



CITY OF OAKLAND

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OAKLAND

2013 MAY 31 AM 9:23

# AGENDA REPORT

**TO:** DEANNA J. SANTANA  
CITY ADMINISTRATOR

**FROM:** Jim Reese

**SUBJECT:** WORKERS' COMPENSATION  
ADMINISTRATION SERVICES

**DATE:** May 21, 2013

City Administrator  
Approval

Date:

5/31/13

COUNCIL DISTRICT: City-Wide

## RECOMMENDATION

Resolution awarding a contract to JT2 Integrated Resources for the provision of Workers' Compensation Administration Services for a contract amount of \$2,477,278.82 for Contract Year 2013-14 and a contract amount of \$2,477,278.82 for Contract Year 2014-15 with an option to extend the agreement for three additional two-year terms for a total contract amount of \$2,528,668.18 for Contract Year 2015-16, \$2,581,599.23 for Contract Year 2016-17, \$2,636,118.21 for Contract Year 2017-18, \$2,692,272.75 for Contract Year 2018-19, \$2,750,111.94 for Contract Year 2019-20, \$2,809,686.29 for Contract Year 2020-21. The total contract amount for the full eight years is \$20,953,014.24.

## EXECUTIVE SUMMARY

The State of California requires all employers to provide Workers' Compensation benefits to employees who become injured or ill as a result of their work. The City of Oakland is self-insured for the provision of these Workers' Compensation benefits. Since 1977, the City has utilized the services of licensed Third Party Administration (TPA) firms for the delivery of Workers' Compensation benefits. The current TPA contract, with JT2 Integrated Resources, expires August 31, 2013. Staff has recently completed the Request for Proposal (RFP) process for Workers' Compensation Third Party Claims Administration Services.

Staff recommends that Council authorize the City Administrator to enter into a two-year contract for Workers' Compensation TPA Services with JT2 Integrated Resources (JT2). JT2 submitted the most qualified bid and scored highest in the review of qualifications process.

Staff further recommends that Council authorize the City Administrator to exercise the option to extend this contract for up to three additional two-year terms should the recommended contractor demonstrate acceptable performance in the delivery of the contracted services.

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Acceptable services will be determined by negotiated performance measures and an independent performance audit commissioned by the Department of Human Resource Management – Risk and Benefits Division at the end of each contract year.

### OUTCOME

Authorization of this action will result in a contract with JT2 Integrated Resources for the provision of Workers' Compensation Administration Services for the City of Oakland without a necessary break in services and program transition.

### BACKGROUND/LEGISLATIVE HISTORY

All employers in the State of California are mandated to provide Workers' Compensation (WC) benefits to its employees. The administration of workers' compensation benefits by public agencies is accomplished by one of three systems: insured, self-insured/self-administered, or self-insured/third-party administered. The City of Oakland is permissibly self-insured by the State of California and managed its workers' compensation administration in-house until 1977, as did many other public agencies. Since Fiscal Year 1977-78, the City of Oakland has used the option of a third party administrator for claims management.

In 2001, the contract for Workers' Compensation TPA Services was awarded JT2 Integrated Resources. In 2003 and 2005, the City exercised its option to extend the contract with this team based on acceptable services. Again, in 2007, following a competitive bid process, the City awarded the Workers' Compensation TPA Services contract to JT2 and exercised its option to extend the contract in 2009 and 2011 based on acceptable services. No additional contract extensions are available under the 2007 agreement. The current contract expires August 31, 2013.

The City conducted a RFP process seeking the most qualified vendor to provide these services beginning September 1, 2013. On April 3, 2013, the RFP for Workers' Compensation TPA Services was released. The RFP process sought to determine the most overall qualified TPA to service the needs of the City in its efforts to achieve the Council's goal of reducing Workers' Compensation Program costs. The services sought included, but were not limited to, certain enhancements of traditional Workers' Compensation Claims Administration services such as:

- Triage, takeover and management of all existing Workers' Compensation claims with minimum interruption of services and ongoing provision of benefits;
- Comprehensive Claims Administration for all new and existing Workers' Compensation claims filed by City of Oakland employees;
- Early Intervention and Transitional Work Program services for all occupational (and optionally non-occupational) disabilities;
- Utilization Review and Managed Care services for all occupational disabilities;
- Bill Review services for all invoiced medical services, including therapeutic and prescription services related to all occupational disabilities

