



CITY OF SACRAMENTO

40

CITY MANAGER'S OFFICE
RECEIVED
OCT 9 1980

DEPARTMENT OF FINANCE
915 I STREET
ROOM 112
SACRAMENTO, CALIFORNIA 95814
TELEPHONE (916) 449-5736

JACK R. CRIST
DIRECTOR OF FINANCE
FRANK MUGARTEGUI
ASSISTANT DIRECTOR

October 7, 1980

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: OBTAINING RISK MANAGEMENT AND INSURANCE CONSULTANT SERVICES

SUMMARY

This is to advise the City Council that Staff will be inviting proposals from Independent Risk Management and Insurance Consultants based in California.

BACKGROUND

Since September of 1970 the City has utilized the services of Mund, McLaurin and Co. of San Francisco, as its Risk Management and Insurance Consultant. They have and continue to serve us well; however, with the recent changes in the Presidency of the Company due to death, it is felt that we should invite proposals for the subject services.

Invitations for proposals will be solicited only from pure Risk Management Consultants - those whose entire income is derived from client fees, freeing them from direct or indirect influence from insurance placements.

Enclosed herewith for your information, are copies of 1) City's Invitation for Proposal and 2) list of members of Institute of Risk Management Consultants, Inc. (IRMC).

FINANCIAL

The annual retainer paid to Mund, McLaurin & Co. has been \$4,200. It is anticipated the proposals should not exceed \$6,000 per year. Funding has been provided for this expenditure in the FY 1980-81 Budget.

APPROVED
BY THE CITY COUNCIL

OCT 14 1980

OFFICE OF THE
CITY CLERK

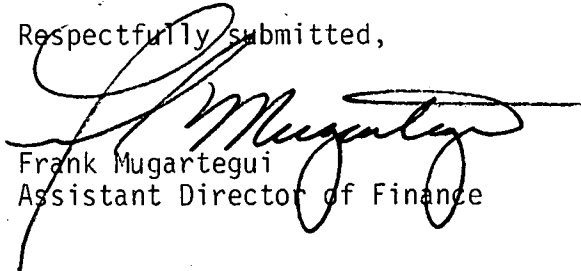
City Council
Obtaining Risk Management and Insurance
Consultant Services

Page 2
10/7/80

RECOMMENDATION

No Council action required at this time. Staff will return to the Council when selection has been made.

Respectfully submitted,



Frank Mugartegui
Assistant Director of Finance

FOR COUNCIL INFORMATION ONLY:

Walter J. Slipes
Walter J. Slipes
City Manager

October 14, 1980
All Districts

FA:80436:FM/ml

cc: Risk Management Committee
Donna Giles, Personnel Director

CITY OF SACRAMENTO
RISK MANAGEMENT AND INSURANCE PROGRAM
SCHEDULE OF INSURANCE AND RELATED SERVICES

Type of Insurance	Conditions-Limits-Coverage	Insurer-Broker	Policy No. and Term	Expires
<u>COMPREHENSIVE AUTO & GENERAL LIABILITY</u>				
1. Primary	\$1,000,000 per occurrence SIR			
2. Excess Liability	\$1,000,000 excess of \$1,000,000 SIR	Transcontinental C & B - JB/IS	SXP3584255: 1 year 60-day cancellation	7/01/82

Insured: City of Sacramento Grant Union School Dist Crocker Art Gallery & California Museum Assoc Parking Authority Community Center Authority Wells Fargo Bank Sacramento Redevelopment State of California County of Sacramento Daltons Leasing	Public Entity Broad Form to include: Bodily Injury, Property Damage, including auto, contractual garage keepers, legal liability including fire, theft & riot, personal injury including false arrest, libel, wrongful entry, Products Liability, accidental pollution, and errors and omissions.			

