grasp of the project</b> Requirements including identification of critical elements and key issues.	<i>15 Points</i>	_____
<b>Approach</b> Work plan for the project, including innovative approaches	<i>25 Points</i>	_____
<b>Qualification and Experience</b> Of the Project manager, other key individuals	<i>25 Points</i>	_____
<b>Communication Skills</b> Of Personnel and response to key questions	<i>20 Points</i>	_____
<b>Quality of the overall Presentation</b>	<i>15 Points</i>	_____

**COMMENTS:**

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Rated By: \_\_\_\_\_

**CITY OF COSTA MESA  
THIRD PARTY LIABILITY CLAIMS ADMINISTRATION RFP**

**INTERVIEW QUESTIONS**

**1. Grasp of the Project**

- a. Describe your understanding of the City's Third Party Liability Claims Administration services.
- b. Describe your understanding of the Costa Mesa and your relationship with them.
- c. To be successful, should the scope of the project be limited to the scope of services requirements? If not, what else should be included and why?

**2. Approach and Work Plan**

- a. Describe your approach and work plan for creating a transition with the city's including specific deliverables.
- b. What are the issues that you have experience in past implementations?
- c. Describe the City's responsibilities, requirements, supporting efforts needed in meeting your effort and delivery of services.
- d. What is the normal support you provide to clients with similar contracts (i.e., technical support for implementation/integration and trouble shooting of services)? Is this reflected in your schedule of cost?
- e. Describe your support outside of our primarily requirements.
- f. How will you comply with the city during emergency situations?
- g. Are you willing to be flexible with your schedule? If so, how will that affect your cost?

**3. Qualifications and Experience**

- a. Describe your firm's competence, support staff, turnover and willingness to adjust to specific needs.
- b. Of contracts that you have been awarded in the past, what percent have stayed within the proposal cost? Briefly describe the reason(s) for cost deviation on other similar projects/services.
- c. Describe one or two engagements where your firm may have had difficulty and explain why. How was it resolved?
- d. Is any portion of this service sub-contracted out?
- e. In order to facilitate the financial responsibility, City of Costa Mesa will request and evaluate Dun & Bradstreet (D&B) business analysis report form the prospective firm. If the financial information available through D&B is not sufficient to complete a satisfactory review will your firm offer to bring its latest completed comparative financial statement?

**4. Provide a brief demonstration of the software program you'll use to service the City of Costa Mesa.**





# CITY OF COSTA MESA

77 FAIR DRIVE, P.O. BOX 1200, COSTA MESA, CA 92628-1200

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FINANCE DEPARTMENT  
PURCHASING

DATE

(Reference Name)

The City of Costa Mesa is in the review and evaluation process from a Request for Proposal we have submitted for \_\_\_\_\_. \_\_\_\_\_ has put your company down for references. Please fill out the attached forms and fax back to my attention no later than \_\_\_\_\_. My fax # is 714-754-5040 or you can email me at \_\_\_\_\_.

Thank you in advance for your assistance. If you have any questions regarding the attached please feel free to contact me at 714-754-5062.

Sincerely,



For

For: Proposer's Name Here

Submitted by \_\_\_\_\_

**For  
City of Costa Mesa  
THIRD PARTY LIABILITY CLAIMS ADMINISTRATION**

**Reference Questions**

1. What type of work did they do for you?  
a.) Dollar amount (estimate) \_\_\_\_\_

2. How would you rate this consultant, on total cost?  
1 – Unacceptable  
2  
3 – Acceptable  
4  
5 – Exceptional

On Timeliness

1 – Unacceptable  
2  
3 – Acceptable  
3  
5 – Exceptional

On Problem Responsiveness

1 – Unacceptable  
2  
3 – Acceptable  
4  
5 – Exceptional

On Quality of Services

1 – Unacceptable  
2  
3 – Acceptable  
4  
5 – Exceptional

On Attitude of Personnel

1 – Unacceptable  
2  
3 – Acceptable  
4  
5 – Exceptional





# **REFERENCE CHECKS**

**This section provides a summary of the reference checks sent out and received for each of the proposers who submitted proposals for this RFP.**



**TPA for Liability Claims  
References**

CONTRACTOR	Keenan & Associates				TRISTAR Risk Management	York Risk Services Group		
Respondent	City of Palm Springs	Riverside County Office of Education	Mount San Jacinto Community College	No Response Received	Hidalgo County	No Response Received	City of Sacramento	No Response Received
What type of work did they do for you?	Insurance Brokerage Services and related services.	JPA administration and services	Third Party Administrator for District PPL and WC		Third Party Administrator	San Jose Unified School District	No response given.	City of Bakersfield
Annual Cost	Approximately \$75,000 per year	No response given	Please clarify what you are asking for if you would like a dollar amount		\$48,000.00 a year		\$406,000.00	
How would you rate this consultant on total Cost?	5.0	4.0	5.0		5 – Exceptional		4.0	
On Timeliness?	5.0	5.0	5.0		5 – Exceptional		3.0	
On Problem Responsiveness?	5.0	5.0	5.0		5 – Exceptional		4.0	
On Quality of Service?	5.0	5.0	5.0		5 – Exceptional		4.0	
On Attitude of Personnel?	5.0	5.0	5.0		5 – Exceptional		4.0	
If you had to go out and bid today for a similar project, would you choose this firm again?	Yes. I am currently preparing a recommendation to extend the firm's contract for Council consideration.	Yes	Absolutely!		Yes		Yes	
What are the strengths about this firm?	Very knowledgeable; excellent reputation in the industry; diligent follow-through on all issues. Excellent depth vertically through the organization. (In other words, I have confidence in everyone who has been assigned to handle a matter on the City's behalf.	Responsiveness, flexibility, competence, service	Knowledge of Personnel, excellent response and customer service. Is there to assist at any time. Very diverse services offered from Property and Liability, worker's comp, health and welfare services, other post employment benefit services, etc.		Professionalism in handling our entity's cases and communication between their employees and our department is exceptional.		York has assigned very experienced adjusters that have been on our account for many years.	
What are the weaknesses of this firm?	This firm is very good. I have not seen a weakness.	Need to be clear about various entities Keenan controls and that are "bundled" with JPA services.	I am very happy with them and I have worked in other educational and governmental institutions and they are exceptional.		At this time I cannot think of any.		They are not the fastest in responding to and closing claims.	
Did they exceed their proposal cost?	No.	No.	No.		No, it's a set amount per year.			
If so, by how much?	N/A	No response given	N/A		Not Applicable		No	
If applicable, do you feel the exceeded costs were justified?	N/A	No response given	N/A		Not Applicable		No response given	
Additional Comments							No response given.	



# **PROPOSAL EVALUATION SCORES**

**This section provides a matrix of the evaluation committee member's individually weighted scores for each proposer in each of the evaluation criterion categories. The individual scores are tallied, providing a team score for each proposer. The proposers are then ranked from highest to lowest overall team score.**



**THIRD PARTY LIABILITY CLAIMS ADMINISTRATION  
Proposal Scores**

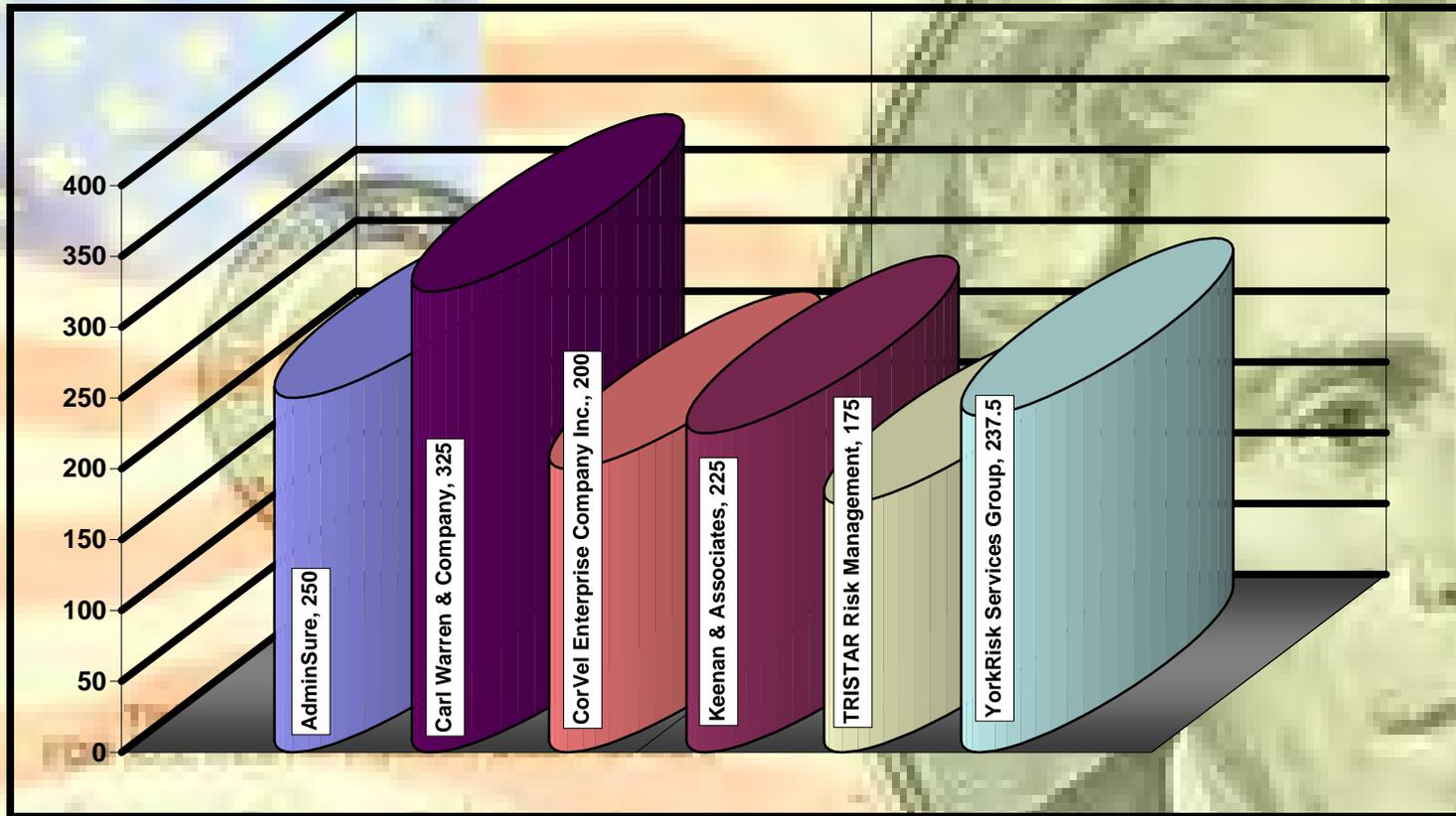
	1	2	3	Totals	
<b>25</b>	<b>Qualifications of Entity and Key Personnel</b>				
AdminSure	5	3	2	10	
Carl Warren & Company	4	5	4	13	
CorVel Enterprise Company Inc.	3	3	2	8	
Keenan & Associates	3	3	3	9	
TRISTAR Risk Management	2	2	3	7	
YorkRisk Services Group	4	3	2.5	10	
				237.5	
<b>35</b>	<b>Approach to Providing the Requested Services</b>				
AdminSure	5	3	3	11	
Carl Warren & Company	4	5	4	13	
CorVel Enterprise Company Inc.	3	3	2	8	
Keenan & Associates	5	3	3	11	
TRISTAR Risk Management	3	3	3	9	
YorkRisk Services Group	4	1	3	8	
				280	
<b>30</b>	<b>Price Proposal</b>				
AdminSure	2	0	1	3	
Carl Warren & Company	5	4	5	14	
CorVel Enterprise Company Inc.	2	2	1	5	
Keenan & Associates	3	4	2.5	10	
TRISTAR Risk Management	5	3	4	12	
YorkRisk Services Group	4	4	3	11	
				330	
<b>10</b>	<b>Innovative and/or Creative Approaches</b>				
AdminSure	3	1	2	6	
Carl Warren & Company	1	4	3	8	
CorVel Enterprise Company Inc.	0	0	2	2	
Keenan & Associates	5	4	3	12	
TRISTAR Risk Management	3	2	3	8	
YorkRisk Services Group	2	0	4	6	
				60	
	<b>TOTAL</b>	<b>5</b>	<b>Monthly Fee</b>	<b>Annual Fee (*Option 1/York)</b>	<b>Option 2/York</b>
AdminSure	785.00	5	\$ 7,000.00	\$ 84,000.00	
Carl Warren & Company	1280.00	1	\$ 3,250.00	\$ 39,000.00	
CorVel Enterprise Company Inc.	650.00	6	\$ -	\$ 89,470.00	
Keenan & Associates	1015.00	2	\$ -	\$ 72,000.00	
TRISTAR Risk Management	930.00	3	\$ -	\$ 30,780.00	
YorkRisk Services Group	907.50	4	\$ -	\$ 55,000.00	\$ 45,000.00
Carl Warren & Company	1280.00	1	\$ 3,250.00	\$ 39,000.00	The top two proposers advanced to the next phase of evaluations and were invited in for interviews.
Keenan & Associates	1015.00	2	\$ -	\$ 72,000.00	

