



LANE COUNTY

HUMAN RESOURCES DIVISION / 125 East 8th Ave. / Eugene, OR 97401
Phone: (541) 682-3665/ Fax: (541) 682-4290

W-9-D.3

AGENDA COVER MEMORANDUM

AGENDA DATE: June 21, 2006
PRESENTED TO: Board of County Commissioners
PRESENTED BY: Donna Morgan
Workers' Compensation Claims Specialist

AGENDA TITLE **IN THE MATTER OF AWARDING A CONTRACT TO PUBLIC
RISK CONSULTANTS FOR LANE COUNTY WORKER'S
COMPENSATION CLAIMS ADMINISTRATION**

I. MOTION

**MOVE APPROVAL OF ORDER 06 -- _____ IN THE MATTER OF AWARDING A
CONTRACT TO PUBLIC RISK CONSULTANTS FOR LANE COUNTY WORKERS'
COMPENSATION CLAIMS ADMINISTRATION.**

II. ISSUE

Should the Board award a contract to Public Risk Consultants as third party administrator for Lane County's workers' compensation claims?

III. DISCUSSION

A. Background

Lane County has contracted the administration of its workers' compensation claims since becoming self-insured in 1986. Pinnacle Risk Management has performed these third party administrator duties since 1992. Their last 3 year contract was awarded in 2003 and it is now time for renewal.

A Request for Proposal and Specifications for Oregon Workers' Compensation Claims Administration Services was advertised in The Register Guard on May 12, 2006, and was mailed directly to six firms.

The RFP generated a response from three firms who submitted proposals in proper form. These proposals were scored by Karen Artiaco, Donna Morgan and Annette Scarle, Human Resources/Risk Management.

B. Analysis

Three proposals were received in response to the RFP. These proposals were scored individually according to criteria outlined in the RFP and the composite scores for each firm are listed below along with a summary of the estimated 3 year costs.

Firm	Composite Score	Estimated 3 yr Cost
Pinnacle	203	\$216,882
G.E Young	310	\$207,135
Public Risk Consultants	425	\$151,247

After the scoring and cost analyses were completed, the reviewers awarded Public Risk Consultants the highest score by a significant margin. Each of the three reviewers scored PRC as highest of the three respondents. Reference checks were completed with the City of Beaverton, Douglas County, Jackson County and Portland Community College to determine their overall satisfaction with the service provided by PRC and what, if any, problems occurred during the transition process from their previous third party administrator. All of the agencies expressed a high level of satisfaction with the service and were impressed with the efficiency and ease with which the changeovers were accomplished.

The estimated three year cost is based upon the fee schedule provided by each respondent, as well as the number and complexity of Lane County's worker's compensation claims during the past year, plus estimated transition costs. Allowing for costs beyond the estimate in case of increased claim volume over the next three years, and/or additional transition costs, we believe that the fees paid to Public Risk Consultants would not exceed \$160,000 during the three year contract period.

C. Alternatives/Options

1. Appoint Public Risk Consultants as Lane County's third party administrator for a three year contract.
2. Reject all proposals and request new proposals for workers' compensation claims administration.

D. Recommendation

Approve Option 1 to appoint Public Risk Consultants as Lane County's third party administrator for workers' compensation claims for a period of up to three years, not to exceed \$160,000.

IV. IMPLEMENTATION/FOLLOW-UP

Following Board action, the contract will be managed by Risk Management.

V. ATTACHMENT

Board Order

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

**RESOLUTION AND
ORDER 06-**

) **IN THE MATTER OF AWARDING A**
) **CONTRACT TO PUBLIC RISK**
) **CONSULTANTS FOR LANE COUNTY**
) **WORKERS COMPENSATION CLAIMS**
) **ADMINISTRATION.**

WHEREAS, Lane County has a need to appoint a third party administrator for the purpose of workers' compensation claims administration; and

WHEREAS, proposals were solicited from firms interested in providing these services; and

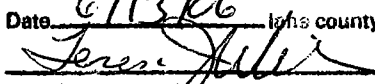
WHEREAS, all proposals were evaluated in accordance with the instructions contained in the Request for Proposal; and

WHEREAS, Public Risk Consultants was deemed able to provide the level of service required at the most reasonable financial cost to Lane County; now, therefore,

IT IS HEREBY RESOLVED AND ORDERED, that, the Board of County Commissioners designate Public Risk Consultants as Lane County's workers' compensation claims administrator; that the County Administrator be authorized to execute a contract in accordance with the proposal specifications; and that the three year fee not exceed \$160,000.

Dated this 21st day of June 2006.

Bill Dwyer, Chair
Board of County Commissioners

APPROVED AS TO FORM
Date 6/13/06 Lane County

OFFICE OF LEGAL COUNSEL