3. Umbrella Liability	Exclusions - Inverse condemnation airport hazard, malpractice.			
3. Umbrella Liability	\$19,000,000 Excess of underlying \$2,000,000 excess policies, following form	National Union C & B - JB/IS	1225598 1 year	9/07/81
Insured: Same as #2 above	Auth: Resn No. 80-581, dtd 9/2/80			
<u>PROPERTY COVERAGES</u>				
4. Property - All Risk Including Earthquake on Parking Structures only.	Stipulated Values - all property of every description except as excluded per rider form.	Central National C & B - JB/IS	F-612-77-79 3-1/2 yr prem. Prepaid 60-day cancellation notice required	7/1/83
Insured: City of Sacramento Parking Authority	Agreed Amount Clause.			
	Basis of Recovery - Replacement.			
	Deductible \$100,000 per occurrence.			
(continued)				

Type of Insurance	Conditions-Limits-Coverage	Insurer-Broker	Policy No. and Term	Expires
Property (continued)	<p>Stipulated Values — Earthquake Coverage on Parking Structures, 5% per occurrence deductible.</p> <p>\$3,100,000 Business Interruption on Parking Structures, \$1,000 per occurrence deductible.</p> <p>Within 30 days after a reported loss, 25% of the estimated replacement value will be advanced to the City.</p> <p>Auth: Resn No. 79-853 dtd 12/11/79</p> <p>---</p>			
<p>5. Property - All Risk Including Flood and Earthquake</p> <p>Insured: City of Sacramento Community Center Authority</p>	<p>All property of Community Center Complex</p> <p>---</p> <p>Limit of Insurance - per schedule.</p> <p>---</p> <p>Deductible \$100,000 on fire and \$10,000 on all other Perils except Earthquake deductible of 5%.</p> <p>---</p> <p>Rental Income - Per Schedule</p> <p>---</p> <p>Auth: Resn No. 80-591 dtd 9/10/80</p>	<p>Harbor Ins. Co./ Covenant Mutual Ins. Co.</p> <p>Agent: Corroon & Black- Miller & Ames</p>	<p>Binder #25267 3-year Policy</p>	<p>9/01/83</p>
<p>6. Fleet Comprehensive</p> <p>Insured: City of Sacramento</p>	<p>Contractor's Equipment Floater, excluding all passenger cars, cycles, pickups and vehicles under \$10,000 value.</p> <p>---</p> <p>\$2,000 per occurrence deductible.</p> <p>---</p> <p>Limit of Insurance - ACV</p> <p>---</p> <p>Auth: Resn 79-669 dtd 9/26/79</p>	<p>Mission Insurance C & B-JB/IS</p>	<p>MIP 030-09-79 3-year policy w/annual deposit prem- ium subject to audit based on equipment values. 60- day cancel- lation notice.</p>	<p>10/01/82</p>
<p>7. Boiler and Pressure Vessel</p> <p>Insured: City of Sacramento</p>	<p>\$1,000,000 Limit/accident \$250 Deductible</p> <p>Covers Explosion and Damage and inspection services.</p>	<p>Royal Globe C & B-JB/IS</p>	<p>WW 606313</p> <p>3 yrs-payable annually 60-day cancel- lation notice required.</p>	<p>4/30/82</p>

Type of Insurance	Conditions-Limits-Coverage	Insurer- Broker	Policy No. and Term	Expires
<u>CRIME COVERAGE</u>				
8. Money & Securities Insured: City of Sacramento	Self Insured --- \$100,000 Trust Fund Auth: Resn No. 77-430 dtd 7/26/77	Self Insured as of 8/1/77		
9. Employees Faithful Performance and Honesty Blanket Bond Insured: City of Sacramento	\$100,000 coverage on each employee of the City --- \$10,000 per occurrence deductible Auth: Rsn #80-517 dtd 8/5/80	American Insurance C & B-JB/IS	HO 6311051 3-year Bond Premium payable in advance	8/01/83
Public Official Bond Insured: City of Sacramento	\$200,000 coverage for Faithful Performance of duties - Treasurer, Assistant Treasurer, and two Deputies	American Insurance C & B-JB/IS	6311872 3-year Bond Premium payable in advance	Until Can- celled
Community Center Public Official Bond	\$100,000 coverage for Faithful Performance of duties - Chairman, Director of Finance, and Treasurer	Fireman's Fund C & B-JB/IS	SO 6346072	9/01/80
<u>OTHER COVERAGES</u>				
10. Excess Workers' Compensation	Self Insured --- \$2,000,000 Trust Fund Auth: Resn No. 77-532 dtd 8/30/77	Self Insured as of 8/1/77		
11. Unemployment Compensation	Self Insured --- Auth: Resn No. 79-852 dtd 12/11/79	Self Insured as of 1/1/80		
12. Crocker Fine Arts Insurance Insured: City of Sacramento and collections of others in the Gallery	Museum Insurance Policy providing coverage as follows: - \$2,500,000 - permanent collection in Gallery, \$1,000 deductible - \$1,000,000 - City owned at any other domestic location, no deductible - \$1,000,000 - per conveyance, no deductible - \$2,500,000 - any one loss or disaster, no deductible Fragiles are insured against breakage	Fred S. James	MIC-3-22	Until Can- celled
13. Volunteer Fire Fighters Policy	\$10,000 Life Insurance \$2,500 Medical Expenses Weekly Indemnity- Total Disability \$50/wk-Max of 104 weeks Partial Disability \$25/wk Max of 6 weeks	Home Ins. Co. C & B-JB/IS	HVF 71323 1 year premium	5/01/81