**THIRD PARTY LIABILITY CLAIMS ADMINISTRATION  
Proposal Comments**

RATERS	AdminSure, Inc.	Carl Warren & Company	CorVel	Keenan & Associates	Tristar RM	York
1	<p><b>QUALIFICATIONS:</b> Experienced staff with a number of local government clients.</p> <p><b>INNOVATION:</b> Good software system. Willing to input claims history into the software system for historical information.</p>	<p><b>PRICE:</b> \$78k 2 years</p> <p><b>INNOVATION:</b> go "green" Cloud technology</p> <p><b>ADDITIONAL COMMENTS:</b> Recommended for interview.</p>	<p><b>QUALIFICATIONS:</b> Only 1 City listed as a reference.</p>	<p><b>QUALIFICATIONS:</b> Good description of implementation plan.</p> <p><b>APPROACH:</b> Good description of implementation plan.</p> <p><b>INNOVATION:</b> On-line safety training University program - excellent</p>	<p><b>QUALIFICATIONS:</b> No "city" references listed. Only Countys and School Districts</p> <p><b>APPROACH:</b> Included a detailed implementation action plan.</p> <p><b>INNOVATION:</b> Good softward program and paperless environment.</p>	
2	<p><b>QUALIFICATIONS:</b> Acceptable Quals, Refs: El Segundo, Hermosa, Manhattan, Redondo Beach</p> <p><b>APPROACH:</b> Acceptable</p> <p><b>PRICE:</b> Granular approach with 3 fee options, did not comply with RFP by using the Appendix D format. Should have used one of their fee options as a</p>	<p><b>QUALIFICATION:</b> Current TPA, consistent responsive performance. 60+ years in the biz, 195 cities, Newport Beach, Huntington Beach, Anaheim, GG. Backup adjuster.</p>	<p><b>QUALIFICATIONS:</b> Currently City's WC TPA, adjusters average 20 years of exp. Refs: Montebello, ASCIP, Accts Services.</p> <p><b>APPROACH:</b> Acceptable</p> <p><b>PRICE PROPOSAL:</b>YR 1 \$89k, YR 2 \$92k , 76+ claims = \$895/claim</p> <p><b>ADD'L COMMENTS:</b> Not recommended for interview</p>	<p><b>QUALIFICATIONS:</b>YR 1 \$89k, YR 2 \$92k , 76+ claims = \$895/claim</p> <p><b>APPROACH:</b>Acceptable</p> <p><b>PRICE:</b> \$72K each year, fee schedule \$75/hour,</p> <p><b>INNOVATION:</b> P&amp;C Bridge software, dashboard, Keenan Online U web based training</p> <p><b>ADDITIONAL COMMENTS:</b> Acceptable proposal</p>	<p><b>QUALIFICATIONS:</b> Brea Office, 25 years experience did not include municipal/city references, limited to school districts.</p> <p><b>APPROACH:</b> Principal Adjuster 34 years of experience</p> <p><b>PRICE:</b> \$31K , .03, 015, .03 fee breakdown, question service level</p> <p><b>INNOVATION:</b> "Dashboard" software, IStar paperless</p> <p><b>ADDITIONAL COMMENTS:</b> Not recommended for interview</p>	<p><b>QUALIFICATIONS:</b> Acceptable quals, San Bernardino Office (-), Orange Office if necessary. Refs: City of Sacramento, Oxnard, and Bakersfield.</p> <p><b>APPROACH:</b> Weak proposal, weak implementation, did not follow RFP format</p> <p><b>ADDITIONAL COMMENTS:</b> Weak proposal, weak</p>
3	<p><b>PRICE:</b> \$50/hr or \$7,000 month (another approach would be telephone adjusting office Diamond Bar</p>	<p><b>PRICE:</b> Flat \$39,000 Look good, experiences</p>	<p><b>PRICE:</b> \$90,000</p> <p><b>QUALIFICATONS:</b> Experiiece contract - unknown location</p>	<p><b>PRICE:</b> \$72,000</p> <p><b>ADDITIONAL COMMENTS:</b> Vague pricing Proposal.</p>	<p><b>PRICE:</b> Low</p>	<p><b>PRICE:</b> \$55,000</p> <p><b>ADDITIONAL COMMENTS:</b>ADDITIONAL No resumes</p>

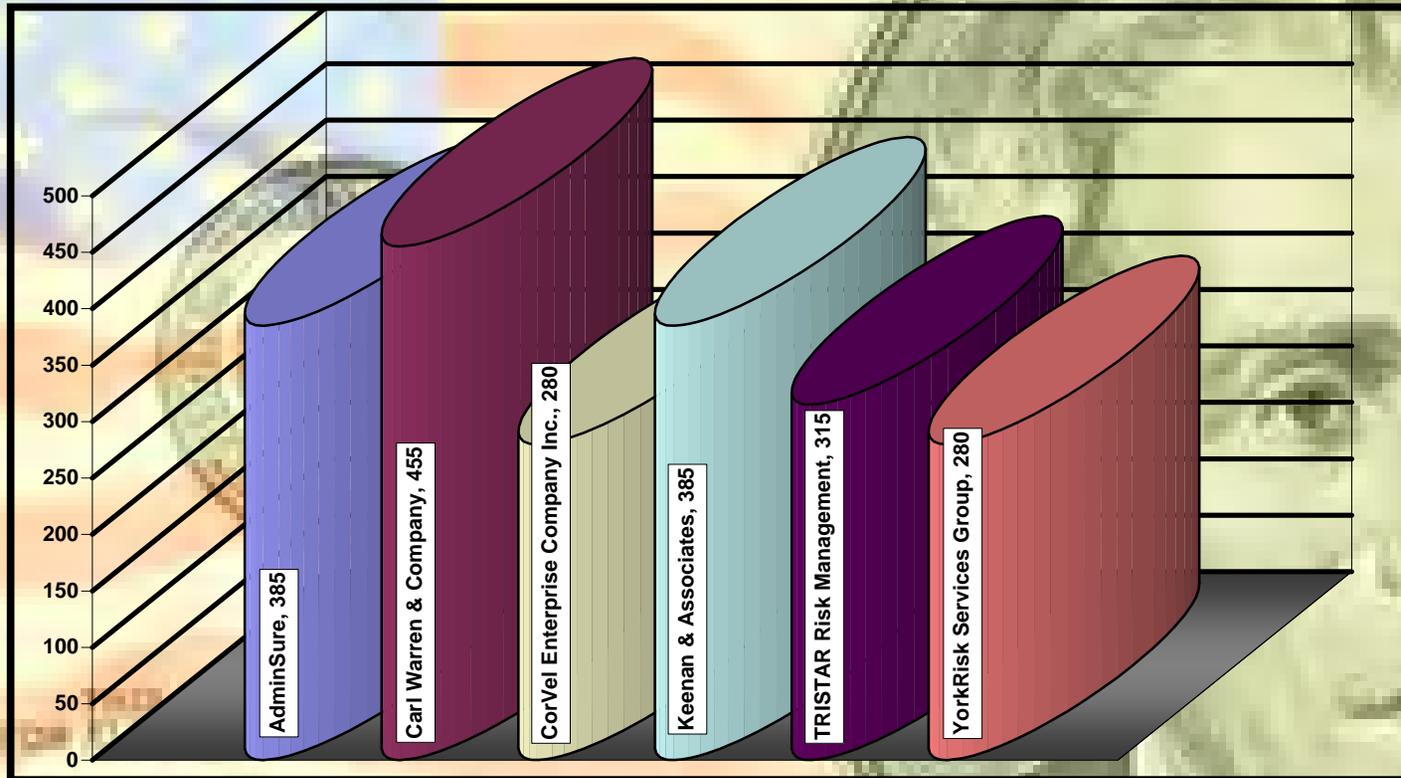
# THIRD PARTY LIABILITY CLAIMS ADMINISTRATION

