

April 16, 2018

## **CITY COUNCIL AGENDA MEMORANDUM**

### **SUBJECT**

Resolution authorizing execution of a five-year professional services agreement with Evergreen Adjustment Service, Inc. to provide liability claims adjustment services, in an amount not to exceed \$175,000, plus all applicable taxes.

### **FISCAL IMPACT**

The total cost of this professional services agreement is not to exceed \$175,000, plus all applicable taxes for the five-year term, with expenditures anticipated not to exceed \$35,000, plus all applicable taxes each year.

The cost of these services was anticipated and included in the 2017-2018 budget in the General Self-Insurance Fund. Funding for 2019 and 2020 will be requested as part of the 2019-2020 Budget.

### **STAFF CONTACTS**

Pete Bourgeault, Risk Manager, 452-2011  
Marlene Haworth, Risk Specialist, 452-2736  
*Risk Management*

### **POLICY CONSIDERATION**

Bellevue City Code 4.28.040 (2): Council approval is required for contracts greater than \$90,000.

### **BACKGROUND**

The City Attorney's Office, Risk Management Division, manages the City's self-insurance program and uses an outside adjustment service to represent and act for the City in addressing third-party liability claims as assigned. In addition to adjusting delegated claims, primarily due to City staff workload constraints, the vendor must be available on a 24-hour basis to address after-hour events that damage private property. Since April 1999, the City has contracted with Evergreen Adjustment Service, Inc. to provide outside adjustment services. In May 2004, and again in November 2008 and November 2012, Evergreen Adjustment Service, Inc. was selected via a Request for Proposals (RFP) process, to continue to provide these services to the City.

In February 2018, the City Attorney's Office, Risk Management Division, in accordance with the City purchasing policy, reviewed the Public Vendor roster for companies that provide adjustment services and selected Evergreen Adjustment Services, Inc. to perform work that includes:

- Receive notice of and create files on each claim assigned that reflect the claim's liabilities, value, and recommended disposition;
- Investigate all claims submitted to determine liability and settlement value;
- Request timely payment of claims in accordance with City procedures;
- Prepare documentation for defense of cases and assist selected legal counsel in litigation as assigned;
- Maintain and provide the City with pertinent data on all claim payments;

- Engage field adjusters in appropriate locations sufficient to reasonably serve the adjusting requirement of the City and supervise the activities of such adjusters;
- Promptly report the status of claims to the City;
- Provide 24-hour emergency response service and answering services; and
- Negotiate claims while reserving final settlement authority to the City.

Evergreen Adjustment Service, Inc., a local women-owned firm, has provided liability adjustment services in the State of Washington for 35 years, specializing in providing services to municipalities for 23 years. They currently handle claims for over 150 cities and over 500 government agencies in Washington State, exceeding the background and experience requirements for adjustment services. They maintain a low case load per adjuster, provide 24-hour service, and report to the scene immediately if needed. Since their firm only specializes in third party liability adjustment services, any adjuster who meets with a potential claimant and responds to our emergency on-call, will have expertise in this specific field. Evergreen's customer service is rated as outstanding by their clients, who list as one of their strengths, their ability to work with people (who are citizens of their city) in a thorough and reasonable manner while protecting the City's assets.

#### **EFFECTIVE DATE**

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

#### **OPTIONS**

1. Adopt the Resolution authorizing execution of a five-year professional services agreement with Evergreen Adjustment Service, Inc. to provide liability claims adjustment services, in an amount not to exceed \$175,000, plus all applicable taxes.
2. Do not adopt the Resolution and provide alternative direction to staff.

#### **RECOMMENDATION**

Option 1

#### **MOTION**

Move to adopt Resolution No. 9401 authorizing execution of a five-year professional services agreement with Evergreen Adjustment Service, Inc. to provide liability claims adjustment services, in an amount not to exceed \$175,000, plus all applicable taxes.

#### **ATTACHMENTS**

Proposed Resolution No. 9401

#### **AVAILABLE IN COUNCIL DOCUMENT LIBRARY**

Proposed Agreement