

December 5, 2016

## **CITY COUNCIL AGENDA MEMORANDUM**

### **SUBJECT**

Resolution authorizing execution of Amendment 1 which extends by one year, the professional services agreement with Evergreen Adjustment Services for third party administrator claim services and increases the contract value, in an amount not to exceed \$50,000, for a contract total of \$150,000.00.

### **FISCAL IMPACT**

This resolution authorizes the City to enter an agreement with Evergreen Adjustment Services for an amount not to exceed \$50,000. Sufficient funds have been proposed in the 2017-2018 General Self Insurance Fund budget to cover this contract.

### **STAFF CONTACTS**

Pete Bourgeault, *Risk Management* 425-452-2011  
Kristen Flaherty, *Risk Management* 425-452-2736  
*City Attorney's Office*

### **POLICY CONSIDERATION**

#### **City Contracting Policies**

- Bellevue City Code 4.28.030: The City's procurement policy supports open, fair, and transparent procurement of services in accordance with the City Code and State law. Because of the amount of this contract, Council approval is required.

### **BACKGROUND**

The Risk Management Division (Risk) of the City Attorney's Office is responsible for overseeing claims against the City. These claims include, but are not limited to, waste water back-ups, water main breaks, significant injuries and vehicle incidents. Given the volume and complexity of these claims, it necessary to contract with an outside vendor, known as a third party administrator, to assist with the claims process. Evergreen Adjustment Services currently serves as the City of Bellevue third party administrator of liability claims submitted against the City of Bellevue. Evergreen provides claims direction along with claims valuation expertise. In addition, since incidents often occur outside of normal business hours, Evergreen provides 24/7 responsive services. Because the market for services is ever changing, Risk is reevaluating its adjustment services to ensure that it is getting reliable, efficient and cost effective services. Risk made informal contacts with other third party administrative firms to test the market. Unfortunately, Risk did not receive adequate responses to the informal inquiry. The current contract will expire at the end of the year. An extension is necessary in order to maintain existing services. This extension will allow Risk to perform a more thorough evaluation of adjustment services by conducting a detailed request for proposal (RFP). By conducting an RFP, Risk will be able to test the market to ensure the City is getting the best possible services in a cost effective manner. With this extension, the City will continue to receive prompt 24/7 response, expedited valuation and investigation of claims for the 2017 calendar year.

**EFFECTIVE DATE**

If approved, this Resolution becomes effective immediately upon Council adoption.

**OPTIONS**

1. Adopt Resolution authorizing execution of Amendment 1, which extends by one year, the professional services agreement with Evergreen Adjustment Services for third party administrator claim services and increases the contract value, in an amount not to exceed \$50,000, for a contract total of \$150,000.00.
2. Do not adopt the resolution and provide other direction.

**RECOMMENDATION**

Option 1.

**MOTION**

Move to approve Resolution No. 9193 authorizing execution of Amendment 1, which extends by one year, the professional services agreement with Evergreen Adjustment Services for third party administrator claim services and increases the contract value, in an amount not to exceed \$50,000, for a contract total of \$150,000.00.

**ATTACHMENTS**

Proposed Resolution No. 9193

**AVAILABLE IN COUNCIL DOCUMENT LIBRARY**

Amendment # 1 to the Agreement for Professional Services