

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 5/27/2020

Staff Report No. 20-207

TO: AC Transit Board of Directors
FROM: Jill A. Sprague, General Counsel
SUBJECT: Solicitation for Workers' Compensation Third Party Administrator

ACTION ITEM

RECOMMENDED ACTION(S):

Consider authorizing the release of a Request For Proposals (RFP) for Workers' Compensation Third Party Administrator (TPA) Services, Managed Care Program, Claims Reporting/Intake System and Occupational Safety and Health Administration (OSHA) reporting services.

STRATEGIC IMPORTANCE:

Goal - High-Performing Workforce

The District uses the Third-Party Administrator to handle the administration of workers' compensation cases, utilizing industry best practices to control costs while ensuring the District meets all legal requirements.

BUDGETARY/FISCAL IMPACT:

The current contract with the TPA is a five (5) year agreement, this contract will expire October 31, 2020. The TPA contract provides claims administration services, Managed Care Program, Claims Reporting/Intake system and Occupational Safety and Health Administration (OSHA) reporting services.

BACKGROUND/RATIONALE:

The District has been a permissibly self-insured employer for workers' compensation since March 1, 1993. As a permissibly self-insured employer, the District can contract the Workers' Compensation claims administration to a TPA. Contract 2015-1335 was awarded to York Risk Services, effective November 1, 2015. York Risk was subsequently acquired by Sedgwick in July 2019. Sedgwick's contract is scheduled to end October 31, 2020.

The RFP will invite State licensed TPAs to submit a formal bid proposal to service and administer the District's self-insured Workers' Compensation program. In addition to Claims Administration, other key services include Managed Care Services, Claims Reporting/Intake and Occupational Safety and Health Administration (OSHA) reporting services. Soliciting one proposal for these related services will create efficiency and reduce redundant processes and systems.

It is anticipated that the RFP will be released in June 2020, with a deadline for all proposals to be received 45

days from the date of release. This will allow adequate time for a handover if another vendor is selected.

ADVANTAGES/DISADVANTAGES:

The RFP will give the District the ability to qualify and select a TPA for the District's self-insured workers' compensation program. Absent the solicitation for Workers' Compensation TPA services, there would not be a TPA in place by the end of the current contract that expires October 31, 2020. The District does not currently have capacity to self-administer workers' compensation claims.

ALTERNATIVES ANALYSIS:

There is no practical alternative to the course of action recommended in the report.

PRIOR RELEVANT BOARD ACTION/POLICIES:

Assignment of Contract from York Risk to Sedgwick approved on April 22, 2020.
Board Policy 465 - Procurement Policy

ATTACHMENTS:

None

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Approved/Reviewed by:

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