Agenda Item No. (9)

To: Finance-Auditing Committee/Committee of the Whole
    Meeting of May 20, 2021

From: Kelli Vitale, Director of Risk Management and Safety
       Kellee J. Hopper, Deputy General Manager, Administration and Development
       Denis J. Mulligan, General Manager

Subject: APPROVE ACTIONS RELATIVE TO THE AWARD OF CONTRACT NO. 2021-D-005, THIRD PARTY ADMINISTRATOR FOR WORKERS’ COMPENSATION CLAIMS AND ANCILLARY SERVICES, TO ATHENS ADMINISTRATORS

Recommendation

The Finance-Auditing Committee recommends that the Board of Directors approve actions relative to the award of Contract No. 2021-D-005, Third Party Administrator for Workers’ Compensation Claims and Ancillary Services, to Athens Administrators, Concord, CA, as follows:

1. Authorize Workers’ Compensation Claims Program Administration services in an amount not to exceed $1,020,609, for a three-year base term, effective July 1, 2021, with two one-year options to be exercised at the General Manager’s discretion in an amount not to exceed $350,409 for the fourth year and $360,921 for the fifth year; and,

2. Authorize Ancillary support services for Medical Case Management, Utilization Review, Medical Provider Network, and Bill Review at the rates set forth in Athens’ Cost proposal, on an as needed basis, provided funding is available within the Golden Gate Bridge, Highway, and Transportation District’s (District) annual budget.

This matter will be presented to the Board of Directors at its May 21, 2021 meeting for appropriate action.

Summary

The third party administration of workers’ compensation claims is a necessary function of employers in California. Workers’ Compensation benefits are an exclusive remedy in California and as a self-insured employer, the District must select and hire an administrator to provide those benefits to our employees.
On January 18, 2021, the District issued Request for Proposals (RFP) No. 2021-D-005, Third Party Administrator for Workers’ Compensation Program Claims Administration and Ancillary Services, to seek proposals from qualified firms to provide the following services:

- California Workers’ Compensation Claims Administration
- California Workers Compensation Utilization Review Process
- California Workers Compensation Bill Review Services

The RFP was posted on the District’s Procurement Portal, and notification was sent to all registered firms that selected the relevant North American Industry Classification System codes. Proposals were received from the following firms by the submission deadline date of February 15, 2021:

1. Athens Administrators, Concord, CA
2. Corvel Corp, Folsom, CA
3. TRISTAR Risk Management, Long Beach, CA
4. Arissa Cost Strategies, Irvine, CA
5. Innovative Claims Strategies, Piscataway, NJ

A Selection Committee comprised of District staff reviewed and evaluated each proposal based upon the following criteria that was specified in the RFP:

Third Party Administrator (TPA)
Proposal Understanding and Approach - 35 Points
Qualifications and Experience – 35 Points
Cost Proposal – 30 Points

Ancillary Services
Proposal Understanding and Approach – 35 Points
Qualifications and Experience – 35 Points
Cost Proposal – 30 Points

After considering the written proposals a preliminary scoring round, conducting interviews, and a final scoring round, the Selection Committee has determined Athens Administrators to be the highest rated firm for both TPA and Ancillary services. The selection was based on retention history, experience, locality and familiarity with all of our varied components that include Maritime, Alternative Dispute Resolution and Union specialties.

Staff, District’s Attorney, and the Disadvantaged Business Enterprise (DBE) Program Administrator reviewed the proposals and found the selected firm submitted all required documents, and its proposal is technically responsive to the specifications.

No contract-specific DBE or Small Business Enterprise (SBE) goal was established for this contract. However, Proposers were encourage to obtain DBE participation. Athens Administrators is not a certified DBE or SBE and do not propose to use sub consultants during the performance of these services.
Fiscal Impact

The total cost for the *Third Party Administrator for Workers’ Compensation Claims and Ancillary Services* for a three-year base term and two one-year option terms will not exceed $1,791,939. Sufficient funds for the FY 20/21 cost are available in the FY 20/21 District Division Operating Budget. Requisite funds for the remainder of the Contract will be included in subsequent fiscal year Budgets.