

CITY COUNCIL MEETING

DECEMBER 15, 1982

cc-6-1  
RENEWAL AGREEMENT  
WITH R.L.KAUTZ  
CO., CONTRACT  
ADMINISTRATORS  
APPROVED

Following introduction of the matter by City Manager Graves, Council, on motion of Councilman Pinkerton, Murphy second, approved the extension of the Liability Administration & Agreement with R. L. Kautz and Company for 12 months and authorized the Mayor and City Clerk to execute the Extension Agreement on behalf of the City.

# COUNCIL COMMUNICATION

TO: THE CITY COUNCIL

DATE

FROM: THE CITY MANAGER'S OFFICE

December 10, 1982

SUBJECT: Extension of Liability Administration Agreement with R. L. Kautz and Company

The City's agreement with R. L. Kautz & Company for Self Insurance Administration services is due to expire shortly.

We have been apprised by R. L. Kautz and Company that they are willing to extend the current agreement for an additional 12 months for the same consideration under the current agreement i.e. \$6,250.00 per annum, payable quarterly in equal installments, to provide all services set forth in the agreement except allocated expenses and additional investigative expenses.

R. L. Kautz and Company has apprised this office that they were able to hold this price due to the efforts of this office and the City Attorney in providing followup information; settling claims through this office when it is in our best interest and the level of verified claims that were received this past year.

We have attached a copy of the current agreement and the addendum and respectfully request the Council by motion action, to approve this extension and authorize the Mayor and City Clerk to execute the Addendum on behalf of the City.

*Alice M. Reimche*  
Alice M. Reimche  
City Clerk

AGREEMENT BETWEEN CITY OF LODI  
AND R. L. KAUTZ & CO. FOR SELF-  
INSURANCE ADMINISTRATION SERVICES

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THIS AGREEMENT, entered into this 27th day of April, 1981, by and between CITY OF LODI, hereinafter called "CITY," and R. L. Kautz & Co., a California corporation, hereinafter called "CONTRACTOR," for certain services as outlined herein in connection with the duties and responsibilities of administering a program of Liability Self-Insurance,

W I T N E S S E T H :

WHEREAS, CITY has undertaken to self-insure; and,

WHEREAS, CONTRACTOR is engaged in the supervision and administration of programs of self-insurance,

NOW, THEREFORE, for and in consideration of the mutual obligations hereby assumed, and the performance of the acts hereinafter set forth, the parties hereto agree as follows:

1. GENERAL

A. CONTRACTOR agrees to supervise and administer the Liability Self-Insurance program for CITY and shall act as their representative in connection with the investigation, adjustment, processing, supervision and resolution of general liability and automobile liability claims and potential claims for money damages asserted by third parties against CITY which are premised upon allegations of negligent or careless acts or omissions, or conduct for which CITY is alleged to be legally responsible, and agrees further to provide to CITY during the term of this Agreement all the services more particularly set forth hereinafter.

In the performance of the services provided for herein, CONTRACTOR shall use its best efforts without any guarantee as to the ultimate outcome of any claim adjusted, investigated, processed, supervised or resolved by CONTRACTOR.

B. CITY shall open a bank account with a federally insured bank and contractor, as agent for CITY, and shall have sole signing authority on said account. CITY shall be responsible for maintaining sufficient balances in the account to cover the payment of the

general liability and automobile liability claims which might reasonably be expected to result under CITY's Liability Self-Insurance Program. However, if at any time an overdraft exists on this account, CITY agrees for the benefit of CONTRACTOR and the bank to be responsible for the amount thereof.

2. INVESTIGATIVE SERVICES

A. CONTRACTOR agrees to provide investigative services as follows:

- 1) Receipt and examination of all reports of accidents, incidents, claims or cases which are or may be the subject of such liability claims.
- 2) Investigation of such accidents, incidents, claims or cases, where nature of the claim warrants such investigation, or when requested by CITY; such investigation to include contact with claimant, interview employees of CITY, as hereinafter set forth, and engage, direct and evaluate outside investigative services as set forth in sub-section "B."

