



## Legislation Text

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File #: 2023-0475, Version: 1

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### Report to Mayor and City Council

Wednesday, July 05, 2023

Consent

#### **SUBJECT:**

**CONSIDER APPROVAL OF AMENDMENT NO. 1 TO THE ADMININSURE INC. CONTRACT FOR THE PERIOD AUGUST 15, 2023 THROUGH AUGUST 14, 2024 (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 will end on August 15, 2023; therefore, staff is now asking City Council to approve 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.

#### **II. RECOMMENDATION**

1. APPROVE Amendment No. 1 to the Adminsure, Inc. contract, extending the term through August 14, 2024, at a cost of \$110,148.
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**

Adminsure 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 Admsure Inc. on July 7, 2020. The initial three-year term will end on August 15, 2023. With this Amendment No. 1, extending the term by one year, the total compensation for the services, inclusive of the first three-years plus the optional fourth year, shall be four hundred twenty-seven thousand eight hundred twelve Dollars (\$427,812).

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 worker compensation costs.

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

Based on Admsure's satisfactory performance, and to avoid any gap in claims handling services, staff is seeking consideration by the City Council to approve Amendment No. 1, extending the contract term through August 14, 2024, at a cost of \$110,148.

#### **V. FISCAL IMPACT**

Funding for Admsure's contract is included in FY 2023/24 Risk Management budget, account 101-50-660-173-6004.

#### **VI. EXHIBITS**

1. Admsure Contract (pgs. 3 to 38)
2. Admsure Contract Amendment No. 1(pgs. 39 to 45)

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