Type of Insurance

14. CONTINGENT LIABILITY AND RISK RESERVE

<u>Exposure</u>	<u>Authority</u>		<u>Maximum Authorized & Funded</u>
	<u>Resn</u>	<u>Dtd</u>	
Automobile and General Liability	#78-609	9/5/78	\$1,000,000
Workers' Compensation	#77-532	8/30/77	2,000,000
Property and Equipment	FY 72-73	Budget Adoption	200,000
Money Exposure	#77-430	7/26/77	100,000
Unemployment Insurance	#78-088	2/14/78	<u>700,000</u>
			<u>\$4,300,000</u>

15. PROGRAM RELATED SERVICES

- Broker of Record - Corroon & Black-James Burpo/Insurance Services (C & B-JB/IS); term 3 years (11/4/78-11/3/81); Agreement No. A-75070
- Liability Claims Administrator - Brown Brothers Adjusters; term 2-3/4 years (4/20/80 - 1/20/83); Agreement No. A-76182
- Workers' Compensation Claims Administration - Commencing May 1, 1980 In-House claims administration, Prior period Aug 1, 1971 thru April 30, 1980 outside claims administration.
- Insurance Analysts - Mund, McLaurin & Co. of San Francisco; term (until cancelled); Agreement No. A-70214
- Unemployment Insurance Claims Administrator - R. E. Harrington; term 3 years (1/1/78-12/31/80); Resn No. 77-508, Agreement No. A-77070

