

STATEMENT OF BUDGET IMPACT
(Policy Number 94-45)
Budgetary Review of Proposed Resolution &
Ordinances with Financial Implication.

Date: November 28, 2016

File: BIS 17 – 056

File: TMP-2016-599

Proposed Legislation:

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, AUTHORIZING THE APPROPRIATE CITY OFFICIALS TO NEGOTIATE AND EXECUTE AN AGREEMENT BETWEEN THE HIGHEST RANKED FIRM AND THE CITY OF HOLLYWOOD TO PROVIDE THIRD PARTY CLAIMS ADMINISTRATION (TPA) SERVICES FOR WORKERS' COMPENSATION AND LIABILITY CLAIMS.

Statement of Budget Impact:

1. No Budget Impact associated with this action;
2. Sufficient budgetary resources identified/available;
3. Budgetary resources not identified/unavailable;
4. Potential Revenue is possible with this action;
5. Will not increase the cost of Housing;
6. May increase the cost of Housing; (CDAB review required)

Explanation:

This Resolution seeks authorization for the appropriate City Officials to engage in negotiations and, if successful, enter into and execute an agreement between the highest ranked firm and the City of Hollywood for the provision of third party claims administration services for workers' compensation and general and automobile liability claims. If negotiations with the highest ranked service provider prove to be unsuccessful, City staff would be authorized to continue negotiations with the next highest ranked firm until an agreement can be reached.

Previously, on July 15, 2016, City staff issued a Request for Proposals (RFP) solicitation designated as RFP #4522-16-RD with a closing date of August 4, 2016 to qualified and interested parties for third party claims administration services. In response, the City received five (5) bid responses. On August 17, 2016, City staff met

to open, review and evaluate the 5 responses. Upon review, City staff decided to call upon the City's two (2) human resources/risk consultants, A.J. Gallagher and the Gehring Group, to also review and evaluate the 5 bid responses. Subsequently, City staff met with the two consultants to receive the consultants' evaluations of the 5 proposals. Upon this review, additional questions and issues arose which City staff needed further information from the 5 responders. Finally, City staff met again on November 17, 2016, to review and evaluate all of the information provided by the 5 responders.

Based upon the criteria included in the original bid solicitation documents provided to all interested parties, City staff ranked the response of Employers Mutual, Inc d/b/a Ascension Benefits & Insurance Solutions as the highest ranked response. The next two ranked proposals received were from CorVel Enterprise Com, Inc. and PMA Management Corp, respectively. The third party administration agreement as contained in the solicitation documents received by all interested parties sought an agreement with an initial term of three (3) years with a right to renew for two (2) additional one (1) year periods at the sole option of the City.

Funding is available in the approved FY 17 operating budget in the following line item accounts #58.1241.00000.590.039198 for workers' compensation related items and #58.1241.00000.590.019198 for general liability related items. Funding will be included in the proposed fiscal year's operating budget for the costs involved in future fiscal years subject to the approval of the City Commission of each individual future fiscal year's operating budget.

PREPARED AND APPROVED BY:

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