

BOARD MEETING DATE: June 6, 2014

AGENDA NO. 6

**PROPOSAL:** Execute Contract for Workers' Compensation Claims Third-Party Administration

**SYNOPSIS:** The current contract for workers' compensation claims administration services expires June 30, 2014. On March 7, 2014, the Board approved release of an RFP to solicit proposals from firms interested in providing these services. This action is to execute a new three-year contract with AdminSure, Inc., through June 30, 2017, for a total amount not to exceed \$55,087. Funding for this contract has been requested in the FY 2014-15 Budget, and will be requested in successive fiscal years.

**COMMITTEE:** Administrative, May 9, 2014; Recommended for Approval

**RECOMMENDED ACTION:**

Authorize the Chairman to execute a three-year contract for the period July 1, 2014, through June 30, 2017, with AdminSure, Inc., to perform workers' compensation claims third-party administration in an amount not to exceed \$18,000 for FY 2014-15, \$18,360 for FY 2015-16, and \$18,727 for FY 2016-17, with an option to extend the contract for up to two additional years at SCAQMD's discretion.

Barry R. Wallerstein, D.Env.  
Executive Officer

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**Background**

SCAQMD currently contracts with ACME Administrators Inc., to provide workers' compensation claims third-party administration services. The current contract expires June 30, 2014. On March 7, 2014, the Board approved release of RFP #P2014-15 to solicit proposals from workers' compensation claims administrators interested in providing these services for the next three-year period.

The workers' compensation claims third-party administrator assists risk management staff with the reporting of employee injuries to the State Department of Industrial Relations - Workers' Compensation Division, provides case management services to ensure treatment is appropriate and cost-effective, makes timely and accurate disability payments to injured employees, pays medical bills to vendors, hospitals, and physicians according to state-approved fee schedule guidelines, provides SCAQMD weekly cost reports, and files annual workers' compensation loss reports with the State Self-Insured Plans.

### **Outreach**

In accordance with SCAQMD's Procurement Policy and Procedure, a public notice advertising the RFP and inviting bids was published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County Press Enterprise newspapers to leverage the most cost-effective method of outreach to the entire South Coast Basin.

Additionally, potential bidders may have been notified utilizing SCAQMD's own electronic listing of certified minority vendors. Notice of the RFP was mailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations, and placed on the Internet at SCAQMD's web site (<http://www.aqmd.gov/rfp/>). Information was also available on SCAQMD's bidder's 24-hour telephone message line (909) 396-2724.

### **Bid Evaluation**

A total of 11 copies of the RFP were mailed to workers' compensation claims administrators. Eight proposals were received by the deadline for submittal at 3:00 p.m., April 9, 2014. Six were deemed complete and responsive. The panel scored the six responsive proposals based on criteria set forth in the RFP, namely, demonstration of an understanding of the scope of work, demonstrated technical expertise in claims administration, and relevant public-sector claims administration experience. Costs were scored based on three-year costs as reported in proposals.

The panel evaluating the proposals included a Human Resources/ Risk & Safety Manager, and three employees from SCAQMD, including a Human Resources Analyst, a Senior Deputy District Counsel, and a Principal Deputy District Counsel. Of these, one is Asian-Pacific Islander, one is Hispanic, and two are Caucasian; one is male, and three are female.

AdminSure, Inc. received the highest rating. The firm has demonstrated superior experience and expertise in workers' compensation claims administration and a commitment to working towards an environmentally friendly "paperless" system.

**Proposal**

This action is to execute a contract with AdminSure, Inc., for the period July 1, 2014, through June 30, 2017, to provide workers' compensation claims administration, with an option to extend the contract for up to two additional years at SCAQMD's discretion.

**Resource Impacts**

The cost for this three-year contract is not to exceed \$18,000 for FY 2014-15, \$18,360 for FY 2015-16, and \$18,727 for FY 2016-17. Funding was requested in the FY 2014-15 Budget, and will be requested in successive budget years.

**Attachment**

Attachment A – Proposal Evaluation Summary

## **ATTACHMENT A**

### **PROPOSAL EVALUATION SUMMARY**

#### **RFP 2014-15 Workers' Compensation Claims Third-Party Administration**

<b>Vendor</b>	<b>3-Year Cost</b>	<b>Cost Points</b>	<b>Technical Points</b>	<b>Additional Points</b>	<b>Total Points</b>
AdminSure, Inc.	\$55,087	30	67	15	112
TRISTAR Risk Management	\$64,513	25	64	5	94
Keenan Associates	\$82,891	19	66	5	90
ACME Administrators, Inc.	\$112,716	14	60	15	89
CCMS	\$116,550	13	60	15	88
Intercare Holdings Insurance Services, Inc.	\$99,772	16	62	5	83