

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: August 26, 2013
	Agenda Item No. 34 Roll Call No. <u>13-1341</u> Communication No. <u>13-443</u> Submitted by: James R. Wells, Human Resources Director

AGENDA HEADING:

Agreement with EMC Risk Services, LLC (EMC) for provision of certain services relating to the administration of workers compensation claims.

SYNOPSIS:

Approve and authorize the Mayor to sign agreement with EMC Risk Services, LLC, Bruce Kelley, CEO, Des Moines, Iowa for provision of workers’ compensation bill review, bill payment, claims administration, and other services relating to the administration of workers’ compensation for the period October 1, 2013 through June 30, 2015 with the option of three (3) one (1) year renewals.

FISCAL IMPACT:

Amount: Estimate of \$470,000/year based on 2012 claims experience.

Funding Source: Fees relating to workers compensation are paid by the injured employee’s home department.

ADDITIONAL INFORMATION:

EMC provides workers’ compensation services to the City. These services include claim adjusting, injury reporting, bill review and bill payment, and mandatory reporting. The current six (6) year agreement with EMC expired June 30, 2013. A request-for-proposal (RFP) for these services was posted and sent to vendors on April 22, 2013. Proposals were received from EMC, Sedgwick, and Creative Risk Solutions. On June 6, 2013, on-site interviews were conducted by the evaluation committee. During the interview process, vendors stated that more detailed claims information was needed before they could submit a precise cost proposal. This information was provided to vendors and their revised proposals were submitted on July 3, 2013. More time was needed to evaluate the proposals and consequently EMC’s current contract was extended to September 30, 2013.

As stated, revised proposals were received on July 3, 2013. Creative Risk Solutions was precluded from continuing in the process due to a conflict of interest with the City’s benefit consultant, Holmes Murphy and Associates. The final proposals from EMC and Sedgwick were reviewed and scored by the evaluation committee. Based on the criteria listed in the RFP, EMC submitted the winning proposal (scorecard attached). EMC’s proposal lowers their current fees by an estimated \$60,000 per year. EMC will also maintain the City’s OSHA log and provide data in a format that will allow the City to better analyze injuries and occupational health.

City of Des Moines Worker's Comp TPA RFP Scorecard July 2013

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|---|-----------|
| 1. Total Cost to the City including fees for bill/claim review and bill payment | 40 points |
| 2. Historical and projected claim savings | 35 points |
| 3. Firm's Experience/Staff qualifications | 25 points |

Maximum Points awarded with lowest cost

Other proposals awarded points on proportional basis; low cost proposal/high cost proposal x40

Updated Sedgwick Response 7/11		
	EMC	Sedgwick
Fees	40	25.2
Repricing	24.7	35
Experience	22.5	22
Total	87.2	82.2
Local +1	88.2	82.2

PREVIOUS COUNCIL ACTION(S):

Date: June 24, 2013

Roll Call Number: [13-1010](#)

Action: [Exception](#) to competitive procurement process and approving 3-month extension to agreement with EMC Risk Services (Barb A. Sullivan, President) to provide workers' compensation bill review, bill payment and claims management for July 1, 2013 through September 30, 2013. ([Council Communication No. 13-327](#)) Moved by Hensley to adopt. Motion carried 7-0.

Date: June 18, 2007

Roll Call Number: [07-1176](#)

Action: [Agreement](#) with EMC Risk Services (ERS) for provision of bill review, bill payment and administration of occupational health claims. ([Council Communication No. 07-353](#))

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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