

STAFF REPORT SPECIAL MEETING

AGENDA DATE: September 17, 2024

DEPARTMENT: Human Resources

TITLE:

Agreement with Commercial Risk Management, Inc. for Third Party Claims Management services

SUMMARY:

The Agreement with Commercial Risk Management, Inc. provides third party claims administrative services for the City in the areas of workers' compensation, general liability, automobile liability and property liability insurance. The agreement will be for the period of three (3) consecutive years with the possibility of extension for two (2) more one (1) year periods.

BACKGROUND AND JUSTIFICATION:

The City of Lake Worth Beach entered into an agreement with Gallagher Bassett Services since October 2017 which is set to expire on September 30, 2024. With that in mind, the City issued a Request for Proposals 24-204 on May 12, 2024.

The City received a total of 3 responses on June 12, 2024. The Evaluation Committee comprised of management representatives from Human Resources and the City's Risk Consultant. Proposal submitted by Commercial Risk Management, Inc. was the highest scoring responsive and responsible respondent and is being recommended for an award to provide claims administrative services for the City in the areas of workers' compensation, general liability, automobile liability and property liability insurance.

If approved by City Commission, Commercial Risk Management, Inc. will replace Gallagher Bassett Services, Inc. and will immediately take over the third-party management of the City's claims, including the claims currently being administered by Gallagher Bassett Services, Inc.

Annual fees of \$75,000 are depicted in Exhibit A. The Agreement provides for three (3) consecutive years with the possibility of extension for two (2) more one (1) year periods.

MOTION:

Move to approve/disapprove the Agreement with Commercial Risk Management, Inc.

ATTACHMENT(S):

Fiscal Impact Analysis
Agreement
Evaluation Matrix

FISCAL IMPACT ANALYSIS

Five Year Summary of Fiscal Impact:

Fiscal Years	2025	2026	2027	2028	2029
Inflows/Revenues					
Appropriated (Budgeted)	0	0	0	0	0
Program Income	0	0	0	0	0
Grants	0	0	0	0	0
In Kind	0	0	0	0	0
Outflows/Expenditures					
Appropriated (Budgeted)	0	0	0	0	0
Operating	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
Capital	0	0	0	0	0
Net Fiscal Impact <i>(If not budgeted)</i>	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
No. of Addn'l Full-Time Employee Positions	0	0	0	0	0

New Appropriation (Not Budgeted) Fiscal Impact:		
	Revenue Source	Expenditure
Department	All	Human Resources
Division	All	Risk
GL Description	Property Liability Contribution	Insurance/Deductible/Non-Covered Losses
GL Account Number	Expense ending with 45-10	520-1332-513.45-60
Project Number	N/A	N/A
Requested Funds	\$75,000	\$75,000
Remaining Balance	N/A	\$425,000