



LANE COUNTY

HUMAN RESOURCES DEPARTMENT / 125 East 8th Ave. / Eugene, OR 97401
Phone: (541) 682-3665/ Fax: (541) 682-4290

W.S.D.I.

AGENDA COVER MEMO

Memorandum Date: 10/21/09

Order Date:

TO: Board of County Commissioners

DEPARTMENT: Human Resources

PRESENTED BY: Annette Scarle

AGENDA ITEM TITLE: IN THE MATTER OF APPROVING AN AMENDMENT TO THE WORKERS' COMPENSATION CLAIMS ADMINISTRATION CONTRACT WITH PUBLIC RISK CONSULTANTS FOR \$174,000 AND DELEGATING AUTHORITY TO THE COUNTY ADMINISTRATOR TO EXECUTE THE THREE YEAR AMENDMENT.

I. MOTION

MOVE APPROVAL OF ORDER 09 -- _____ IN THE MATTER OF APPROVING AN AMENDMENT TO THE WORKERS' COMPENSATION CLAIMS ADMINISTRATION CONTRACT WITH PUBLIC RISK CONSULTANTS FOR \$174,000 AND DELEGATING AUTHORITY TO THE COUNTY ADMINISTRATOR TO EXECUTE THE THREE YEAR AMENDMENT.

II. AGENDA ITEM SUMMARY

Lane County has an ongoing contract with Public Risk Consultants to provide workers' compensation claims administration. The Board is being asked to approve a three year contract extension from July 1, 2009 through June 30, 2012 at a cost not to exceed \$174,000. This contract extension, including dollar amount exceeds the County Administrators' current authority. The County Administrator requires additional delegated authority to be able to sign and execute the amendment.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

The Board of County Commissioners designated Public Risk Consultants as Lane County's workers compensation claims administrator for the period of July 1, 2006 thru June 30, 2009 for an amount not to exceed \$160,000. This contract amendment would extend the contract from July 1, 2009 thru June 30, 2012 for an amount not to exceed \$174,000.

B. Policy Issues

Lane County has a need to have third party administrator for the purpose of workers' compensation claims administration as a self insured county to comply with Oregon Administrative Rule 436-050-0210.

C. Board Goals

Reduce the cost of providing services through private sector or third party administration.

D. Financial and/or Resource Considerations

The total cost of claims administration over the course of the three year contract extension will be not more than \$174,000. This represents a \$4667 dollar per year increase in cost.

E. Analysis

Workers' Compensation Claims administration is a specialized field with few providers of the service. The County Administrator has waived the competitive selection process requirement. Public Risk Consultants (PRC) is the current provider and the contract extension is required to be in place no later than November 5, 2009. Public Risk Consultants has agreed to a contract extension of three years with only a 2% increase. As this amendment makes the contract six years in length with a total maximum cost of \$334,000, the County Administrator requires additional delegated authority in order to sign and execute the amendment.

F. Alternatives/Options

1. Approve the contract amendment
2. Request for Proposal process
3. Direct staff to explore other options

IV. TIMING/IMPLEMENTATION

In accordance with Oregon Administrative Rule (OAR) 436-050-0210, Lane County must provide a copy of the service agreement to the Department of Consumer and Business Services, Workers Compensation Division not later than November 05, 2009.

V. RECOMMENDATION

The Human Resources and Risk Management staff recommends extending the current contract.

VI. FOLLOW-UP

Provide a copy of the amended service agreement to the Department of Consumer and Business Services, Workers Compensation Division not later than November 05, 2009.

VII. ATTACHMENTS

- A. Board Order
- B. Contract Amendment

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

RESOLUTION AND
ORDER 09-

) IN THE MATTER OF APPROVING AN
) AMENDMENT TO THE WORKERS'
) COMPENSATION CLAIMS
) ADMINISTRATION CONTRACT
) AMENDMENT FOR \$174,000 AND
) DELEGATING AUTHORITY TO THE
COUNTY ADMINISTRATOR TO
EXECUTE THE THREE YEAR
AMENDMENT.

WHEREAS, Lane County has a need to appoint a third party administrator for the purpose of workers' compensation claims administration; and

WHEREAS, Public Risk Consultants has agreed to a three year contract extension beginning July 1, 2009, at a reasonable financial cost to Lane County; now, therefore,

IT IS HEREBY RESOLVED AND ORDERED, that an amendment to the workers' compensation claims administration contract with Public Risk Consultants for \$174,000 is approved and the County Administrator is delegated authority to execute the amendment.

Dated this 28th day of October, 2009.

Peter Sorenson, Chair
Board of County Commissioners

APPROVED AS TO FORM
Date 10/23/09 lane county
[Signature]
OFFICE OF LEGAL COUNSEL

CONTRACT AMENDMENT

Whereas, Special Districts Association of Oregon dba Public Risk Consultants, hereinafter "Contractor", and Lane County, a political subdivision of the State of Oregon, hereinafter "County," entered into a contract for Workers' Compensation claims administration services for the period July 2, 2006 to June 30, 2009, and

WHEREAS the Amended Service Contract expired on June 30, 2009, but there exists a necessity to amend the Service Contract.

