



Agenda Item Summary

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Submitted By

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Reviewed By

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Agenda Item Title

A Resolution Approving a Service Agreement with PMA Management Corp. to Provide Third Party Administrator (TPA) Services for the Village's Workers Compensation Program for a Three-Year Period and Authorizing its Execution

Overview

This is an agreement for the oversight of the Village's worker's compensation program. The Village issued an RFP in February. Four firms responded. This vendor was selected because of their ability to manage the worker's compensation program with more effective communication, reporting and on-line records management.

Staff Recommendation

Approve the Resolution.

Fiscal Impact

Annual costs for a three (3) year contract are \$29,175 per year with an additional \$14,025 in year one in order to transition to a new vendor. The rate is competitive the current vendor as well as all of those that responded to the RFP and provides the the Village with more effective tools to manage the worker's compensation.

Background

In February of 2017, the Village of Oak Park Human Resource Department posted a Request for Proposals (RFP) for qualified firms that wish to manage and administer a robust program for the Village's self-insured Workers' Compensation program. Four firms responded to the RFP. A staff team collectively evaluated the firms on experience, customer service and communication protocols with both the employee and the village, online tools, accessibility, reporting, ease in processing and net value/savings to the Village. The team selected PMA as their choice for a Worker's Compensation administrator.

This new vendor will also revise how the workers compensation program is managed in that the current vendor only partially administered the worker's compensation program but relied heavily on a claims administrator for internal record keeping. The Village now seeks to realign the process and explore better service delivery options for our employees and managers. Currently, the Village pays expenses of \$878,000

annually which include indemnity, medical, and lost time, etc. These costs need better claims management and more attention paid to lost time claims, specifically in police and fire. Staff believes this new firm will better assist the Village in doing so.

Alternatives

Maintain status quo

Previous Board Action

N/A

Citizen Advisory Commission Action

N/A

Anticipated Future Actions/Commitments

NA

Intergovernmental Cooperation Opportunities

NA.

Performance Management (MAP) Alignment

NA.