## Qualifications of Entity and Key Personnel



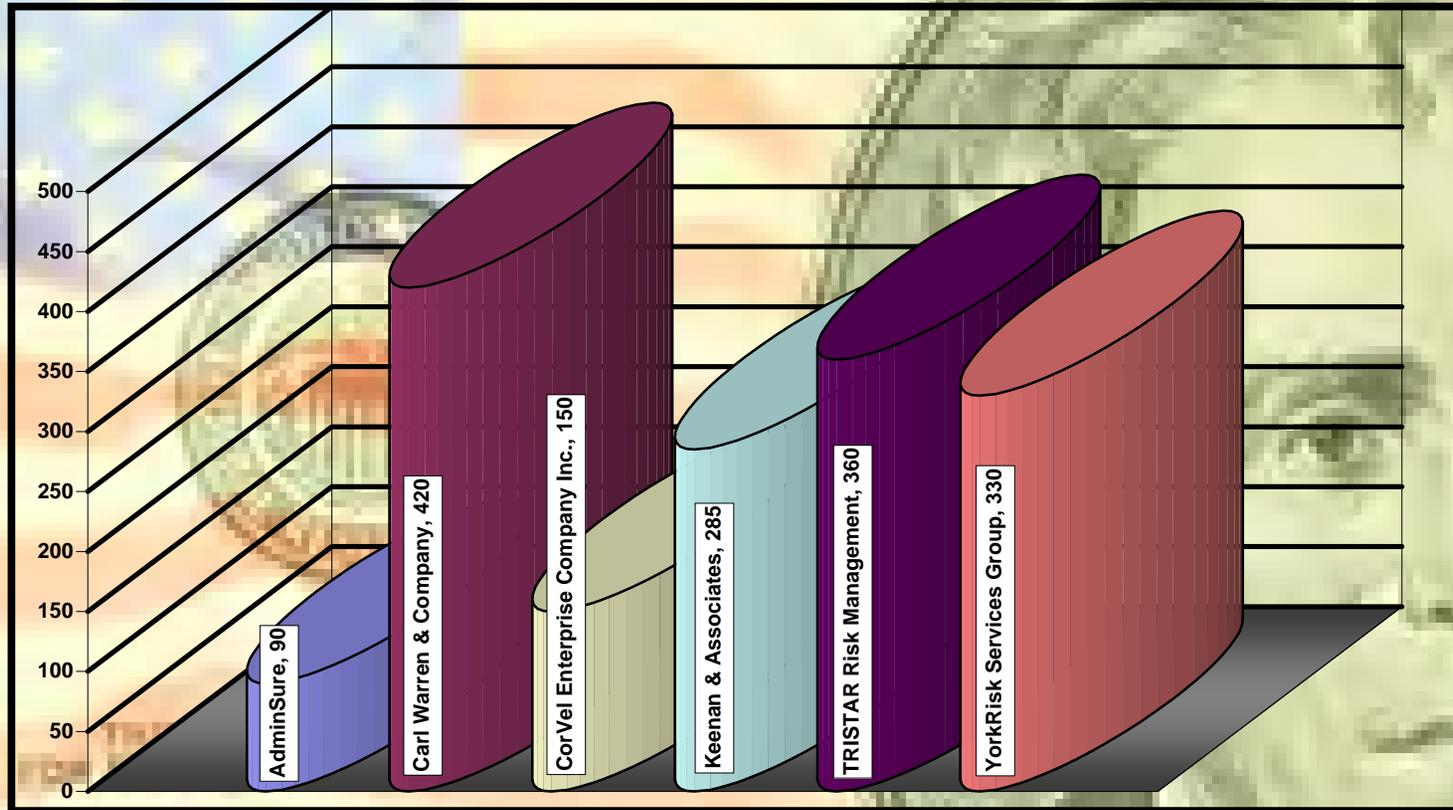
# THIRD PARTY LIABILITY CLAIMS ADMINISTRATION

## Approach to Providing the Requested Scope of Services



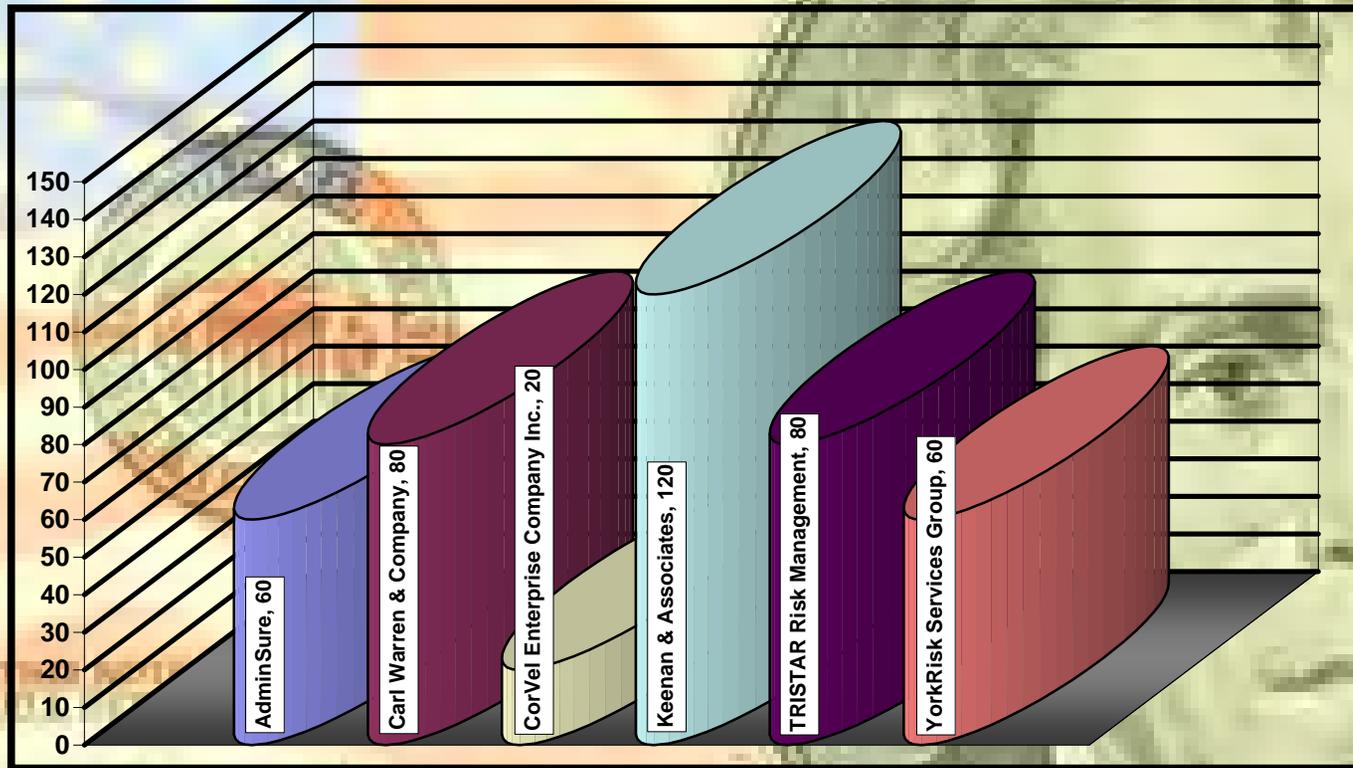
# THIRD PARTY LIABILITY CLAIMS ADMINISTRATION