CITY shall make available to CONTRACTOR all employees of CITY who are witnesses to an incident or accident or who have knowledge of the event or incident which is the subject matter of a claim. The statements of such employees shall be taken at the office of CONTRACTOR, or, if practical, CITY shall make available to the employee a convenient location within the confines of CITY so that a telephone statement may be taken. CITY shall provide CONTRACTOR with available photographs and engineering drawings or other descriptive material of all conditions of CITY property which are alleged to be dangerous or that were damaged in the events which produce the claim under investigation.

B. Allocated Expenses and Additional Investigative Expenses. CITY agrees to pay for the cost of investigative services not provided under 2A performed by outside contractors where expert and professional assistance is required, such as professional photography, independent medical examinations, laboratory services, on-site investigations, taking statements from witnesses away from the premises of CONTRACTOR, obtaining medical and other records and reports, trial preparation and professional engineering services, including but not limited to map preparation, accident

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reconstruction, material analysis and evaluating premises.

3. ADJUSTMENT SERVICES

CONTRACTOR agrees to provide complete adjustment services on each accident or incident which is or may be the subject of a liability claim. Such services shall include:

- A. The maintenance of a claim file on each potential or actual claim reported to CONTRACTOR.
- B. Whenever its investigation results in a determination that CITY has sustained a liability to a third party, CONTRACTOR shall process any such claim or potential claims for settlement in accordance with instructions and policies of CITY for settlement of such claims.
- C. Notification of CITY's primary and excess carriers of all claims which exceed CITY's retention and maintenance of liaison between the insurance carriers and the CITY on matters affecting the adjustment of such claims and notify CITY when CITY is entitled to reimbursements for loss in excess of retention.
- D. Obtain all Release Agreements on settlement of any claim or potential claim.

4. ADMINISTRATIVE SERVICES

CONTRACTOR agrees to provide the following administrative services:

- A. Preparation and submission of an Operating Manual of Procedure for reporting claims to CONTRACTOR and the proper procedures for completing accident forms.
- B. Provide CITY during the term of this Agreement with tabulated Monthly Status Report on all reported claims during the term of this Agreement, indicating the status of each reported open claim assigned to CONTRACTOR, the details of each claim, the outstanding reserves for each claim and details of all claims payments during the month. The Status Report shall be delivered to CITY within twenty (20) days of the close of each calendar month.
- C. Periodic review and adjustment of reserves on all open claims.

5. PERIOD OF AGREEMENT

This Agreement is for a period of twelve (12) months commencing at 12:01 a.m., February 1st, 1981, and ending midnight, January 31st, 1982. Thereafter, it is the intention of the parties to continue this Agreement in full force and effect, subject to annual renegotiation of section 6

hereunder ("CONSIDERATION"), unless and until this Agreement is terminated by either party as hereinafter provided.

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6. CONSIDERATION

CITY agrees to pay to CONTRACTOR the sum of Six Thousand Two Hundred Fifty Dollars (\$6,250) per annum, payable quarterly in equal installments, to provide all services set forth herein except Allocated Expenses and Additional Investigative Expenses set forth in 2B herein.

7. CANCELLATION OF AGREEMENT

This Agreement may be terminated by either party giving to the other, in writing, notice of his intention to cancel this Agreement at least sixty (60) days prior to the date of termination.

8. DISPOSITION OF FILES ON TERMINATION OF AGREEMENT

- A. All files on each claim shall be the property of the CITY.
- B. In the event of termination or cancellation of the Agreement, CONTRACTOR shall return all files to CITY unless CITY requests CONTRACTOR to continue to process any file, which file CITY will continue to process on a time and expense basis.
- C. In the event of cancellation of the Agreement by CITY, the total consideration to be paid by CITY to CONTRACTOR as set forth in Section 6 herein shall be due and payable.
- D. In the event of cancellation of this Agreement by CONTRACTOR, the consideration to be paid pursuant to Section 6 shall terminate effective with the termination of the Agreement and CITY shall not be liable for further payment.

