



Agenda Report

Fullerton City Council

MEETING DATE: NOVEMBER 19, 2024

TO: CITY COUNCIL / SUCCESSOR AGENCY

SUBMITTED BY: EDDIE MANFRO, DIRECTOR OF HUMAN RESOURCES

PREPARED BY: PAMELA MACKIE, SENIOR HUMAN RESOURCES / RISK MANAGEMENT ANALYST

SUBJECT: CONTRACT WITH ADMINSURE, INC. FOR WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR SERVICES

SUMMARY

Request to renew agreement with AdminSure, Inc. for third party administrator services for the workers' compensation program for five years with two optional one-year renewals.

PROPOSED MOTION

Approve and authorize City Manager, or designee, to execute and administer a Professional Services Agreement with AdminSure, Inc., in a form approved by City Attorney, for third-party administrator services for the workers' compensation program.

ALTERNATIVE OPTIONS

- Approve the Proposed Motion
- Do not approve the PSA and provide direction to staff
- Other options brought by City Council.

STAFF RECOMMENDATION

Staff recommends the Proposed Motion.

CITY MANAGER REMARKS

The City Manager recommends approval.

PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statement:

- Fiscal and Organizational Stability

FISCAL IMPACT

The following outlines proposed contract fees:

\$147,712 November 1, 2024 through June 30, 2025

\$221,568 July 1, 2025 through June 30, 2026

\$228,215 July 1, 2026 through June 30, 2027

\$235,061 July 1, 2027 through June 30, 2028

\$242,112 July 1, 2028 through June 30, 2029.

The City would pay fees and costs from the Workers' Compensation Program – Fund 65. The Fiscal Year 2024-2025 Adopted Budget has sufficient funds allocated.

The Professional Services Agreement includes two optional, one-year renewals with pricing and terms mutually agreed upon.

BACKGROUND AND DISCUSSION

AdminSure, Inc. (AdminSure) provided third party administrator services for the City workers' compensation program since July 1, 2001, first under the company name Colen and Lee and under the current name since January 2008.

City Council approved a three-year agreement with AdminSure on May 18, 2021 with a June 30, 2024 expiration date. The City and AdminSure agreed to a month-to-month extension in May 2024 as allowed by agreement.

The City solicited a Request for Proposals (RFP) and received seven responses in June 2024. Human Resources personnel and an external industry professional evaluated the proposals considering: adherence to RFP instructions, firm qualifications, project management approach, detailed work plan and proposed fees. Staff recommends awarding a contract to AdminSure.

AdminSure would provide third party administrator services for the City workers' compensation program including claims processing, issuing benefit checks, providing electronic access to the program database and providing training and information to City staff. AdminSure handles all reporting requirements mandated by the Medicare, Medicaid and SCHIP Extension Act (MMSEA) as well as OSHA 300-A report. AdminSure would administer the Fullerton Firefighter Association Alternative Dispute Resolution Program. The contract term would run November 1, 2024 through June 30, 2029 and includes two optional, one-year renewal terms.

The proposed fees represent a flat rate from for the first two years and 3% increases for years three through five. The cost for each optional renewal year must have mutual agreement.

Attachments:

- Attachment 1 – AdminSure, Inc. Professional Services Agreement

cc: City Manager Eric J. Levitt