

9.1.2




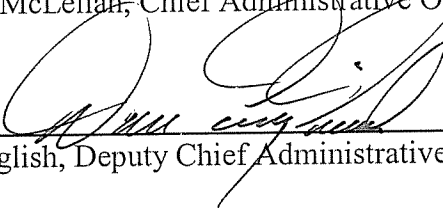
PO Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

**Halifax Regional Council**  
**February 22, 2005**

**TO:** Mayor Kelly and Members of Halifax Regional Council

**SUBMITTED BY:**

  
\_\_\_\_\_  
George McLellan, Chief Administrative Officer

  
\_\_\_\_\_  
Dan English, Deputy Chief Administrative Officer

**DATE:** February 17, 2005

**SUBJECT:** Increase in RFP 03-346, Claims Management Services

---

**ORIGIN**

This report originates from a need to increase the existing RFP #03-346 to beyond 15 percent of its original value. The original award was approved by Council on January 27, 2004.

**RECOMMENDATION**

It is recommended that Regional Council authorize an increase in RFP #03-346, Claims Management Services, to Crawford Adjusters Canada, for an amount not to exceed \$296,841.23, including net HST, for additional project and financial management services required in connection with Hurricane Juan and the Disaster Financial Assistance Program with funding as per the Budget Implications section of this report.

## **BACKGROUND**

On January 27, 2004, Regional Council approved the award of RFP #03-346, Claims Management Services to Crawford Adjusters Canada for \$287,500.00 plus net HST for an estimated cost of \$305,983.38. Original estimates of number of hours of service required were included in the RFP in the magnitude of 1,500 to 5,000 hours over a 12 to 18 month period. The original award was based on 2,500 hours of service. It was noted in the January 2004 Council report that although the services would be provided throughout HRM, they would be primarily directed to Real Property and Asset Management.

## **DISCUSSION**

To the end of January 2005, Claims Management Services in the amount of \$293,672.47 have been provided by Crawford Adjusters Canada. Despite the original assumption that the bulk of the work would be related to Real Property and Asset Management, Public Works and Transportation has been the focus of the work to date. The remediation work required in this business unit was more immediate and 34 claims have been submitted in relation to Public Works.

Claims relative to the work in Real Property and Asset Management are largely related to Parks and documentation in support of work carried out over the summer and fall is being accumulated and submitted now. It is anticipated that 35 claims will be submitted relative to the RPAM Hurricane Recovery efforts. These claims include invoices, purchase orders, etc. in support of all costs incurred, expert reports on the nature of the damage and need for restoration along with proof of ownership.

In addition to the claims submission preparation, there is follow up required once the claims submitted are subjected to review by the Province and then audited by Consulting and Audit Canada. Claims submitted to date were largely paid relative to the advance made in July 2004. Future claims will not be paid until they have been reviewed and audited. Audits of the first claims are currently underway.

Crawford Adjusters Canada also provided Parks Assessment services to RPAM in the amount of \$113,499.25. This work was required to be carried out on an immediate basis during the period from March 12 to April 2, 2004 to ensure that safety standards were in place prior to the opening of Parks in the spring. Crawford Adjusters Canada was able to provide the necessary resources to carry out this work when required.

A team of HRM staff has been assembled (D-FACT) to provide support for the overall claims process including assembling of source documents from within HRM, review and submission of the smaller claims relative to business units other than PWT and RPAM and management of the contract with Crawford Adjusters. It is staff's intention to continue to monitor the work being done by Crawford Adjusters to ensure that the appropriate mix of internal and external resources is achieved in the claims management process.

**BUDGET IMPLICATIONS**

Original estimates of claims management service needs were in the range of 1,500 to 5,000 hours. The award to Crawford Adjusters Canada was based on 2,500 hours which has been primarily directed to the PWT claims process. In order to complete the RPAM claims process and provide support during the review and audit process, it is estimated that up to 2,500 additional hours may be required. However, as previously noted, staff will continue to monitor the work being done under this RFP to ensure that the appropriate mix of internal and external resources is achieved in the claims management process.

This work is directly associated with the submission of an application to the Disaster Financial Relief Program. Based upon present information, the cost of this work is believed to be recoverable through this program but this cannot be confirmed until after the claim submission has been completed, filed and adjudicated.

**FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN**

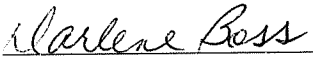
This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

**ALTERNATIVES**

Council could choose not to award this extension. This is not the recommended approach as these additional specialized services enhance HRM's likelihood of a successful claim with the DFA.

**ATTACHMENTS**

None

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.		
Report Prepared by:	Pam Caswill, CA, Manager of Accounting	490-6324
Report Approved by:	 for S. Dale MacLennan, CA, Director, Financial Services	490-6308