



CITY OF COMMERCE AGENDA REPORT

TO: Honorable City Council

Item No. _____

FROM: City Manager

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, APPROVING RENEWAL AMENDMENT NO.1 TO THE AGREEMENT FOR SELF-INSURED CLAIMS ADMINISTRATION

MEETING DATE: September 17, 2019

RECOMMENDATION:

Approve the Resolution to execute the Renewal Amendment No.1 to the Agreement for Self-Insured Claims Administration (Worker's Compensation Claims) with Keenan & Associates and authorize the City Manager to execute the Renewal Amendment No. 1 and any other documents needed to effectuate the City's membership.

BACKGROUND:

On May 17, 2016, The City Council approved withdrawal from the California Joint Powers Insurance Authority (CJPIA) Worker's Compensation Program.

The City Council approved and authorized the Mayor to execute an agreement of the Worker's Compensation membership in the Municipal Insurance Cooperative Joint Powers Authority providing the services and maintenance of a Joint Purchasing Program for Worker's Compensation and other coverage.

The City Council provided authorization to the City Administrator to execute any other documents needed to effectuate the City's membership.

The City Administrator executed an agreement from July 1, 2016 through June 30, 2019 with Keenan & Associates, a full service brokerage firm and management of the Municipal Insurance Cooperative, to provide the City of Commerce with a worker's compensation program to include a self-insured retention.

ANALYSIS:

The first renewal amendment No.1 stipulates "Exhibit C" attached to the amendment will supersede both "Exhibit B" and "Exhibit C" of the executed agreement from July 1, 2016 through June 30, 2019.

The renewal period for the amended agreement is proposed to renew for an additional three (3) years beginning on July 1, 2019 and end on June 30, 2022.

ALTERNATIVES:

1. Approve staff's recommendation
2. Disapprove staff's recommendation
3. Provide staff with further direction

FISCAL IMPACT:

The fiscal impact for the renewal of this revised three (3) year agreement is **\$111,426** to be paid as follows:

- July 1, 2019: \$36,050 (already approved as part of the FY 2019-20 budget)
- July 1, 2020: \$37,131
- July 1, 2021: \$38,245

RELATIONSHIP TO STRATEGIC GOALS:

This agenda report relates to the 2016 City of Commerce Strategic Guiding Principles as follows:

City Organization; Guiding Principle 2: Foster an environment that continuously seeks to improve service and organizational responsiveness to internal and external customers.

Fiscal Sustainability; Guiding Principle 2: Implement city business processes and operational efficiencies to streamline the cost of government including the examination and identification of cost of services and cost of recovery policies.

Approved by: Ela Pappo, Director of Human Resources
Fiscal Impact reviewed by: Vilko Domic, Director of Finance
Approved as to form: Noel Tapia, City Attorney
Respectfully submitted: Edgar P. Cisneros, City Manager

ATTACHMENTS:

1. Self Insured Claims Administration Agreement (July 1, 2016 through June 30, 2019)
2. Renewal Amendment No. 1
3. Resolution
4. Municipal Insurance Cooperative Joint Exercise of Powers Agreement