



Legislation Details (With Text)

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Title: Human Resources Department, Risk Management Division, recommending the Board:
 1) Approve and authorize the Chair to sign Amendment II for the continuation of perpetual agreement 3360 with Sedgwick (formerly known as York Risk Service Group) as the County’s third party administrator for Workers’ Compensation tail claims, with a total not-to-exceed amount of \$140,264 for the period of November 1, 2020 - October 31, 2021; and
 2) Approve the new pricing proposal as submitted by Sedgwick.

FUNDING: Workers’ Compensation Fund.

Sponsors:

Indexes:

Code sections:

Attachments: 1. A - York 3360 Amd II, 2. B - Sedgwick Fee Proposal, 3. C - York 3360 Amd II Blue Route, 4. D - York 3360 Amend I, 5. E - York Agreement 3360, 6. Executed Second Amendment Agreement for Services 3360

Date	Ver.	Action By	Action	Result
10/20/2020	1	Board of Supervisors	Approved	Pass

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DISCUSSION / BACKGROUND

In accordance with Board Policy Number C-17, departments are required to obtain authorization from the Board of Supervisors to utilize any contract that does not have a stated contract term on an annual basis. The Human Resources Department, Risk Management Division, has a Board approved contract with Sedgwick which does not have a stated contract term. In addition, as tail claims continue to close, Sedgwick has submitted a new pricing proposal with a price reduction for the Workers’ Compensation Administration Fee. The annual cost has been reduced from \$165,017 to \$140,264.04 for a savings of \$24,753, with no impact to services provided to the County. The Human Resources, Risk Management Division is recommending the Board authorize the continued use of this agreement.

In September 2018, the County entered into a Primary Workers’ Compensation (PWC) program wherein no new claims would be submitted to Sedgwick for claims management. However, a determination was made that it was necessary to obtain Sedgwick as the claims third-party administrator (TPA) for the administration, investigation, adjustment, utilization review, bill review and

case management for tail claims (claims incurred prior to September 2018).

ALTERNATIVES

The Board could choose not to approve the agreement and Risk Management could find and use a different third party administrator for tail claims.

PRIOR BOARD ACTION

10/30/2018 Legistar Item 18-1418 - Approve original agreement with York Risk Services Group, Inc.
11/19/2019 Legistar Item 19-1647 - Approve York perpetual agreement for 2019-20

OTHER DEPARTMENT / AGENCY INVOLVEMENT

CAO, Procurement and Contracts

CAO RECOMMENDATION / COMMENTS

Approve as recommended.

FINANCIAL IMPACT

Funding for the agreement is included in the Risk Management Workers' Compensation Program budget for FY 2020-2021. Costs are recouped from County departments through cost applied internal charges.

CLERK OF THE BOARD FOLLOW UP ACTIONS

Clerk of the Board to obtain Board Chair signature on Amendment II and forward to CAO Fiscal.

STRATEGIC PLAN COMPONENT

Good Governance

CONTACT

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