



County of El Dorado

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Legislation Text

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Human Resources Department, Risk Management Division, recommending the Board authorize the Chair to sign Amendment III to Agreement for Services 289-S0611 increasing compensation by \$552,000 to \$2,074,200, extending the term two additional years and confirming the company name change to York Risk Services Group, Inc. formerly York Insurance Services Group, Inc., subject to County Counsel approval.

FUNDING: Risk Management Internal Service Fund.

BUDGET SUMMARY:		
Total Estimated Cost		\$552,000.00
Funding		
Budgeted	\$552,000.00	
New Funding	\$	
Savings	\$	
Other	\$	
Total Funding Available	\$552,000.00	
Change To Net County Cost		\$

Fiscal Impact/Change to Net County Cost: The Workers' Compensation program is funded through cost-applied charges to County departments. The total cost of this amendment is \$552,000.00 for the two year period. The annual cost is \$276,000.00. This amount is included in the Risk Management budget for FY 2011/12.

Background: On September 27, 2005, Agenda Item #19, the Board approved a three year contract with Gregory B. Bragg & Associates for services related to workers' compensation claims administration. On October 28, 2008, Agenda Item #14, the Board approved the continuation of workers' compensation claims administration by Gregory B. Bragg & Associates. The total amount of this agreement, as amended, was not to exceed \$1,522,200.00 for the six (6) year period. In 2010 Gregory B. Bragg & Associates was purchased by the parent company, York Insurance Services Group, Inc. and Amendment II noting this name change, was approved by the Board on April 27, 2010. On August 30, 2011, Agenda Item #3, the Board approved Amendment III, noting the name change of York Insurance Services Group, Inc. to York Risk Services Group, Inc. This amendment was not executed due to the parent corporation, York Risk Services Group, Inc., not being a registered California corporation as identified in the amendment.

Reason for Recommendation: Gregory B. Bragg & Associates, York Insurance Services Group, Inc. has been the County's third party administrator (TPA) for workers' compensation claims since 1999. Amendment III is for two additional years. The Board has traditionally approved multi-year contracts

for general liability and workers' compensation administration services because of the cost savings associated with utilizing a consultant that is familiar with county practices and issues. Also, Human Resources, Risk Management Division has been notified that effective August 1, 2011, York Insurance Services Group, Inc. has changed the company's name to York Risk Services Group, Inc. to better reflect the types of risk management services they provide. Administration remains the same and York Risk Services Group, Inc. assumes all obligations of its subsidiary company and agrees to remain liable for all of its obligations under the agreement.

The intent of the department is to initiate a competitive request for proposal during the next fiscal year.

The Board is requested to approve Amendment III to Agreement 289-S0611 subject to County Counsel approval.

Action to be taken following Board approval: Human Resources, Risk Management Division, will continue to work with York Risk Services Group with regards to Workers' Compensation claims administration and with the Auditor-Controller to process claims in accordance with the amendment to the agreement.

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Concurrences: Subject to County Counsel approval. Risk Management