

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	14111	Agenda Number	12.
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Meeting Date:	April 12, 2012
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Department:	Purchasing
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Subject

Authorize award, negotiation, and execution of a 12-month requirements service contract with BICKMORE RISK SERVICES, or one of the other qualified offerors to RFP No. JSD0109Rebid for the workers' compensation third party administrator claims management audit services for the City of Austin in an estimated amount not to exceed \$48,130 with three 12-month extension options in an estimated amount not to exceed \$48,130 for the first extension option, \$50,562 for the second extension option, and \$50,562 for the third extension option, for a total estimated contract amount not to exceed \$197,384.

Amount and Source of Funding

Funding in the amount of \$48,130 is included in the 2011-2012 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.
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Prior Council Action:	
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For More Information:	Jeff Dilbert, Buyer II, 974-2651
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Boards and Commission Action:	
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Related Items:	
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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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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 and indemnity payments to injured employees.

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, Austin Fire Department, Human Resource Department, and Emergency Medical Service, Safety Department. Staff recommends this vendor as submitting the best proposal, based on evaluation criteria including reasonable rates, experience, and knowledge.

These services were originally solicited in an RFP issued during the summer of 2011, with an RCA on the October 20, 2011 Council Agenda. After Council approval and award of a contract to Partners Assurance, the firm later informed the City that they could not complete the services due to a key employee's departure from the firm. The RFP was then re-issued.

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: 8/10

MBE/WBE bid: 0/0

PRICE ANALYSIS

- a. Adequate competition
- b. 177 Notices were sent, including 8 MBEs and 10 WBEs. Three proposals were received, with no response from the MBE/WBE's.
- c. This pricing represents a 24% decrease from the previous contract awarded September 2009.

APPROVAL JUSTIFICATION

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