CITY OF SACRAMENTO

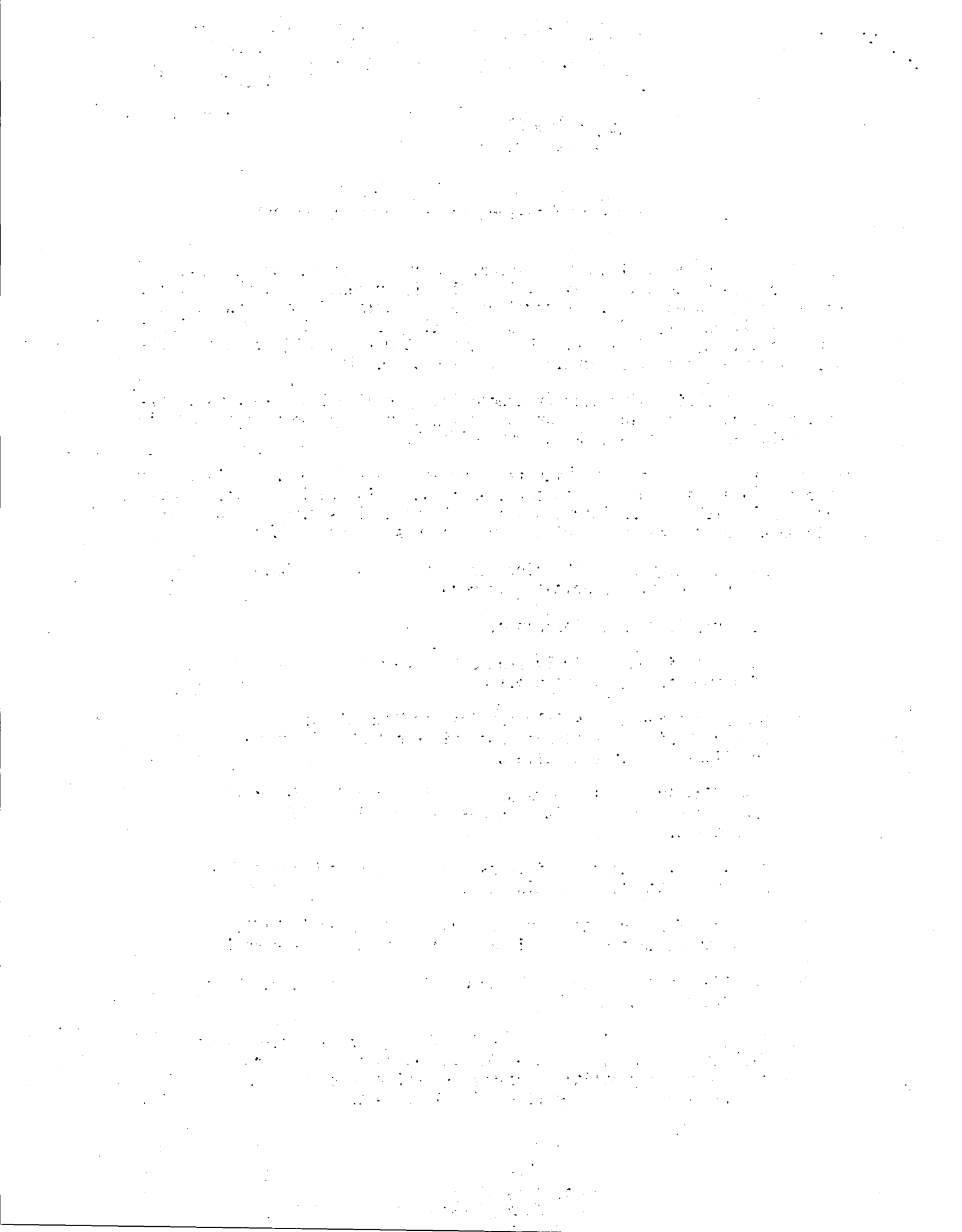
Invitation for Proposals from
Independent Risk Management and Insurance Consultants

The City of Sacramento intends to select and appoint an independent risk management/consultant and advisor. The City is presently serviced by a consulting firm and now seeks a renewal or new selection of consultant to be effective January 1, 1981. The consultant will be appointed for a period of not less than three (3) years. The arrangement will be subject to cancellation by either party upon ninety (90) days notification.

It has been the City's practice to periodically review the selection of risk management consultant in an effort to evaluate and maintain a proper blend of service and professional management of risk.

To accomplish this task, the City is desirous of obtaining proposals from interested, qualified and independent consultants prior to 10:00 a.m., Tuesday, November 18, 1980. Consultants who are interested in serving the City of Sacramento are to prepare a written proposal responding to the following:

- A. Name and address of the firm, date established and brief description of historical background.
- B. Does your firm sell insurance?
- C. Is firm's income entirely from client fees? _____
If answer is no, please explain.
- D. Describe clients presently serviced on a continuing consulting basis. Particular emphasis should be placed on political sub-division clientele.
- E. Specifically detail the manner in which your firm is prepared to service the City's needs for practical risk management.
- F. Please outline those activities you envision as being necessary in accomplishing this task.
- G. All fees for services should be quoted on a monthly basis, with scheduled increases, if any, over the three year period.
- H. Provide resume of personnel who would be assigned to work on the City's account.
- I. Include any additional information about your firm which you feel might be of aid to the City in evaluating your firm's competence, capabilities, resources, references, and professional organizations (i.e. ICS, IRMC, etc.).



Invitation for Proposals

Page 2

The risk management and consulting services are to be provided for all lines of insurance except Life, Accident, Health and Employee Benefits.

General Information:

Scope of work desired but not necessarily limited to —

- a. Audit of the overall Risk Management program;
- b. Preparation of bid specifications;
- c. Evaluation of proposals;
- d. Review of insurance contract provisions, etc.; and
- e. Provide advice on client's questions.

Exhibit I provides you with a schedule of insurance and related services currently being utilized by the City.

