



Lexington-Fayette Urban County Government
DEPARTMENT OF LAW

Jim Gray
Mayor

Janet M. Graham
Commissioner

To: Mayor Jim Gray
Members of the Urban County Council

From: Department of Law


Date: February 12, 2013

Re: Claims Adjusting Services

The recent retirement of an employee in the Claims Management section of the Department of Law permitted the examination of the position to determine whether it would be more cost effective to contract with an outside company for the services provided by the employee. The retired employee performed automobile physical damage and property damage claims adjusting, including subrogation. An RFP was issued seeking proposals from outside companies to handle those duties. Risk Management Services Co. of Lexington and Louisville, Kentucky, submitted the best and lowest bid. This memo is to request approval for Risk Management services to provide the above-referenced services from 2/1/2013 to 6/30/2016. Risk Management Services presently serves as third party administrator and adjuster for all other claims related to the LFUCG.

The proposal selected provides that cost of services are not to exceed \$23,000 for Fiscal year 2013, \$53,500 for Fiscal Year 2014, \$53,500 for Fiscal Year 2015 and \$54,000 for Fiscal Year 2016, for a total not to exceed \$184,000 for the remaining 5 months of FY 2013 and the following three full fiscal years. The salary and benefits of the LFUCG employee who previously performed these services was approximately \$81,167 per year. The overall savings realized by the awarding of this RFP is about \$50,950 over the three year and 5 month life of this RFP.

The response to the RFP of the selected company is attached. If you have any questions, please let me know.


Janet M. Graham, Commissioner

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