

CITY OF HIGH POINT

AGENDA ITEM



Title: Compensation Claims Solution Contract Renewal

From: Angela Kirkwood, Director of HR

Meeting Date: June 15, 2015

Public Hearing: N/A

Advertising Date

Advertised By:

Attachments: Compensation Claims Solution Contract

PURPOSE:

Award contract between the City of High Point and Compensation Claims Solution, our workers' compensation third party administrator.

BACKGROUND:

The City of High Point is currently under contract with Compensation Claims Solutions (CCS) to provide third party workers' compensation claims administration at a three year fee of \$182,700 from September 1, 2011 to August 31, 2014, and a one year extension fee of \$60,900 from September 1, 2014 to August 31, 2015.

The Purchasing Division of the Financial Services Department assisted the Department of Human Resources in developing a "Request for Proposal" and scheduling the pre-bid conference that was held on May 11, 2015. Six vendors attended the pre-bid conference.

The request for proposal included instructions to submit a three-year contract proposal with a flat annual fee to cover all administrative services. It stated that responses which include "per claim" and "medical invoice review" fees would not be considered. The following services were to be provided:

- Acceptance of open workers' compensation claims incurred prior to September 1, 2015 and all claims incurred after September 1, 2015 to include indemnity, medical only and reportable incidents.
- Processing and distribution of all required North Carolina Industrial Commission (NCIC) employer and employee forms as appropriate.
- Electronic access to any and all claim files including the ability to view files and notes, completed NCIC forms, and claims cost information.
- Assignment of a dedicated claims professional to service the City of High Point account including attendance at all mediations and hearings.
- Re-pricing of medical invoices for discounts in compliance with the current North Carolina Industrial Commission fee schedule.
- Monthly and year to date claims expense reports.

Compensation Claims Solutions, Hewitt Coleman, AS& G Claims Administration, Inc., Brentwood Services Administrators, Inc., Specialized Contract Administration, LLC and Tristar Insurance Group each submitted a bid proposal.

The six bids listed below were received by the bid deadline:

Company	Year 1	Year 2	Year 3	Adm. Cost	Additional Fees	Total
AS&G Claims Administration, Inc.	65,500	67,500	69,500	202,500	80,476	282,976
Brentwood Services Administrators, Inc.	50,000	52,000	54,000	156,000	73,632	229,632
Compensation Claims Solutions	60,900	60,900	60,900	182,700	0	182,700
Hewitt Coleman	58,360	58,560	58,760	175,680	57,326	233,006
Specialized Contract Administrator	58,200	59,946	61,744	179,890	56,184	236,074
Tristar Insurance Group	37,878	38,750	39,644	116,272	89,759	206,031

Based upon our analysis of the bids, we recommend that the City of High Point renew our contract with Compensation Claims Solutions due to the fact that we are receiving excellent service from them and that they were the only bidder who provided a flat annual administrative fee which covers all administrative costs, met the terms of the proposal, and were the overall low bidder.

BUDGET IMPACT:

Compensation Claims Solution's cost for three year contract is \$182,700.00. This is no increase in the cost of services from the last contract term. Contract effective date is September 1, 2015 to August 31, 2018.

RECOMMENDATION / ACTION REQUESTED:

Council is requested to authorize the appropriate city official to execute a 3-year contract with Compensation Claims Solution in the amount \$182,700.00, for the third party administrator workers compensation services.



FORMAL BID RECOMMENDATION
REQUEST FOR COUNCIL APPROVAL

DEPARTMENT: Human Resources

COUNCIL AGENDA DATE: June 15, 2015

BID NO.: 35-052215

CONTRACT NO.:

DATE OPENED: May 27, 2015

DESCRIPTION:

Third Party Administrator for Workers' Compensation Program

PURPOSE:

To establish a contract with a vendor that will provide the City of High Point with experienced (minimum of five years business experience) and professional services to administer all Workers' Compensation Claims, including investigations, adjustment of claims, facilitation of litigation and provision of timely reports.

COMMENTS:

Only vendors who submit a RFP for a three (3) year contract with a flat annual fee to cover all administrative services will be considered. Responses which include "per claim" and "medical invoice review" fees will not be considered.

RECOMMEND AWARD TO: Compensation Claims Solutions (CCS)

AMOUNT: \$182,700

JUSTIFICATION:

The City of High Point is currently receiving excellent services from Compensation Claims Solutions (CCS) and they were the only bidder who provided a flat annual administrative fee which covers all administrative costs, met the terms of the proposal and were the overall low bidder.

ACCOUNTING UNIT	ACCOUNT	ACTIVITY	CATEGORY	BUDGETED AMOUNT
VARIOUS				\$60,400
TOTAL BUDGETED AMOUNT				

DEPARTMENT HEAD:

DATE:

The Purchasing Division concurs with recommendation submitted by the Human Resources and recommends award to the lowest responsible, responsive bidder CCS in the amount of \$182,700.

PURCHASING MANAGER:

DATE:

Approved for Submission to Council

FINANCIAL SERVICES DIRECTOR:

DATE:

CITY MANAGER:

DATE:

BID TABULATION/EVALUATION SCORE**BID # 35-052215 RFP WORKERS COMPENSATION ADMINISTRATIVE SERVICES**

Company	Year 1	Year 2	Year 3	Administrative Cost	Additional Fees	Total	Evaluation Score
AS&G Claims Administration, Inc.	\$65,500	\$67,500	\$69,500	\$202,500	\$80,476	\$282,976	141
Brentwood Services Administrators, Inc.	\$50,000	\$52,000	\$54,000	\$156,000	\$73,632	\$229,632	141
Compensation Claims Solutions	\$60,900	\$60,900	\$60,900	\$182,700	0	\$182,700	245
Hewitt Coleman	\$58,360	\$58,560	\$58,760	\$175,680	\$57,326	\$233,006	176
Specialized Contract Administrator	\$58,200	\$59,946	\$61,744	\$179,890	\$56,184	\$236,074	164
Tristar Insurance Group	\$37,878	\$38,750	\$39,644	\$116,272	\$89,759	\$206,031	145

Evaluation Score = Points Out of 300