

INTER OFFICE MEMO

To: Administration & Finance Committee

Date: 11/26/2024

From: Kristina Martinez, Director of Human Resources

Reviewed by: WC.

SUBJECT: Procurement of Workers Compensation Third-Party Administrator Services

Background:

The Central Contra Costa Transit Authority (the Authority) is currently a member of the Local Agency Workers' Compensation Excess joint powers authority (LAWCX) for the purpose of obtaining excess workers' compensation coverage. Under this arrangement, the Authority currently maintains a self-insured retention of \$250,000 and excess coverage with statutory limits. The Authority has been self-insured since 1988 and has been a member of LAWCX since 2001. Its workers' compensation program is currently administered by Corvel Corporation under a Third-Party Administrator (TPA) contract. This contract was entered into in 2006 with Hazelrigg Risk Management Services, which was later acquired by Corvel Corporation.

The Authority's Human Resources Department is the Authority's Workers Compensation Program Manager and is responsible for management of the TPA contract. The Authority's Human Resources Department coordinates all aspects of the workers' compensation program with the TPA. This includes reporting of injuries, employee contact, providing lost time and salary information, training for managers, supervisors, and employees, early return to work programs, claimant service evaluations, and maintenance of the Authority's medical, exposure, and workers' compensation claims files.

Procurement:

While the current contract has been reviewed and renewed every five years, staff is now planning to issue a Request for Proposals (RFP) for Workers Compensation TPA services as a matter of best practice. The current contract expires in July 2025, and has a provision for cancellation by either party with 30 days' notice. Staff has developed an RFP, which has been reviewed by the Authority's legal team. The estimated timeline of the procurement is as follows:

Issuance of the Request for Proposals (RFP)	12/9/2024
Deadline for Receipt of Proposals by CCCTA	1/17/2025
Review of Responses and Select Interviewees	2/7/2025
TPA Interviews	week of 3/3-3/7/2025
Date of Contract Award	4/17/2025
Contract Start-Up	7/1/2025

This timeline allows for adequate competition in the RFP process, as well as an ample runway for transition to a new TPA firm if a change is recommended. As outlined above, vendor proposals are due on January 17, 2025, and staff anticipates bringing a recommendation to the Committee at its April meeting. The final authority to enter a TPA agreement will be requested at the April Board of Directors meeting.

Financial Implications:

No direct financial implication results from this report.

Recommendation:

None, information only.

Action Requested:

None, information only.

Attachments:

None.