



AGENDA MEMORANDUM

Future Item for the City Council Meeting of September 10, 2013
Action Item for the City Council Meeting of September 17, 2013

DATE: September 10, 2013

TO: Ronald L. Olson, City Manager

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Workers' Compensation Third-Party Administrator Services

CAPTION:

Motion approving a service agreement with York Risk Services Group, Inc. of Corpus Christi, Texas for workers' compensation third-party administration services, in accordance with Request for Proposal Number BI-0063-13, based on lowest responsible proposal, for an estimated one-year expenditure of \$329,290, of which \$301,849.17 is required for FY13/14. The term of the service agreement will be for one year with an option to extend for up to three additional one-year periods subject to the approval of the service provider and the City Manager or designee. This service will be used by the Risk Management Division of the Legal Department in administering the City's workers' compensation claims. Funding is available in the Liability and Employee Benefits Workers' Compensation Fund for FY13/14.

PURPOSE:

This service provides administrative services of all of the City's workers' compensation claims.

BACKGROUND AND FINDINGS:

The City of Corpus Christi is self-insured for workers' compensation exposures. The Third-Party Administrator (TPA) is responsible for the management of all services required in the administration of workers' compensation claims. Services include but are limited to; claims administration, investigation, bill review, pharmacy, case management, coordination of peer reviews & designated doctor and pre-authorization (pre-certification). In addition to claims administration and coordination of ancillary services, the TPA is contracted to provide statutorily required workers' compensation benefits to City employees.

The TPA stores claims data electronically, thus allowing Risk Management to generate analytical reports which illustrate specific trends. The reports are used to identify the types of injuries that are occurring, the amount paid on injuries, high risk areas, training needs, etc.

ALTERNATIVES:

Not applicable.

OTHER CONSIDERATIONS:

The City received proposals from 1-2-1 Claims of Helotes, Texas and Texas Political Subdivisions, JSIF of Dallas, Texas. Both firms have been deemed as non-responsive for failure to meet the minimum requirements of the RFP.

CONFORMITY TO CITY POLICY:

This award conforms to all State statutes and City Policy governing procurement.

EMERGENCY / NON-EMERGENCY:

Non-emergency

DEPARTMENTAL CLEARANCES:

Legal

FINANCIAL IMPACT:

X Operating Revenue Capital Not applicable

Fiscal Year: 2013-2014	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget		\$2,793,053.00	\$27,440.83	\$2,820,493.83
Encumbered / Expended Amount		0	0	0
This item		301,849.17	27,440.83	329,290.00
BALANCE		\$2,491,203.83	0	\$2,491,203.83

Fund(s): Liability and Employee Benefits Workers' Compensation Fund

Comments: The \$301,849.17 financial impact shown above represents eleven (11) months of payments that will be encumbered through the end of this fiscal year. The remaining 27,440.83 for the last one (1) month of the service agreement will be requested for future fiscal years during the normal budget process.

RECOMMENDATION:

Staff recommends award of the contract as presented.

LIST OF SUPPORTING DOCUMENTS:

Price Sheet
Service Agreement