



**CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING**

#15-1345

TO: Honorable Mayor & Members of the
Fort Lauderdale City Commission

FROM: Lee R. Feldman, ICMA-CM, City Manager

DATE: November 17, 2015

TITLE: Motion to Approve Contract Extension for Workers' Compensation Claims
Administration Services - Gallagher Bassett Services, Inc. - \$311,427

Recommendation

It is recommended that the City Commission approve the extension of a contract for workers' compensation claims administration services for a period up to nine months commencing on January 1, 2016 with Gallagher Bassett Services, Inc. in the amount of \$34,603 per month, not to exceed a total amount of \$311,427.

Background

On August 23, 2011 (CAR 11-1133), the City Commission awarded Contract 115-10783 for a period of three years with a one-year renewal option to the top ranked proposer, Gallagher Bassett Services, Inc. The contract was effective October 1, 2011 through September 30, 2015.

On September 1, 2015 (CAM 15-1008), the City Commission approved a three-month extension on the existing contract. This additional time was intended to allow for rewording of the RFP language due to a lack of transparencies in the workers' compensation third party administration industry. Since that time, staff has discovered additional concerns with pricing structures in this field.

A new Request for Proposals (RFP) is being solicited; however, in order to draft an RFP that addresses the complexities associated with the lack of transparency in the industry and to provide a more competitive process of bidding, staff is requesting a nine-month extension of the current contract at the same terms and conditions.

Pursuant to Section 2-173 Code of Ordinances of the City of Fort Lauderdale, Florida, these services are unique in nature and not readily subject to competition for the additional time period needed to complete the solicitation process and are therefore deemed proprietary.

Resource Impact

There will be a fiscal impact to the City in the amount of \$311,427.

<i>Funds available as of October 12, 2015</i>					
ACCOUNT NUMBER	INDEX NAME (Program)	CHARACTER CODE/ SUB-OBJECT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	PURCHASE AMOUNT
543-INS010101-5124	Self-Insurance Claims	Non-Operating Expenses / Work Comp Admin	\$11,675,000	\$11,627,077	\$311,427
PURCHASE TOTAL ►					\$311,427

Strategic Connections

This item is a *Press Play Fort Lauderdale Strategic Plan 2018* initiative, included within the Internal Support Cylinder of Excellence, specifically advancing:

- Goal 12: Be a leading government organization, managing our resources wisely and sustainably.
- Objective 1: Ensure sound fiscal management.

This item advances the *Fast Forward Fort Lauderdale 2035 Vision Plan: We Are United*.

Attachment

Exhibit 1 – Letter of Understanding

Prepared by: AnnDebra Diaz, Finance
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Department Directors: Averill L. Dorsett, Human Resources
Kirk Buffington, Finance