

1 [Agreement - Workers' Compensation Third Party Administrator Services - Not to Exceed
2 \$26,288,201]

3 **Resolution authorizing the San Francisco Municipal Transportation Agency and the**
4 **Department of Human Resource to retroactively execute an agreement with Intercare**
5 **Holdings Insurance Services, Inc., for Workers' Compensation Third Party**
6 **Administrator services for an amount not to exceed \$26,288,201 and for a term of three**
7 **years from November 1, 2012, through October 31, 2015, with an option to extend the**
8 **term for up to an additional two years.**

9
10 WHEREAS, In order to maximize the operational and management efficiency and
11 achieve cost savings to the City, the San Francisco Municipal Transportation Agency
12 (SFMTA) and the Department of Human Resource (DHR) agreed to enter into a joint
13 agreement for the workers' compensation third party administrator services for the City's
14 workers' compensation claims administration services; and

15 WHEREAS, On February 21, 2012, the SFMTA Board of Directors authorized the
16 Director of Transportation to jointly issue a Request for Proposals for Workers' Compensation
17 Claims Administration Services with the Department of Human Resources, to jointly conduct
18 proposal evaluation, contract negotiation and contract formation for an initial term of three-
19 years with a two-year contract extension option at the City's sole discretion; and

20 WHEREAS, On April 11, 2012, the City received proposals from TRISTAR Risk
21 Management, Intercare Holdings Insurance Services and Sedgwick Claims Management
22 Services; and

23 WHEREAS, A selection panel evaluated all three proposals and Intercare Holdings
24 Insurance Services Inc. was selected as the highest ranked proposer; and

25 *Mayor, Edwin M. Lee*
BOARD OF SUPERVISORS

1 WHEREAS, The SFMTA and DHR have negotiated an agreement with Intercare. in the
2 amount of \$26,288,201, with a term of three years, and an option to extend the term for up to
3 two additional years, a copy of which agreement is on file with the Clerk of the Board of
4 Supervisors in File No. 121043; and

5 WHEREAS, On November 06, 2012, the SFMTA Board of Directors adopted
6 Resolution No. 12-134, recommending approval of the agreement between Intercare and the
7 City and County of San Francisco; now, therefore, be it

8 RESOLVED, That the Board of Supervisors authorizes the San Francisco Municipal
9 Transportation Agency and the Department of Human Resources to retroactively execute an
10 agreement with Intercare Holdings Insurance Services Inc. for third party administration
11 services for the City's workers' compensation claims, in an amount not to exceed
12 \$26,288,201, for an initial term of three-years from November 1, 2012 through October 31,
13 2015, with a two-year contract extension option through October 31, 2017 at the City's sole
14 discretion, and, be it

15 FURTHER RESOLVED, That the Department of Human Resources shall: 1) establish
16 performance metrics for processing claims and collect data on the metrics over the initial
17 three-year contract term with Intercare; 2) evaluate the costs and benefits of contracting for
18 workers' compensation claims administration compared to processing these claims on an in-
19 house basis prior to exercising the first one-year option to extend the contract from November
20 1, 2015, through October 31, 2016; and 3) based on the evaluation, determine whether to
21 exercise the one-year option to extend or to perform such services on an in-house basis.