



**TOWN OF LOS GATOS  
COUNCIL AGENDA REPORT**

MEETING DATE: 08/06/2019

ITEM NO: 10

---

DATE: August 1, 2019  
TO: Mayor and Town Council  
FROM: Laurel Prevetti, Town Manager  
SUBJECT: Authorize the Town Manager to Execute a Sixth Amendment to the Professional Services Agreement with Innovative Claims Solutions, Inc. to Extend the Contract for Four Months to Perform Workers' Compensation Claims Administration

**RECOMMENDATION:**

Authorize the Town Manager to execute a sixth amendment (Attachment 7) to the professional services agreement with Innovative Claims Solutions, Inc. to extend the contract for four months to perform workers' compensation administration.

**BACKGROUND:**

The Town uses Innovative Claims Solutions, Inc. (ICS), a third-party administrator, for its self-funded workers' compensation program. ICS was selected through a competitive bid process conducted in 2010. The original agreement with ICS was established through June 30, 2012. Subsequent amendments (Attachments 2-6) extending the agreement were approved through June 30, 2019.

**DISCUSSION:**

Due to the length of time since a formal request for proposals (RFP) has been solicited for workers' compensation claims administration services, a new request has been sent to vendors with a submittal deadline of August 19, 2019. Staff anticipates completing the selection process by September 30, 2019 and bringing a new agreement for Council consideration on October 15, 2019 with a proposed effective date of November 1, 2019. ICS is amenable to extending the agreement (Attachment 7) for four additional months, at the current monthly rate of \$4,067, to allow sufficient time for the RFP process to be completed.

**PREPARED BY:** Lisa Velasco  
Human Resources Director

---

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

---

PAGE 2 OF 2

SUBJECT: Authorize the Town Manager to execute a sixth amendment to the professional services agreement with Innovative Claims Solutions, Inc. to extend the contract for four months to perform workers' compensation administration

DATE: August 1, 2019

CONCLUSION:

Staff recommends that ICS continue to serve as the Town's third-party administrator for an additional four months through October 31, 2019, at the current rate. This extension will enable staff to complete the competitive bid process.

FISCAL IMPACT:

ICS has agreed to extend the agreement through October 31, 2019 at the current monthly rate of \$4,067 per month. Funding to support this agreement was included in the FY 2019/20 Adopted Operating Budget.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:

1. Original Agreement
2. First Amendment to Agreement
3. Second Amendment to Agreement
4. Third Amendment to Agreement
5. Fourth Amendment to Agreement
6. Fifth Amendment to Agreement
7. Proposed Sixth Amendment to Agreement