## Price Proposal



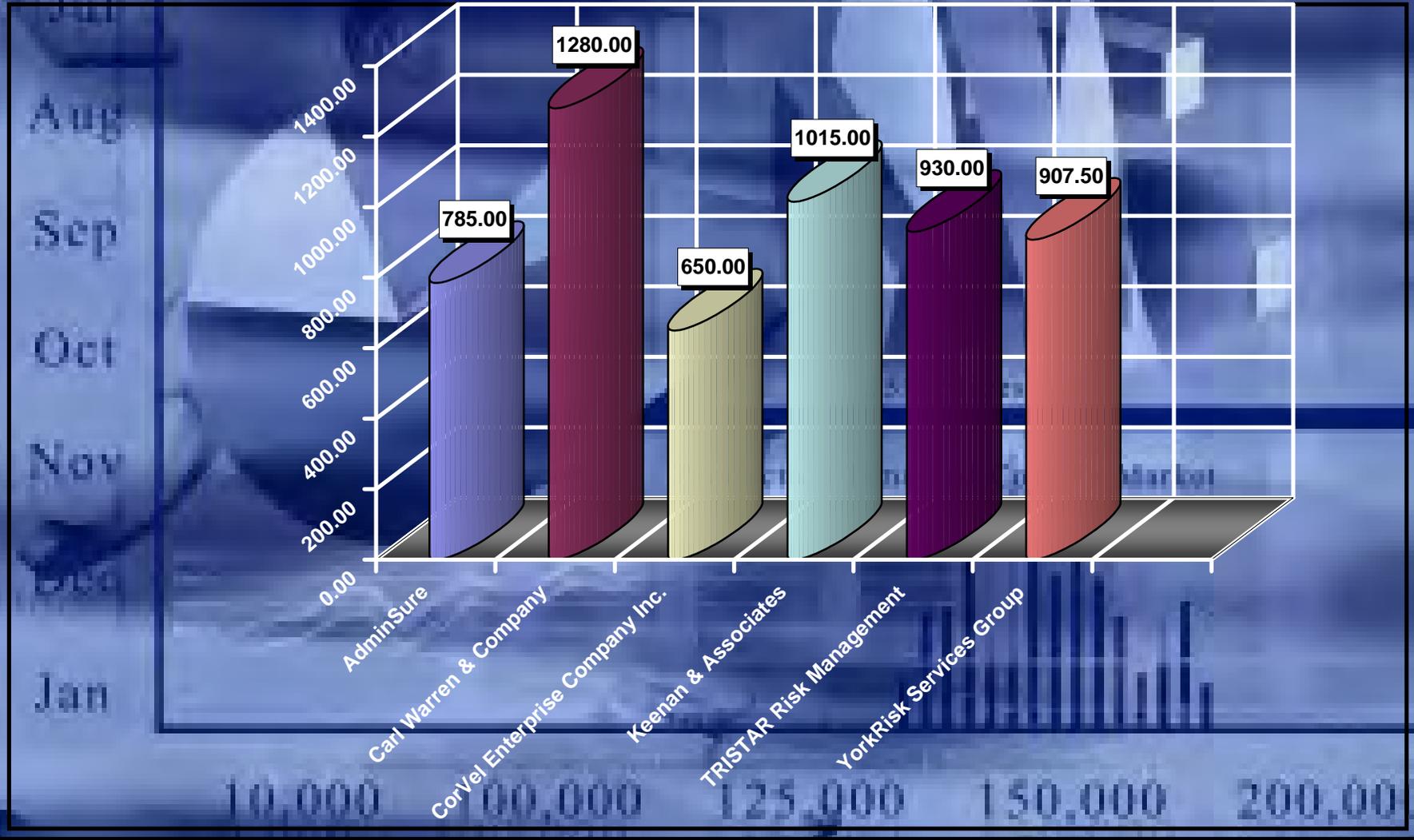
# THIRD PARTY LIABILITY CLAIMS ADMINISTRATION

## Innovative and Creative Approaches



# THIRD PARTY LIABILITY CLAIMS ADMINISTRATION

## Proposal Totals





# **INTERVIEW EVALUATION SCORES**

**This section provides a matrix of the evaluation committee member's individually weighted scores in each of the evaluation criterion categories for each proposer who was selected to advance to the Interview phase of the RFP process.**



**THIRD PARTY LIABILITY CLAIMS ADMINISTRATION**  
**Interview Scores**

		1	2	3	Totals	
<b>15</b>		<b>Grasp of Project</b>				
Carl Warren & Company		5	5	4	<b>14</b>	210
Keenan & Associates		1	2	3	<b>6</b>	90
<b>25</b>		<b>Approach and Work plan</b>				
Carl Warren & Company		5	5	4	<b>14</b>	350
Keenan & Associates		2	2	3	<b>7</b>	175
<b>25</b>		<b>Qualification and experience</b>				
Carl Warren & Company		5	5	4	<b>14</b>	350
Keenan & Associates		1	2	2	<b>5</b>	125
<b>20</b>		<b>Communication / Presentation</b>				
Carl Warren & Company		5	5	4	<b>14</b>	280
Keenan & Associates		1	3	2	<b>6</b>	120
<b>15</b>		<b>Quality of the overall Presentation</b>				
Carl Warren & Company		5	5	5	<b>15</b>	225
Keenan & Associates		1	2	3	<b>6</b>	90
<b>PROPOSERS</b>	<b>Interview</b>	<b>Proposal</b>	<b>Totals</b>	<b>RANK</b>	<b>Monthly Fee</b>	<b>Annual Fee</b>
Carl Warren & Company	1415.00	1280.00	2695.00	1	\$ 3,250.00	\$ 38,993.40
Keenan & Associates	600.00	1015.00	1615.00	2	\$ -	\$ 72,000.00

