



Legislation Text

File #: 2024-0584, Version: 1

Report to Mayor and City Council

Tuesday, July 02, 2024

Consent

SUBJECT:

CONSIDER APPROVAL OF AMENDMENT NO. 2 TO THE ADMINISURE INC. CONTRACT FOR THE PERIOD AUGUST 15, 2024 THROUGH AUGUST 14, 2025 (CITY COUNCIL)

I. SUMMARY

The City maintains a contract with a third-party claims administrator (TPA) to process its self-insured workers compensation claims. Adminsure Inc. has provided TPA services to the City since 2015. On July 7, 2020 City Council awarded the current three-year contract with two one-year renewal options. The initial 3-year period of that contract ended on August 15, 2023. On July 5, 2023, City Council approved the first of the two one-year extensions for the period of August 15, 2023 through August 14, 2024, at a cost of \$110,148.

Staff is now asking City Council to approve Amendment No. 2, the second one-year extension for the period of August 15, 2024 through August 14, 2025, at a pre-negotiated cost of \$112,356.

II. RECOMMENDATION

TAKE the following actions:

1. APPROVE Amendment No. 2 to the Adminsure, Inc. contract, extending the term through August 14, 2025, at a cost of \$112,356.
2. AUTHORIZE the Mayor to execute the amendment to the AdminSure contract after approval as to form by the City Attorney

III. ALTERNATIVES

TAKE another action the City Council deems appropriate.

IV. BACKGROUND

Adinsure has provided TPA services for the City since 2015. The first contract term inclusive of two one-year extensions ended on August 15, 2020.

The City Council awarded the current (i.e. second) three-year contract, with two one-year optional extensions, to Adinsure Inc. on July 7, 2020. The initial three-year term ended on August 15, 2023. On July 5, 2023, City Council approved Amendment No. 1, the first of two pre-negotiated one-year extensions through August 14, 2024. Amendment No. 2 will exercise the second pre-negotiated, optional one-year extension through August 14, 2025, at a cost of \$112,356. The total compensation for the services, inclusive of the first three-years plus the two optional one-year extensions, shall be five hundred forty thousand one hundred sixty-eight dollars (\$540,168).

The administration of a self-insured worker compensation program requires a TPA that is competent and performance oriented. Managing worker compensation claims must be handled in accordance with state law, have cost containment procedures, including medical and litigation control, a light duty/early return to work program, Medical Provider Network, audit controls and prompt communication with City employees, staff and service vendors. These areas are extremely important in providing timely workers' compensation benefits and curtailing costs.

Adinsure has performed well and continues to meet and/or exceed expectations in administering the City's workers compensation claims.

Based on Adinsure's satisfactory performance, and to avoid any gap in claims handling services, staff is seeking consideration by the City Council to approve Amendment No. 2, extending the contract term through August 14, 2025, at a cost of \$112,356.

V. FISCAL IMPACT

Funding for Adinsure's contract is included in FY 2024/25 Risk Management budget, account 101-50-660-173-6004.

VI. EXHIBITS

1. Adinsure Contract (pgs. 3-38)
2. Adinsure Contract Amendment No. 1 (pgs. 39-45)
3. Adinsure Contract Amendment No. 2 (pgs. 46-52)

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