9. HOLD HARMLESS

- A. CITY agrees to defend any legal action commenced against CONTRACTOR caused directly or indirectly by wrongful or negligent acts of CITY officers, employees, agents or others engaged in CITY and indemnify CONTRACTOR against any liability, loss, cost, or damage, including attorneys' fees, resulting therefrom.
- B. CONTRACTOR agrees to defend any legal action commenced against CITY caused directly or indirectly by wrongful or negligent acts of CONTRACTOR's officers, employees, agents or others engaged by CONTRACTOR; and indemnify CITY against any liability, loss, cost, or damage, including attorneys' fees, resulting therefrom.

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IN WITNESS WHEREOF, the parties hereto have caused these presents to be signed by their duly authorized officers as of the day and year first above written.

R. L. KAUTZ & CO.  
A California Corporation

By: James C. Burke  
President

CITY OF LODI  
A Municipal Corporation

James A. McCarty  
By: \_\_\_\_\_  
James A. McCarty  
Mayor

ATTEST:

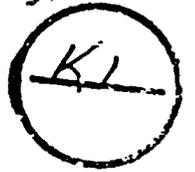
Alice M. Reimche  
Alice M. Reimche  
City Clerk

APPROVED AS TO FORM:

Ronald M. Stein  
Ronald M. Stein  
City Attorney

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1982 DEC 10 AM 9:33



ADDENDUM TO ADMINISTRATION AGREEMENT  
CITY CLERK  
CITY OF LODI

It is hereby agreed that the Memorandum of Agreement dated April 27, 1981 between the City of Lodi and R. L. Kautz & Company is amended to extend the period of service for liability claims administration for an additional twelve (12) month period beginning February 1, 1983 and ending on January 31, 1984.

R. L. Kautz & Co.  
A California Corporation

City of Lodi  
A Municipal Corporation

By: \_\_\_\_\_  
James C. Brooks

By: Fred M. Reid  
Fred M. Reid  
Mayor

ATTEST:

Alice M. Reimche  
Alice M. Reimche  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Ronald M. Stein  
City Attorney

CITY COUNCIL

FRED M REID, Mayor  
ROBERT G MURPHY,  
Mayor Pro Tempore  
EVELYN M OLSON  
JAMES W. PINKERTON, Jr  
JOHN R. (Randy) SNIDER

# CITY OF LODI

CITY HALL, 221 WEST PINE STREET  
POST OFFICE BOX 320  
LODI, CALIFORNIA 95241  
(209) 334-5634

HENRY A. GLAVES, Jr.  
City Manager

ALICE M. REIMCHE  
City Clerk

RONALD M. STEIN  
City Attorney

December 21, 1982

Mr. Don Martino  
Director, Regional Operations  
R. L. Kautz and Company  
No. 8 Union Square Blvd.  
Union City, CA 94587

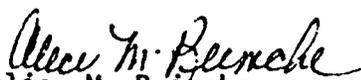
Re: City of Lodi - Extension of Liability  
Administration Agreement

Please be advised that the Lodi City Council by motion action taken at a regular meeting held December 15, 1982 approved the attached heretofore referenced extension and authorized the Mayor and City Clerk to execute the subject documents on behalf of the City.

Please return a fully executed copy of this extension agreement at your earliest convenience.

It's indeed a pleasure to go to the Council with an agreement with no increases from the prior year.

Very truly yours,

  
Alice M. Reimche  
City Clerk

AMR:jj  
Enc.

R. L. KAUTZ & CO.  
INSURANCE MANAGEMENT  
NO. 8 UNION SQUARE BLVD. • (415) 487-4940  
UNION CITY, CALIFORNIA 94587

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1982 DEC 10 AM 9:38

ALICE M. REIMCHE  
CITY CLERK  
CITY OF LODI

December 9, 1982

Ms. Alice M. Reimche  
City Clerk  
CITY OF LODI  
P. O. Box 320  
Lodi, CA 95241

Re: City of Lodi  
Extension of Liability Administration Agreement

Dear Ms. Reimche:

As we discussed by telephone, I am enclosing two copies of the Addendum to the Administration Agreement between the City of Lodi and R. L. Kautz and Company. Could you please secure the proper signatures and return both copies to my office. Once I have secured the signature of a corporate officer, I will forward a fully executed copy of the agreement to you.

It was a pleasure talking with you, and I look forward to meeting with you personally in the near future.

Sincerely,



Don Martino  
Director, Regional Operations

DM:jw