An Independent Risk Management and Insurance Consultant will be selected from the proposals received based upon (1) the adequacy and appropriateness of the written proposal; (2) the demonstrated ability and capacity to provide said service; (3) calls to references or others who may know the quality of the Consultant's work; (4) an interview; and (5) fee for services.

Bids must be submitted and enclosed in a sealed envelope marked "Sealed Proposal for Risk Management and Insurance Consultant Services".

For consideration, proposals in response to this invitation must be submitted prior to 10:00 a.m., Tuesday, November 18, 1980, to:

City Clerk
City of Sacramento
915 "I" Street, Room 308
Sacramento, CA 95814

Attention: Lorraine Magana

The bids will be opened at 10:15 a.m., Tuesday, November 18, 1980, in the Council Chamber, Second Floor, 915 I Street, Sacramento, CA.

Any questions that may arise in the process of developing your proposal should be addressed to:

Mr. Frank Mugartegui
Assistnat Director of Finance
Phone :(916) 449-5736

C A N A D A

BRITISH COLUMBIA

P. D. Norman & Associates (B.C.) Ltd.
Marina Place, 8331 River Road
RICHMOND, BRITISH COLUMBIA V6X 1Y1
(604) 273-3033
Mr. Peter Norman

ONTARIO

Peter Armour Insurance Counselling Ltd.
23 Westmore Drive, Suite 401
TORONTO, ONTARIO M9V 3Y7
(416) 745-2141
Mr. Peter Armour

P. D. Norman & Associates (B.C.) Ltd.
111 Richmon Street West
TORONTO, ONTARIO M4H 294
(416) 366-3916
Mr. Peter Norman

UNITED STATES OF AMERICA

CALIFORNIA

Thomas J. Hammond & Company
3701 Wilshire Boulevard, Suite 1038
LOS ANGELES, CALIFORNIA 90010
(213) 480-3833
*Mr. Thomas J. Hammond, Jr.
Ms. Joan C. Morris

Mund, McLaurin & Co.
600 S. Commonwealth Avenue
LOS ANGELES, CALIFORNIA 90005
(213) 385-3201
*Mr. Virgil R. Howell
Mr. William J. Pinckney
Mr. Donald Voller

Warren, McVeigh & Griffin
1420 Bristol Street North
NEWPORT BEACH, CALIFORNIA 92660
(714) 752-1058
Mr. C. C. Griffin

Mr. David Warren
58 Diablo View Drive
ORINDA, CALIFORNIA 94563
(415) 254-9472

The Wyatt Company
1 Post Street
SAN FRANCISCO, CALIFORNIA 94104
(415) 986-6568
Mr. Tom Briggin

CONNECTICUT

Risk Planning Group, Inc.
722 Post Road
DARIEN, CONNECTICUT 06820
(203) 655-9791
*Mr. H. Felix Kloman
Mr. Mitchell Cole
Mr. Charles F. Moody, Jr.

ILLINOIS

Corporate Policyholders Counsel, Inc.
20 N. Wacker Drive
CHICAGO, ILLINOIS 60606
(312) 372-8225
Mr. William Leinheiser
Mr. Lawrence P. Mulvaney
*Mr. William R. Rich
Mr. John W. Sabol
Mr. Ron Seaver

The Wyatt Company
233 S. Wacker Drive
CHICAGO, ILLINOIS 60606
(312) 876-1616
*Mr. Warren G. Brockmeier
Mr. Michael W. Cetera
Mr. Michael G. Haske

INDIANA

Insurance Audit & Inspection Co.
6525 East 82nd Street, Suite 206
INDIANAPOLIS, INDIANA 46250
(317) 849-2700
Mr. Frank C. Alderson
Mr. Jack Harris
*Mrs. Mary Coate Houtz
Mr. John W. Wall

LOUISIANA

Felton Associates
3255 Fritchie Drive
BATON ROUGE, LOUISIANA 70809
(504) 925-2833
Mr. Robert Felton

DEED

TO HAVE AND TO HOLD

TO THE SAID COUNTY OF DALLAS, TEXAS, I, the undersigned, do hereby certify that the within and foregoing is a true and correct copy of the original as the same appears in the public records of the County of Dallas, Texas, this 1st day of January, 1900.

