

CITY COUNCIL AGENDA TOPIC

Resolution authorizing execution of a three-year agreement with the option to renew for an additional two years with Gallagher Bassett to provide workers' compensation claims administration services, in an amount not to exceed \$750,000, plus tax, if applicable.

Pete Bourgeault, Risk Manager, 452-2011

Jessica Wang, Risk Management Specialist, 452-2865

City Attorney's Office

EXECUTIVE SUMMARY**ACTION**

This Resolution approves an agreement with Gallagher Bassett, which will allow Risk Management to continue contracting professional services for Third Party Administrative claims management for workers' compensation. A Request for Proposal (RFP) process was issued and the incumbent was determined to have services that best supports the City.

RECOMMENDATION

Move to adopt Resolution No. 10343

BACKGROUND/ANALYSIS

Since 1977, the City has been a self-insured employer under the industrial insurance provisions of Title 51 RCW. The City uses the services of a Third Party Administrator (TPA) to administer claims in accordance with the requirement of Washington Administrative Code (WAC) 296-15 and to provide loss control services, through Request for Proposal (RFP) processes issued every five years.

The TPA administers all open and newly filed workers' compensation claims on behalf of the City. The City on average has 340 newly filed, open, or reopened workers' compensation claims the TPA administers annually. Administration includes payment on workers' compensation claims using solely City funds to City employees, conducting field investigations when necessary, making recommendations to the City to improve claim handling, and quarterly workers' compensation claim reviews with Risk Management. The TPA also handles paperwork associated with reporting to the Washington State Department of Labor and Industries (L&I) on behalf of the City. Gallagher Bassett services also include national, award-winning customer service, accessibility, encrypted/secure data sharing, and training for all City staff and specialized teams focused on claims cost reduction.

Gallagher Bassett maintains a data and reporting system that will seamlessly sync with the City's Risk Management Information System, Riskconnect, on a bi-weekly schedule. Gallagher Bassett maintains a leadership role in the self-insured community, piloting self-insurance regulatory changes for the state and actively monitoring legislative changes. In addition, Gallagher Bassett will provide on-line access to their database for every City claim at no additional charge to the City. A contract for up to five years is warranted given the nature of the services provided.

POLICY & FISCAL IMPACTS

Policy Impact

BCC 4.28 provides for the fair and equitable treatment of all persons involved in the purchasing process. Council approval is required to award the bid where the cost exceeds \$350,000.

Fiscal Impact

The total cost of this professional services agreement is estimated to be -\$150,000 annually; and not to exceed \$750,000 for the five-year term of the contract. The cost of these services was anticipated and included in the 2023-2024 Workers' Compensation Fund biennial budget. Funding for the additional four years will be requested as part of the 2025-2026 and 2027-2028 budget processes.

OPTIONS

1. Adopt the Resolution authorizing execution of a three-year agreement with the option to renew for an additional two years with Gallagher Bassett to provide workers' compensation claims administration services, in an amount not to exceed \$750,000, plus tax, if applicable.
2. Do not adopt the Resolution and provide alternative direction to staff.

ATTACHMENTS

Proposed Resolution No. 10343

AVAILABLE IN COUNCIL LIBRARY

Gallagher Bassett Agreement