

42522

Date: October 6, 2014

To: Honorable Members of the Board of Acquisition and Contract

From: Ann Marie Berg
Commissioner of Finance

RE: Authority to amend an Agreement with Triad Group, LLC, for the provision of on-the-job injury claim administration and case management services, for the period November 1, 2013 through October 31, 2014, in order to increase the amount of the Agreement by \$100,000 to a total aggregate amount not to exceed of \$994,000.

The County of Westchester provides Worker's Compensation/Job Injury benefits through a self-insured job injury program financed under Section 6J of the New York State General Municipal Law. On July 12, 2010, the Department of Finance (the "Department") issued a Request for Proposals ("RFP") for on-the-job injury claim administration and case management services for all County employees. The RFP sought proposals as the basis for a three-year contract, with an option on the part of the County to renew the contract for two additional one-year terms.

A total of five (5) proposals were received in response to the RFP. After careful review of each proposal with reference to the evaluation criteria set forth in the RFP, Triad Group, LLC ("Triad") was selected. Subsequent negotiations with Triad led to additional reductions in their prices from those submitted in the original proposal. The agreements for the three year period November 1, 2010 through October 31, 2013 and for the first additional one year option period November 1, 2013 through October 31, 2014 were subsequently executed.

As a result of an increase in the number of on-the-job injury claims from November 1, 2013 to the present, authority is respectfully requested for the County to amend the contract with Triad for the first option period, in order to increase by \$100,000 the portion of the agreement with Triad for on-the-job injury/illness claim administration and case management services, for the period November 1, 2013 through October 31, 2014, for a new total amount not to exceed of \$554,000. The loss adjustment expense portion of the first option period, which are expenses for any necessary independent case management and medical examinations, claimant surveillances, rehabilitation or retraining programs, court stenographers, etc., remains at the previously established contract price of \$440,000. Therefore, the agreement for the first option period, November 1, 2013 through October 31, 2014, as amended hereby, will be in an aggregate amount not to exceed \$994,000.

The proposed amendment agreement will serve a public purpose by helping enhance the efficiency and effectiveness of the County's on-the-job injury claim administration and case management services as well as its Workers' Compensation program.

The goals and objectives of the proposed agreement are to provide a cost effective solutions to monitor, track and administer these cases.

The goals and objectives of the proposed agreement are in the best interests of the County in terms of fiscal responsibility, as the County having more efficient and effective on-the-job injury claim administration and case management services will ultimately reduce the County's Workers' Compensation-related costs.

The goals and objectives of the proposed agreement will be tracked and monitored by the Department of Finance on a monthly basis through regular consultations with, and briefings by, Triad on various topics covering such issues as their effort in reducing County expenses associated with medical treatment; their successes in controlling costs and exposing fraud and abuse; and their delivery of appropriate benefits fairly, promptly, and accurately. The proposed agreement will also require quarterly meeting to discuss settlements of ongoing cases in an effort to reduce the exposure of the County's self-insurance program.

I recommend for your favorable consideration the annexed proposed Resolution.

RESOLUTION

Upon a communication from the Commissioner of Finance, be it hereby

RESOLVED, that the County of Westchester (“the County”) is hereby authorized to amend the contract with Triad Group, LLC (“Triad”) for the first option period, pursuant to which Triad will provide on-the-job injury/illness claim administration and case management services, for the period November 1, 2013 through October 31, 2014 (the “Agreement”), in order to increase the per-claim basis portion of the Agreement from \$454,000 to a total amount not to exceed of \$554,000 while the loss adjustment expense of \$440,000 will remain the same , resulting in an aggregate amount of \$994,000; and be it further

RESOLVED, that this Agreement is also subject to further financial analysis of the impact of any New York State Budget (the “State Budget”) proposed and adopted during the term of this Agreement. The County shall retain the right, upon the occurrence of any release by the Governor of a proposed State Budget and/or the adoption of a State Budget or any amendments thereto, and for a reasonable period of time after such release(s) or adoption(s), to conduct an analysis of the impacts of any such State Budget on County finances. After such analysis, the County shall retain the right to either terminate this Agreement or to renegotiate the amounts and rates approved herein. If the County subsequently offers to pay a reduced amount to the Contractor, then the Contractor shall have the right to terminate this Agreement upon reasonable prior written notice; and be it further

RESOLVED, that the County Executive or his duly authorized designee is authorized and empowered to execute all documents and to take all action necessary to accomplish the purposes hereof.

	Claim Administration	Loss Adjustment	Total
Original Agreement:	\$454,000	\$440,000	\$894,000
This Amendment:	\$100,000	0	\$994,000

Account to be Charged/credited	Year	Fund	Dept.	Major Program Program & Phase Or Unit	Object/ Sub Object	Trust Account	Activity	Dollars
	2014	613	57	0008	4280	N/A	N/A	\$100,000.00

Budget Funding Year(s): 2014 Start Date 11/1/13 End Date 10/31/14

Tax Dollars _____
 State Aid _____
 Federal Aid _____
 Other- 6 J Fund X
\$ 100,000
 (Must match resolution)