WITNESSETH

That the within and foregoing is a true and correct copy of the original as the same appears in the public records of the County of Dallas, Texas, this 1st day of January, 1900.

That the within and foregoing is a true and correct copy of the original as the same appears in the public records of the County of Dallas, Texas, this 1st day of January, 1900.

IN WITNESS WHEREOF

I, the undersigned

do hereby certify

that the within and foregoing is a true and correct copy of the original as the same appears in the public records of the County of Dallas, Texas, this 1st day of January, 1900.

that the within and foregoing is a true and correct copy of the original as the same appears in the public records of the County of Dallas, Texas, this 1st day of January, 1900.

ATTEST

That the within and foregoing is a true and correct copy of the original as the same appears in the public records of the County of Dallas, Texas, this 1st day of January, 1900.

That the within and foregoing is a true and correct copy of the original as the same appears in the public records of the County of Dallas, Texas, this 1st day of January, 1900.

IN WITNESS WHEREOF

I, the undersigned, do hereby certify that the within and foregoing is a true and correct copy of the original as the same appears in the public records of the County of Dallas, Texas, this 1st day of January, 1900.

I, the undersigned, do hereby certify that the within and foregoing is a true and correct copy of the original as the same appears in the public records of the County of Dallas, Texas, this 1st day of January, 1900.

That the within and foregoing is a true and correct copy of the original as the same appears in the public records of the County of Dallas, Texas, this 1st day of January, 1900.

MARYLAND

Insurance Buyers Council, Inc.
22 West Road
BALTIMORE, MARYLAND 21204
(301) 828-1656

*Mr. Carroll E. Henkel
Mr. Bernard J. McGovern
Mr. Milton A. Sorrell, Jr.

MASSACHUSETTS

George Betterley Consulting Group
200 Clarendon Street
BOSTON, MASSACHUSETTS 02116
(617) 267-4300

*Mr. George M. Betterley
Mr. Donald B. Dalbeck
Mr. William D. Hahn
Mr. C. Robert Laforme
Mr. Charles T. Tagman, Jr.

D. A. Betterley Risk Consultants
446 Main Street
WORCESTER, MASSACHUSETTS 01608
(617) 754-1704

Mr. Delbert A. Betterley

MICHIGAN

The Wyatt Company
200 First National Building
DETROIT, MICHIGAN 48226
(313) 961-5485

*Mr. Adolph E. Baron
Mr. Henry P. Devlin

MINNESOTA

Risk Control Inc.
354 2nd Street
EXCELSIOR, MINNESOTA 55331
(612) 474-5204

Mr. Jerry L. Brecke

NEW JERSEY

Blades & Macaulay
2444 Morris Avenue
UNION, NEW JERSEY 07083
(201) 687-3735

Mr. Arthur Macaulay, Jr.

NEW YORK

Aldrich & Cox, Inc.
274 Delaware Avenue
BUFFALO, NEW YORK 14202
(716) 856-2991

Mr. Herbert C. Cox

S. B. Ackerman Associates
605 Third Avenue
NEW YORK, NEW YORK 10016
(212) 599-1717

Mr. Bernard A. Salwen

TEXAS

The Wyatt Company
1900 Republic National Bank Tower
DALLAS, TEXAS 75201
(214) 748-5867

Mr. Frederick B. Gillette

WISCONSIN

T. E. Brennan Company
250 E. Wisconsin Avenue
MILWAUKEE, WISCONSIN 53203
(414) 271-2232

Mr. J. William Foran
Mr. Greig K. Forrest
Mr. Thomas E. Gold
*Mr. John Hayes
Mr. Donald L. Pass

LIFETIME MEMBERS

Mr. R. Maynard Toelle
703 Thunderbird Avenue
Sun City Center, Florida 33570
(813) 634-4975

Mr. Arthur M. Clark
5200 Dobson
Skokie, Illinois 60076
(312) 674-2558

Mr. Nathan H. Siegel
41389 Leidel Court
Northville, Michigan 48167
(313) 349-4608

*Principal Contact

RECEIVED
Department of Finance

OCT 3 1980

AM. PM.
7 8 9 10 11 12 1 2 3 4 5 6

A

OFFICE
AND
FINANCIAL