



City of San Antonio

Legislation Details (With Text)

File #: 15-5500

Type: Purchase of Services

In control: City Council A Session

On agenda: 12/3/2015

Title: An Ordinance approving a professional services agreement with the Jenkins Agency to provide claims audit services to the City for a three year term beginning January 1, 2016 with two renewal terms of one year each at the City's option with total compensation not to exceed \$20,000.00 per year. [Ben Gorzell, Chief Financial Officer; Troy Elliott, Director, Finance]

Sponsors:

Indexes:

Code sections:

Attachments: 1. Final SCORE Summary Matrix- RFP for Claims Audit Services, 2. Contracts Disclosure From - The Jenkins Agency, 3. 20151030 Claims Audit Services Contract--Jenkins--signed, 4. Draft Ordinance, 5. Ordinance 2015-12-03-1006

Date	Ver.	Action By	Action	Result
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DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

Claims Audit Services

SUMMARY:

This ordinance authorizes the City Manager or her designee to acquire claims audit services for the City of San Antonio from The Jenkins Agency, Inc. The proposed contract is for a period of three (3) years, beginning January 1, 2016 and ending December 31, 2018 at an annual cost not to exceed \$20,000.00, with two, one-year renewal options. If available options are exercised, the total value of the contract will be \$100,000.00.

BACKGROUND INFORMATION:

The City of San Antonio is primarily self insured for workers' compensation, general liability and automobile liability claims. Over the last ten years, the City has received an average of 1,500 workers' compensation

claims and 1,074 general liability/automobile liability claims per year. The workers' compensation claims are processed and adjusted by a Third Party Administrator (TPA). January 1, 2015, the City's Risk Management Division began processing the general liability and auto liability claims internally.

On April 1, 2015 the Finance Department, Purchasing Division, issued a Request for Proposal (RFP) to solicit responses from qualified firms interested in providing claims audit services. The recommended Respondent will conduct an annual claims audit of the City's Third Party Administrator (TPA) workers' compensation and medical cost containment services and the City's internal general liability and auto liability claims handling program. The annual claims audit shall commence during the month of January and final reports shall be provided to the City's Risk Manager no later than March 31st of the same year. In addition, the Respondent will provide up to 100 hours of annual claims consulting services.

The City received only one response. Upon examination, the bid was determined to be non-responsive to the requirements of the RFP and was well in excess of budget expectations. A determination was made to reissue the RFP.

On August 19, 2015, a second RFP was issued. Three (3) proposals were received by the September 23, 2015 deadline. The Evaluation Committee consisted of four (4) representatives from the Finance Department. The evaluation of each proposal response was based on a total of 100 points; 25 points allotted for experience, background, qualifications; 25 points allotted for proposed plan and 15 points allotted for Respondent's price schedule. Twenty (20) preference points were allotted for the Small Business Economic Development Advocacy (SBEDA) Program, in addition to 10 points allotted for the Local Preference Program and 5 points for the Veteran-Owned Small Business Preference Program.

The Evaluation Committee met on October 14, 2015 to evaluate the three (3) responsive proposals received based on their experience, background, and approach in leading the project. After committee review and discussion, the aggregate scores were presented and The Jenkins Agency, Inc. received the highest collective score from the evaluation categories.

ISSUE:

This recommendation is for a three-year contract for professional claims audit services needed for the City to accurately assess its claims handling procedures. This service is necessary to insure that best practices are being employed and claims are being handled and paid in a fiscally responsible manner.

Twenty (20) preference points were allotted for the Small Business Economic Development Advocacy (SBEDA) Program, which consisted of ten (10) points for the Small Business Enterprise Prime Contract Program and ten (10) points for Minority/Women Business Enterprise Prime Contract Program.

The Local Preference Program was applied in the evaluation of responses for this contract; however, the highest ranked firm is not a local business.

There were no proposals submitted from veteran-owned small business respondents for this contract; therefore, the Veteran-Owned Small Business Preference Program was not applied.

ALTERNATIVES:

The City could attempt to perform internal claims auditing. This would require additional specialized and experienced personnel and associated staffing costs, and would not necessarily guarantee the same level of independent scrutiny as that provided by an unaffiliated, third-party contractor.

FISCAL IMPACT:

This Ordinance will authorize the payment of \$20,000.00 in the FY 2015 - 2016 budget. Sufficient funds are appropriated in the Workers' Compensation and Liability Self-Insurance Fund.

RECOMMENDATION:

The Risk Management Division of the Department of Finance recommends execution of a contract for Claims Audit Services with The Jenkins Agency, Inc., at an annual cost not to exceed \$20,000.00.

This contract is procured by means of Request for Proposals and Discretionary Contracts Disclosure form is attached.