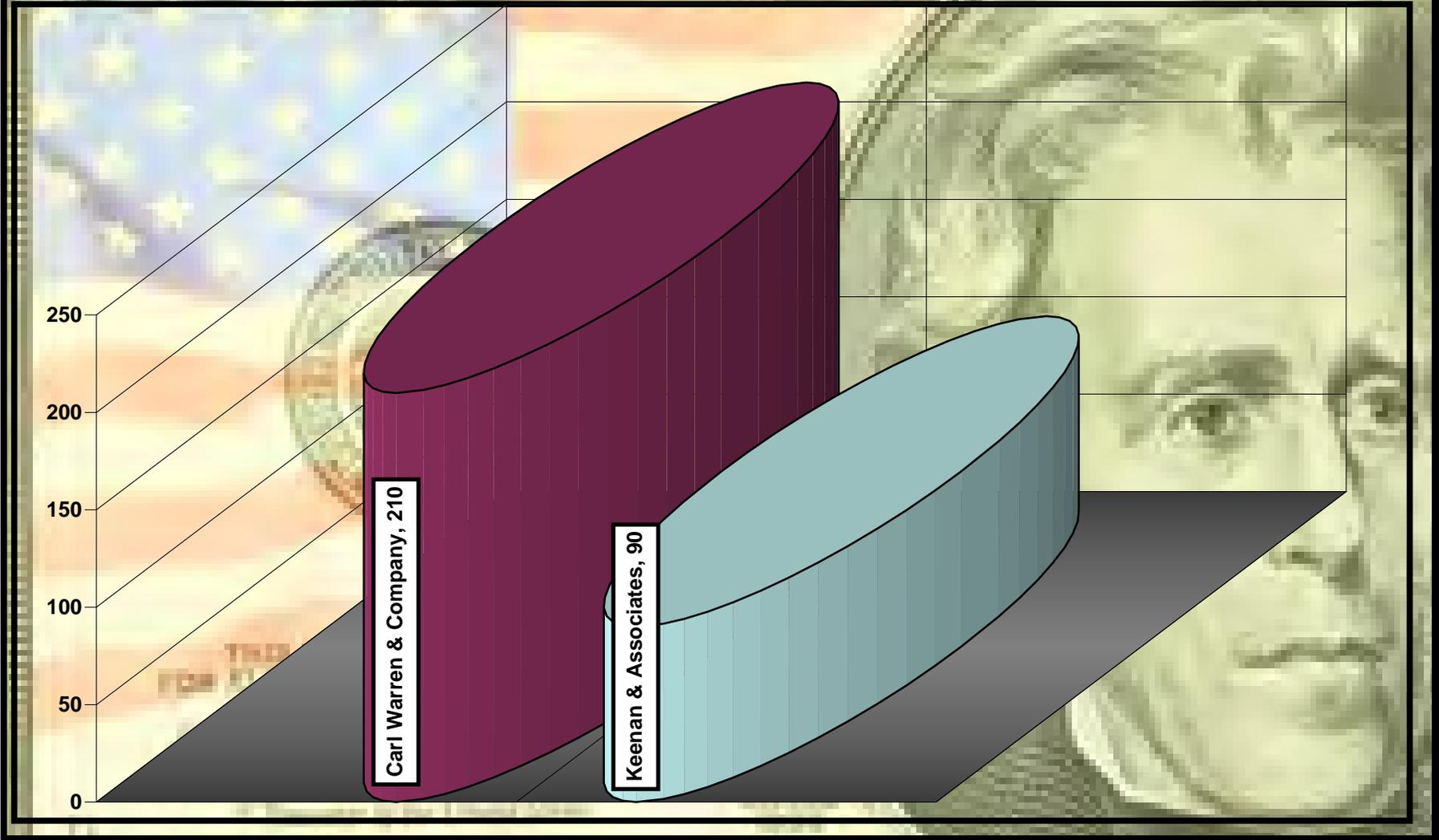
## THIRD PARTY LIABILITY CLAIMS ADMINISTRATION

### Interview Comments

Rater	Carl Warren & Company	Keenan & Associates
1	<ul style="list-style-type: none"> <li>-Significant local government experience.</li> <li>-Good client &amp; customer service focus.</li> <li>-Good software system with access to real time information that can be customized to mee the City's needs.</li> </ul>	<ul style="list-style-type: none"> <li>-Not a very well structured presentation.</li> <li>-They did Not present the information well and They interrupted each other.</li> <li>-Good PowerPoint but poorly delivered.</li> <li>-Claims Aduster who would be working with the City was nervous and Not truthful about background.</li> <li>-They do Not understand the difference between cities and school districts.</li> </ul>
2	<ul style="list-style-type: none"> <li>-Mike Reed with Costa Mesa Account since inception</li> <li>-Cloud - Doc Imaging System, Stewardship Report</li> <li>-35 yrs with Costa Mesa, 3D+ City Clients</li> <li>-New Technology</li> <li>-Recommend to continue with this vendor</li> </ul>	<ul style="list-style-type: none"> <li>-IVOS, ADHOC Reports; Claims Liason;P+C Bridge</li> <li>-Work with attorneys, <u>EXPEDIENT MITIGATION</u></li> <li>-Only 1 City for Liability &amp; Property</li> <li>-Not Recommended</li> <li>-Trying to "Break In" to Municipal Liability &amp; Property TPA</li> </ul>
3	<ul style="list-style-type: none"> <li>-Great experience, long term success</li> <li>-Impressive IT explanation</li> <li>-35 yrs with Costa Mesa</li> <li>-97% Client Retention</li> <li>-98% EE Retention</li> <li>-An experienced 17yr Adjuster</li> <li>-Good IT presentation</li> <li>-1/3 public entities</li> <li>-1/3 national accounts</li> <li>-1/3 insurers</li> </ul>	<ul style="list-style-type: none"> <li>-While the primary adjuster has public entity (non-school) experience, at present they have no public entity liability clients other than Palm Springs.</li> <li>-Medicare Set-Aside is a Workers' Comp term typically. Clearly Work Comp TPA (schools) wanting LC business.</li> </ul>

