

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
3	05/10/10	Open	Action	04/29/10

Subject: Awarding a Contract for Workers' Compensation Third Party Administrator Services to York Insurance Services Group, Inc. - California

ISSUE

Awarding a Contract for Workers' Compensation Third Party Administrator Services to York Insurance Services Group, Inc. – California.

RECOMMENDED ACTION

Adopt Resolution No. 10-05-_____, Awarding a Contract for Workers' Compensation Third Party Administrator Services to York Insurance Services Group, Inc. – California.

FISCAL IMPACT

Budgeted:	Yes	FY11:	\$ 310,000
Budget Source:	Operating	FY12:	\$ 316,200
Funding Source:	Local	FY13:	\$ 322,500
Cost Cntr/GL Acct:	CC 47, 630008	FY14:	\$ 332,175
Total Budget:	\$ 1,623,015	FY15:	\$ 342,140

DISCUSSION

RT is self-insured for Workers' Compensation and, pursuant to the California Labor Code, must have a Certified Claims Administrator to administer its Workers' Compensation claims. The current contract expires on June 30, 2010 and on January 25, 2010, the Board authorized staff to release a request for proposals for Workers' Compensation Third Party Administrator services. The RFP called for a 5-year contract.

The RFP was released on January 27, 2010. RT received 7 responsive proposals on February 25, 2010, from: Athens Administrators; CorVel Corporation; Innovative Claim Solutions, Inc.; Intercare Holdings Insurance Services, Inc.; LWP Claims Solutions, Inc.; TRISTAR Risk Management; and York Insurance Services Group, Inc. – California (York). A late proposal from Gallagher Bassett Services, Inc. was deemed non-responsive because it did not comply with the proposal submittal requirements specified in the RFP.

The qualifying criteria included the Proposer's response to understanding the project, staffing and experience, project work plan, and competitiveness of price. After evaluating and scoring of the written proposals, staff determined that the firms in the competitive range would be asked to attend oral presentations. On March 25th, Athens Administrators; Innovative Claim Solutions, Inc.; LWP Claims Solutions, Inc.; TRISTAR Risk Management; and York interviewed with the Selection

Approved:

Presented:

FINAL 5/3/10

General Manager/CEO

Director, Human Resources

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Committee. After interviews were concluded, staff conducted negotiations with the two firms that remained in the competitive range, Athens Administrators and York.

Staff determined that York was the most qualified firm to provide Workers' Compensation Third Party Administrator (TPA) services. The challenge for the Selection Committee was to select the firm that promised a high caliber team of experienced claims and supervisory staff that will concentrate on closing claims as a priority and will ultimately reduce RT's claims costs. While all the firms presented strengths, the incumbent York team (formerly Gregory B. Bragg & Associates, Inc., acquired by York in July 2008) was selected for various reasons. RT will continue to have the same stellar claims examiners. RT will benefit by not having to spend time and effort on a conversion to another TPA. A conversion takes at least a month to process all the changes and costs \$10,000, on average, in consultant fees and many labor hours. York is a leading provider for self-insured public agencies throughout California. York has an experienced claims staff, and has done a great job of timely closing RT's open claims over the past 4 years. York is committed to working closely with RT to improve quality and service, and help manage and control RT's overall program costs.

For a 5-year term contract, pricing from the 7 proposals range from \$1,216,158 (plus additional costs) to \$2,259,540. York has competitive pricing that has been deemed fair and reasonable and falls within the budget established by staff.

RT established a 25% participation goal of the total proposed price for small business enterprises (SBE) for this contract. To be eligible for a 10% point preference, Proposers were to submit with its proposal, an SBE Participation Certification form certifying participation by the prime and/or subconsultants. Two of the prime Proposers are certified SBE firms and both were entitled to a 10% point preference in the evaluation process; however, neither of these firms scored high enough to make it into the final rankings.

Staff recommends the Board award a Contract for Workers' Compensation Third Party Administrator services to York Insurance Services Group, Inc. – California for a 5-year term, in an amount not to exceed \$1,623,015.

RESOLUTION NO. 10-05-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

May 10, 2010

AWARDING A CONTRACT FOR WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR SERVICES TO YORK INSURANCE SERVICES GROUP, INC. – CALIFORNIA

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Contract between Sacramento Regional Transit District, therein referred to as "RT," and York Insurance Services Group, Inc. – California, therein referred to as "Consultant," whereby Consultant agrees to provide Workers' Compensation Third Party Administrator services, as specified, for an amount not to exceed \$1,623,015 for a 5-year term, is hereby approved.

THAT, the Chair and General Manager/CEO are hereby authorized and directed to execute said Contract.

STEVE MILLER, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary