

## A G E N D A



## Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	10170	Agenda Number	43.
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Meeting Date:	October 20, 2011
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Department:	Purchasing
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## Subject

Authorize award, negotiation, and execution of a 12-month requirements service contract with PARTNERS ASSURANCE, LLC., Millington, TN or one of the other qualified offerors to RFP No. JSD0109, to provide workers' compensation third party administrator, claims management audit services for the City of Austin in an estimated amount not to exceed \$31,150, with three 12-month extension options in estimated amounts not to exceed \$32,707 for the first extension option, \$34,340 for the second extension option, and \$36,057 for the third extension option, for a total estimated contract amount not to exceed \$134,254.

## Amount and Source of Funding

Funding in the amount of \$31,150 is available in the Fiscal Year 2011-12 Worker's Compensation Fund. Funding for the extension options is contingent upon available funding in future budgets.

## Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	Best evaluated proposal of three proposals received.
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Prior Council Action:	
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For More Information:	Jeff Dilbert, 512 – 974-2651
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Boards and Commission Action:	
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MBE / WBE:	This contract will be awarded in compliance with Chapter 2-9C of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.
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Related Items:	
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### Additional Backup Information

This contract is for Workers' Compensation Third Party Administrator Claims Management Audit services which will provide for on-site audits of the Third Party Administrator who is under contract to provide statutorily required Workers' Compensation benefits to City employees.

The purpose of the audit is to ensure compliance with all Texas laws and administrative rules associated with the management of the City's Workers' Compensation claims, as well as compliance with contractually established standards for claims handling practices and the utilization of nationally recognized medical treatment guidelines. Additionally, the audit will verify customer service performance, the proper medical management of claims, and the prompt review and payment of medical bills to providers.

In order to maintain the integrity of the Workers' Compensation program, an audit is anticipated to be conducted on an annual basis.

The evaluation panel consisted of professional and managerial staff from the Human Resources Department, Risk Management Division, Austin Police Department's Risk Management Division, and Solid Waste Services Risk Management Division. Staff recommends this vendor as submitting the best proposal, based on evaluation criteria including reasonable rates, experience, and knowledge.

This request allows for the development of an agreement with a qualified offeror that Council selects. If the City is unsuccessful in negotiating a satisfactory agreement with the selected offeror, negotiations will cease with that provider. Staff will return to Council so that Council may select another qualified offeror and authorize contract negotiations with this provider.

MBE/WBE solicited: 22/21

MBE/WBE bid: 0/0

#### **PRICE ANALYSIS**

- a. Adequate competition
- b. Two Hundred Sixty-Nine notices were sent, including 22 MBEs and 21 WBEs. Three proposals were received, with no response from the MBE or WBE firms.
- c. The pricing offered represents a 51% decrease from the previous contract awarded October 2009.

#### **APPROVAL JUSTIFICATION**

- a. Best evaluated proposal. References were contacted with all positive remarks.
- b. The Purchasing Office concurs with the Risk Management Division's recommended award.
- c. Advertised in the Austin American-Statesman and on the Internet.