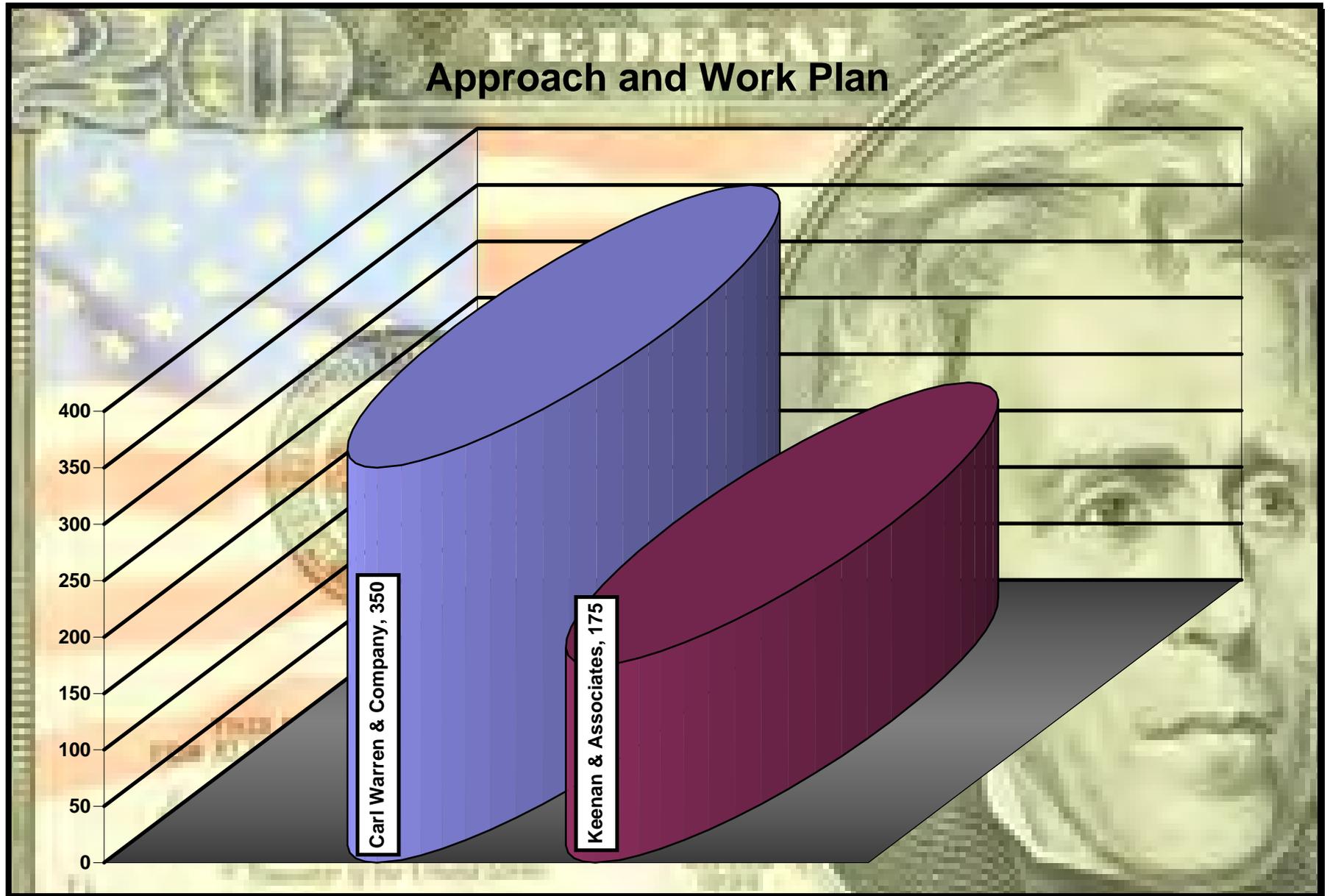
# THIRD PARTY LIABILITY CLAIMS ADMINISTRATION

## Grasp of Project



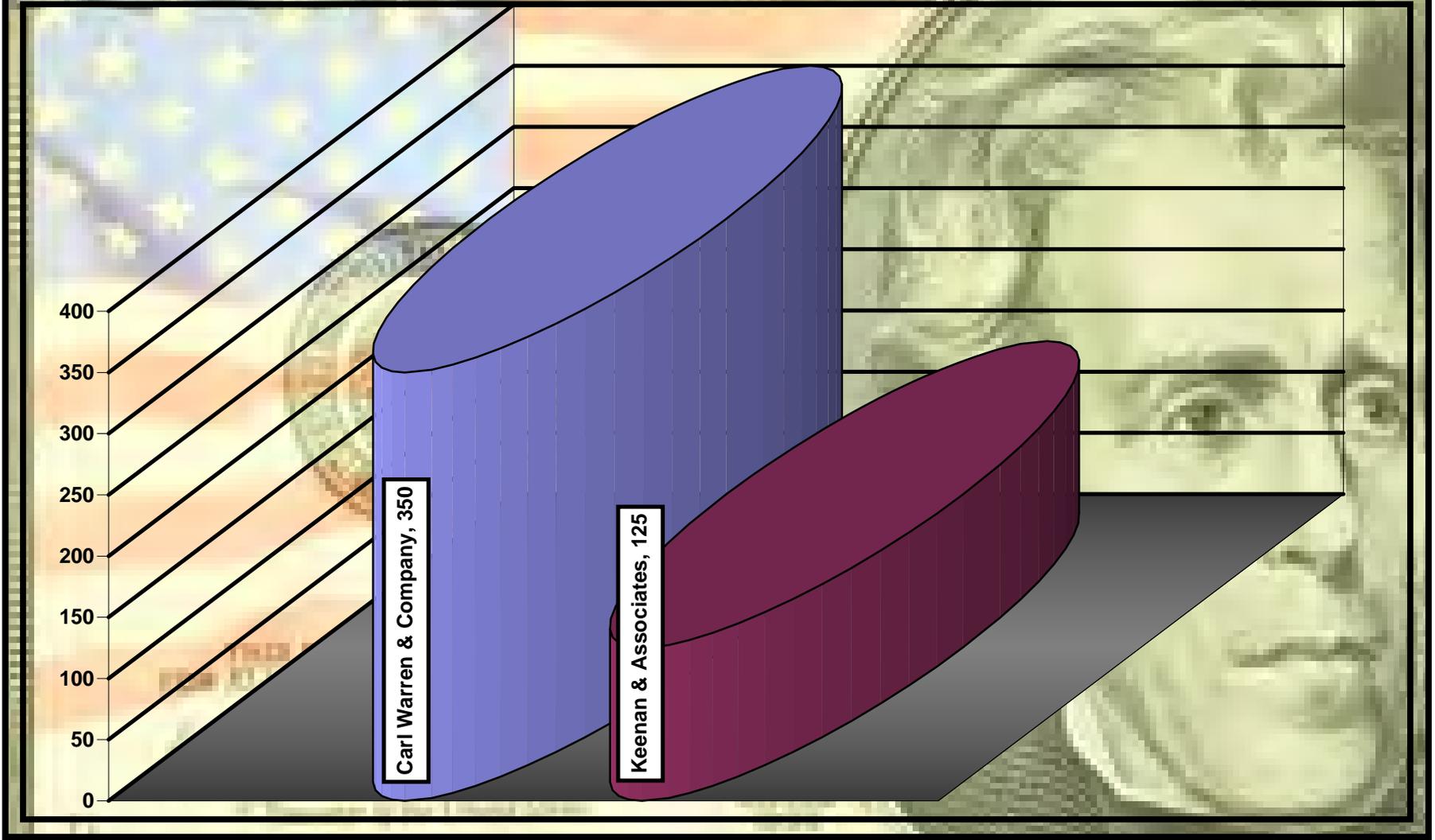
# THIRD PARTY LIABILITY CLAIMS ADMINISTRATION

## Approach and Work Plan



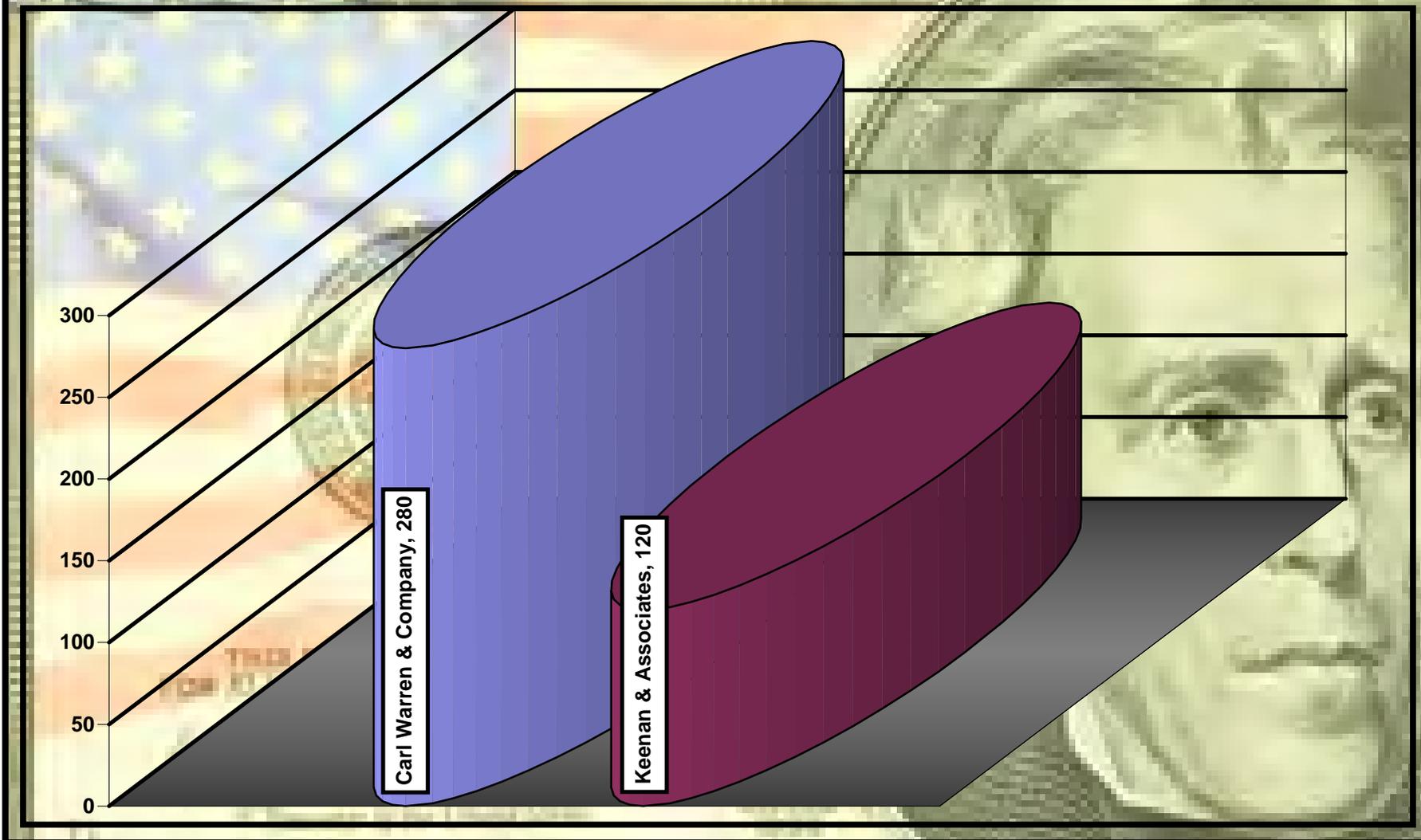
# THIRD PARTY LIABILITY CLAIMS ADMINISTRATION

## Qualification and Experience



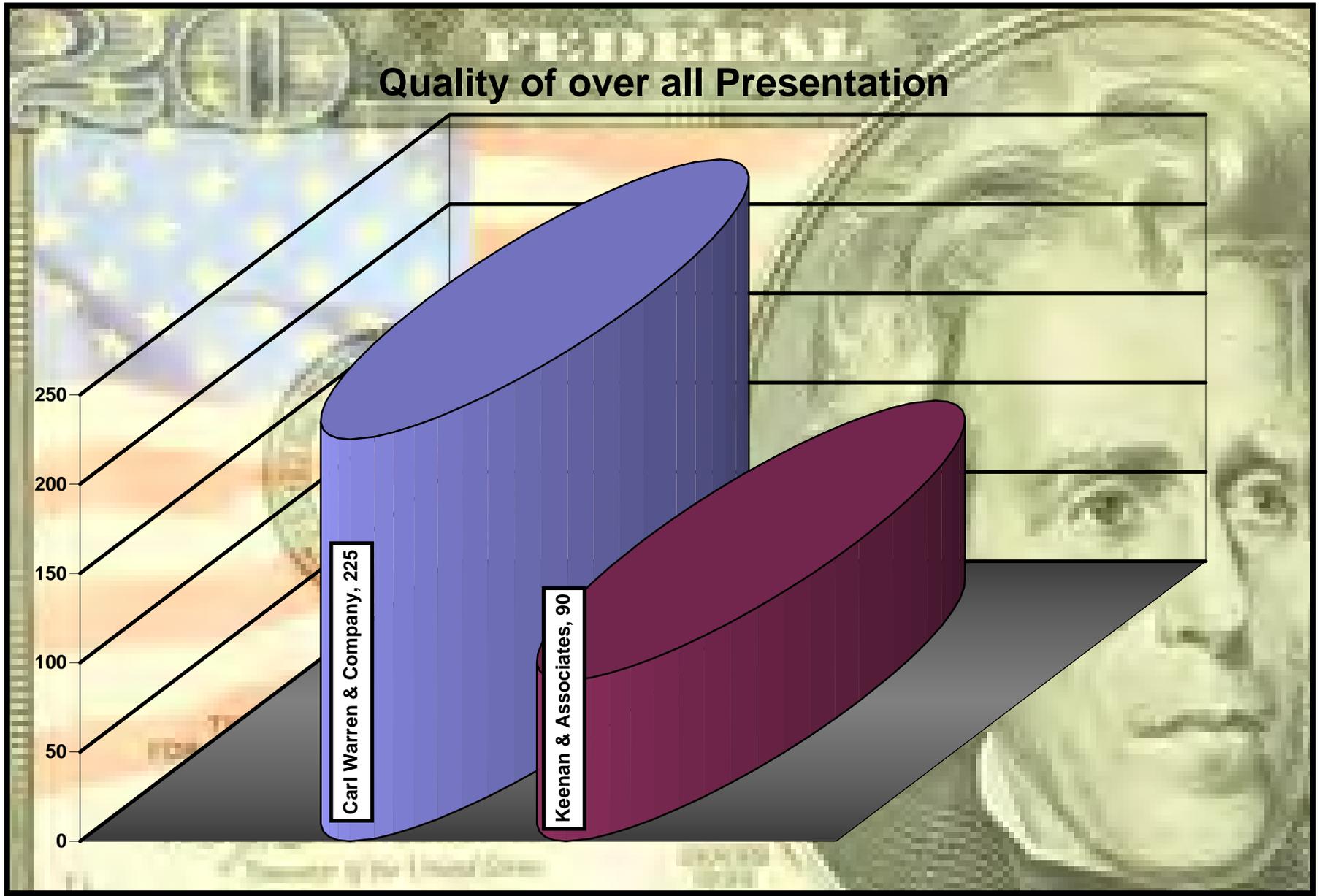
# THIRD PARTY LIABILITY CLAIMS ADMINISTRATION

## Communication/Presentation



# THIRD PARTY LIABILITY CLAIMS ADMINISTRATION

## Quality of over all Presentation



# THIRD PARTY LIABILITY CLAIMS ADMINISTRATION

## Interview Totals

