



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 10/15/2019

ITEM NO: 4

DATE: October 10, 2019
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Authorize the Town Manager to Execute a Seventh Amendment to the Professional Services Agreement with Innovative Claim Solutions, Inc. to Extend the Contract for Two Months to Perform Workers' Compensation Claim Administration

RECOMMENDATION:

Authorize the Town Manager to execute a seventh amendment (Attachment 8) to the professional services agreement with Innovative Claims Solutions, Inc. to extend the contract for two months to perform workers' compensation claims administration.

BACKGROUND:

The Town uses Innovative Claims Solutions, Inc. (ICS), a third-party administrator, for its self-funded workers' compensation program. ICS has provided third-party administration services to the Town since 2002 and amendments to the agreement (Attachments 2 to 7) have extended the contract through October 31, 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 was sent to vendors in July 2019 in anticipation of concluding the selection process in September 2019. Due to the volume of proposals received, additional time was needed, and it is anticipated that a final selection will be made by October 31, 2019. A new agreement, after selection, will be brought to Council for consideration on December 3, 2019 with a proposed effective date of January 1, 2020. ICS is amenable to extending the agreement (Attachment 8) for two 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

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CONCLUSION:

Staff recommends that ICS continue to serve as the Town's third-party administrator for an additional two months through December 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 December 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. Sixth Amendment to Agreement
8. Proposed Seventh Amendment to Agreement