



## Legislation Details (With Text)

**File #:** 19-0518      **Version:** 1      **Name:** procurement award for third-party administrator services for workers compensation self-insurance program

**Type:** Contract/Agreement      **Status:** Passed

**File created:** 5/9/2019      **In control:** Work Session

**On agenda:** 5/28/2019      **Final action:** 5/28/2019

**Title:** \*Consideration of Resolution 2019-55, A Resolution to Award the Third-Party Administrator Contract for the City's Workers Compensation Program to PMA Companies in the Amount of \$73,978, Beginning With The Policy Year Beginning July 1, 2019 And For A Term Of Award, For The Risk Management Division Of The Human Resources Department (Purchasing Office Procurement Solicitation No. 2019-011; Contract No. 2019-0160) (05/28/19 WS)

**Sponsors:** Kevin Townsel, Sara Sylvis

**Indexes:**

**Code sections:**

**Attachments:** 1. RES 2019-55\_Award to PMA Companies\_third-party admin of Workers Comp.Law Approved.pdf, 2. Standard Procurement Terms and Conditions 2016.12.12.Law Approved - Contract.pdf, 3. 2019-011 Tabulation of proposals 2019.05.24

Date	Ver.	Action By	Action	Result
5/28/2019	1	Work Session	acknowledged	
5/28/2019	1	Board of Mayor & Aldermen	approved	Pass

**DATE:** May 16, 2019

**TO:** Board of Mayor and Aldermen

**FROM:** Eric Stuckey, City Administrator  
Kristine Brock, Assistant City Administrator / CFO  
Kevin Townsel, Human Resources Director  
Sara Sylvis, Risk/Benefits Manager  
Brian Wilcox, Purchasing Manager

**SUBJECT:**

\*Consideration of Resolution 2019-55, A Resolution to Award the Third-Party Administrator Contract for the City's Workers Compensation Program to PMA Companies in the Amount of \$73,978, Beginning With The Policy Year Beginning July 1, 2019 And For A Term Of Award, For The Risk Management Division Of The Human Resources Department (Purchasing Office Procurement Solicitation No. 2019-011; Contract No. 2019-0160) (05/28/19 WS)

**Purpose**

The purpose of this procurement is to purchase third-party administrator services for workers compensation self-insurance program, if implemented, for a term of award of two (2) years, beginning with the policy year

beginning July 1, 2019, with three (3) options to extend, each time for up to one (1) additional year. These services and this program, if implemented, would replace the high-deductible workers compensation insurance coverage the City currently purchases from Travelers.

### **Background**

The City published on March 7, 2019 a Notice to Proposers in the *Williamson Herald* for third-party administrator services for workers compensation self-insurance program. In addition, solicitation documents were sent on or about the same date directly to ten (10) potential proposers known or thought to be interested in this solicitation. Proposals from five (5) service providers were publicly opened at the submittal opening held on April 9, 2019. A tabulation of the proposals received for this solicitation is attached.

Using evaluation criteria included in the request for proposals, the proposal evaluation team, consisting of three City staff from the Human Resources Department, recommended the City interview the three (3) firms submitting the proposals ranked highest by the proposal evaluation team. The evaluation criteria included in the request for proposals consisted of (a) competency, experience and qualifications (20%), (b) Technical expertise; means, methods and systems (25%), (c) unique strengths of the proposer/proposal (10%), (d) thoroughness and quality of proposal (15%), (e) pricing and payment clarity (10%), and (f) fee for proposed products and services (20%).

The three finalists were subsequently invited to interview, at City Hall. All three firms accepted. After interviewing the finalists, using the same evaluation criteria included in the request for proposals, the interview panel (consisting of the same individuals as comprised the proposal evaluation team plus one more City staff from the Human Resources Department and the City's insurance agent for liability, property and workers' compensation insurance products and services) recommends the City select the firm of PMA Management Corp. of Nashville, Tennessee.

### **Financial Impact**

The proposal ranked highest by the interview panel, from PMA Management Corp. of Nashville, Tennessee, with the City incurring per-claim fees for life-of-contract claims management services, is in the estimated annualized amount for the first two years of required services (claims and litigation management, loss control, managed care), using recent annual volumes, of \$73,978. The third-party administration cost would be allocated to the operating departments of the City based on their employee population and size of budget and would be instead of premiums similarly allocated for the high-deductible workers compensation insurance coverage the City currently purchases from Travelers.

### **Options**

In accordance with the solicitation documents, the City reserves the right to reject any and all proposals.

### **Recommendation**

Staff recommends approval of Resolution 2019-55 and that the City accept, contingent upon Law Department and City Administrator approval of City Contract No. 2019-0160, the proposal ranked highest by the interview panel, from PMA Management Corp. of Nashville, Tennessee for third-party administrator services for workers compensation self-insurance program, if implemented, beginning with the policy year beginning July 1, 2019 and for a term of award, and award this procurement to this proposer. The City's Purchasing Manager believes the prepared solicitation documents as distributed allowed for competition among multiple service providers, and that the staff recommendation appears to be made in a fair and impartial manner based upon the

proposals received. Pursuant to authority previously granted by the Board of Mayor and Aldermen, Contract No. 2019-0160 has been prepared for execution by the City Administrator and is attached pending approval by the Board of Mayor and Aldermen of the staff recommendation to accept the proposal from and award the procurement to PMA Management Corp.