Now, therefore, the parties agree that the Service Contract should be amended as follows:

1. **Renewal/Extension of Contract Period.** The contract period shall be renewed and extended an additional three (3) years. Contractor agrees to perform during the period between July 1, 2009 through June 30, 2012 at the following amounts.

Workers Compensation Claims Administration year 1 \$56,610

Workers Compensation Claims Administration year 2 \$57742

Workers Compensation Claims Administration year 3	\$58,897
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2. Effective Date of Amendment. This amendment is effective July 1, 2009.
3. Full Force and Effect. All other terms and conditions of the original contract not altered by this amendment shall remain in full force and effect.

**SPECIAL DISTRICTS ASSOCIATION
OF OREGON
DBA PUBLIC RISK CONSULTANTS**

LANE COUNTY

Title: Executive Director

Date: 10-13-09

Title: County Administrator

Date: _____

APPROVED AS TO FORM

Date _____ 1964 county _____

OFFICE OF LEGAL COUNSEL



LANE COUNTY

HUMAN RESOURCES DEPARTMENT / 125 East 8th Ave. / Eugene, OR 97401

Phone: (541) 682-3665 / Fax: (541) 682-4290

MEMORANDUM

DATE: October 12, 2009

TO: Jeff Spartz, County Administrator

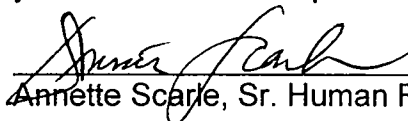
FROM: Annette Scarle, Sr. Human Resources Analyst

RE: Request for Waiver of Competitive Selection – Workers Compensation
Claims Administration

I would like to request a waiver of the competitive selection requirements for professional services contracts under LM 21.118(9) for good cause.

In accordance with Oregon Administrative Rule (OAR) 436-050-0210, a self-insured employer shall file with the Director a copy of the service agreement entered into between the employer and the third party administrator. We have until November 5, 2009 to provide the new agreement.

Workers Compensation claims administration is a specialized field with very few organizations providing the service. Requests for Proposals in the past have yielded little or no response.


Annette Scarle, Sr. Human Resources Analyst

10/13/09
Date

- Waiver Request approved
- Waiver Request NOT approved


Jeff Spartz, County Administrator

10/13/09
Date

Thank you,

Annette Scarle

*Discussed 3 yr extension w/ Acting CA
on 10/13/09 JJS*

EXHIBIT 'C'

COST PROPOSAL FOR LANE COUNTY

1. Year One- Annual rate for up to 155 claims per year \$56,610
(7-1-09 to 7-1-10)
Year Two-Annual rate for up to 155 claims per year \$57,742
(7-1-10 to 7-1-11)
Year Three-Annual rate for up to 155 claims per year \$58,897
(7-1-11 to 7-1-12)
2. Annual fee for maintaining bank account for claim payments \$4,000
This fee is built into the annual fee and is not in addition to the annual fee.
3. Year One-Charge per claim for claims in excess of 155 per year \$365
Year Two-Charge per claim for claims in excess of 155 per year \$372
Year Three-Charge per claim for claims in excess of 155 per year \$380
4. Annual fee for monthly computerized loss runs: Included in annual rate
5. Annual fee for Riskmaster software licensing fee: Included in annual rate
6. Loss Control Services: Charge per hour
7. Filing all State and local forms and reports – W.C. Included in annual rate
8. Storage costs Client responsibility
9. Employer at Injury Program (EAIP): In the event PRC is specifically requested, in writing, to assist with the placement of an injured worker into a transitional position, Lane County agrees that the administration fee paid by the State of Oregon pursuant to Bulletin 260 (currently \$ 120.00 per application) would be reimbursed to PRC with the monthly billing. In the event that an audit would find the EAIP application disallowed in part or whole, each party would be responsible for reimbursing any portions of the monies they each received.

Preferred Worker Program: Lane County agrees that the administration fee paid by the State of Oregon pursuant to Bulletin 316 would be split evenly between Lane County and PRC. In the event that an audit would find the Preferred Worker reimbursement/administrative fee to be disallowed in part or whole, each party would be responsible for reimbursing any portions of the monies they each received.

10. Charges that would be considered allocated loss adjusting expenses would include but not be limited to all fees and charges of attorneys, investigators, witnesses, experts, independent medical examiners, physician or nurse reviews, case managers, vocational case managers, bill review providers, index services, delivery services, transcription services and other third parties providing services related to the defense or adjusting of a claim. Allocated loss adjusting expenses are to be allocated to the claim file to which the expenses are related.

Terms of the agreement are life of the contract.