

June 24, 2004

04-164

ACCEPT PROPOSAL/AWARD CONTRACT FOR THIRD PARTY ADMINISTRATOR (TPA) FOR PCC WORKERS' COMPENSATION PROGRAM

PREPARED BY: Denise Jeffords, Buyer/Contract Specialist

FINANCIAL RESPONSIBILITY: Jerry Donnelly, Director, Human Resources

APPROVED BY: Randy McEwen, Vice President, Administrative Services
Dr. Preston Pulliams, District President

REPORT: The College is in need of continuing to contract for a third party administrator to perform administration services for workers' compensation claims for the Human Resource Management/Employee Benefits Department. The Third Party Administrator is required to investigate and evaluate claims, establish reserve levels, report claims' status regularly to the College, represent PCC at hearings, and work with the Human Resources Office in negotiating settlements.

A Request for Proposals (RFP) was advertised and issued on March 18, 2004. The RFP was advertised in the Daily Journal of Commerce, on the State of Oregon VIP, and on the College's Purchasing Website. Nine (9) RFP documents were downloaded from the College's Purchasing Website. Five (5) proposals were received by the due date of May 6, 2004 from the following firms:

| <u>Firm</u> | <u>Written Proposal Rating</u> | <u>Interview Rating</u> |
|---|--------------------------------|-------------------------|
| Public Risk Consultants* | 83.4 | 79.75 |
| Pinnacle Risk Management Services* | 84.4 | 78.75 |
| Sedgwick Claims Management Services, Inc.* | 92.2 | 74.75 |
| City of Portland - Risk Management Division** | 70.8 | ---- |
| G.E. Young & Company** | 77.2 | ---- |

* Finalists

** Not selected for interviews

NOTE: None of the firms who downloaded or responded to the RFP are Oregon State certified MWESB firms.

A committee comprised of five (5) staff members of the College evaluated the proposals based on the following criteria listed in the RFP: Experience of claims adjuster(s); Cost of the program; Quality of references; Services offered, including claims investigation, job site modification, and return to work; Accuracy, content and availability of claims reports and other related information; Experience of the account/executive/insurance consultant.

The committee selected the three (3) highest scoring firms as finalists, based on the written proposal ratings. The three finalist firms were interviewed. As a result of the interviews, the committee is recommending that Public Risk Consultants be awarded a contract to provide TPA services for the College's Workers' Compensation Program.

RECOMMENDATION:

That the Board of Directors accept the proposal as recommended by the evaluation committee and award a three (3) year contract, with an option to renew on an annual basis for two (2) additional years, to Public Risk Consultants for an estimated amount of \$33,225.00 for fiscal year 2004-2005; \$35,000.00 for fiscal year 2005-2006; and \$36,500.00 for fiscal year 2006-2007. Expenditures for this contract will come from the Risk Management fund.

Resolutions 04-158 through 04-177 were moved for approval by Director Germond and it passed unanimously.