- Preferred provider network option (PPO) participation for all medical services required to cure or relieve any/all occupational disabilities;
- Telephonic / Electronic Claim Reporting capabilities for all City departments;
- Onsite Database Information and Reporting access capabilities for certain City locations;
- Miscellaneous Services including Toll-Free Fraud Hotline, Fast Track Claims Unit, Special Investigations Unit, Subrogation Unit, Medicare set-aside Administration;
- Onsite Special Services that may be determined necessary to contain claim costs or mitigate loss exposures due to changes in work, newly recognized exposures or regulatory changes;
- Provide City departments and injured employees toll-free access to encourage and promote initial and ongoing communications;

In preparation for the RFP process, Risk Management utilized the services of Alliant Insurance, the City's excess workers' compensation insurance broker to assist in the development and review of the Workers' Compensation TPA RFP. Utilizing the City's primary insurance broker, Alliant Insurance Senior Vice President, Lilian VanVieldt, as a process facilitator, the City was able to ensure a balanced and equitable process was utilized in the solicitation and selection phases of this process.

On April 3, 2013, the City Administrator's Office - Contract Compliance issued a Request for Proposal for the provision of Workers' Compensation Program Services. Invitations to participate in the process were sent to eleven (11) Workers' Compensation Third Party Administration firms who had previously expressed interest in participating in the RFP process or were recommended by our insurance broker.

The City also advertised in local papers and made the RFP document available on the City's website. A mandatory Bidders' Conference was held on April 16, 2013. Four (4) TPAs attended the Bidders' Conference. In order to accommodate specified timelines in the City's Professional Services Program, the published submission deadline was set for April 22, 2013.

At the specified closing time on April 22, 2013, a total of four (4) proposals were received from the interested firms. To date, no other proposals have been received. All four proposals received were found to be qualified as they met the minimum requirements outlined in the RFP and cover letter. All qualified bidders participated throughout the review process which included staff review of the submitted proposal documents and oral presentations / interviews.

The oral interview panel consisted of one City representative and two external representatives, including:

- Staff representative from Finance and Management Agency, Risk Management;
- Insurance Broker from Alliant Insurance Services, Newport Beach, CA; and
- Workers' Compensation Manager, CSAC-Excess Insurance Authority, Folsom, CA.

Oral Presentations/Interviews were conducted on April 30 and May 1, 2013. Questions were developed by the insurance broker for use by the interview panel and the results were recorded.

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Following the oral presentations, the panel made recommendations identifying the ranking of the interviews for the City's consideration.

Based on the review process, the vendors were scored as indicated below. A detailed Qualifications Matrix is provided as Attachment A for further information.

<u>Third Party Administrator</u>	<u>Proposal Review Score</u>	<u>Fixed Two-Year TPA Admin. Cost</u>	<u>Fixed Transition Cost</u>	<u>Annual Bill Review Fee</u>	<u>Sub-contract</u>	<u>Overall Ranking</u>
JT2 Integrated Resources (1)	92.35 pts	\$3,425,957.64	\$0	\$513,000	Quality Staffing (QAS) (Oakland) – Specialty Staffing	1
Intercare Holdings, Inc.	84.95 pts	\$3,384,822	\$10,000	\$370,500	Norm Peterson Assoc (Ashland, OR) – RTW Svcs	2
Athens Administrators Keenan	60.16 pts	\$3,185,831	\$15,000	\$407,000	none	3
	40.98 pts	\$4,478,756	\$0	\$754,000	360 Total Concept (Oakland)- Community Outreach	4

(1) Attachment B provides a summary of the total contract schedule, including alternative services.

### ANALYSIS

State law mandates and City Memorandums of Understanding (MOUs) require that the City provide workers' compensation benefits to all City employees. The City is permissibly self-insured by the State of California. Failure to comply with State laws pursuant to the California Labor Code can expose the City to significant fines and penalties as well as loss of its self-insurance certification. Without authority to self-insure, the City would have to purchase premium-based Workers' Compensation Insurance. It is estimated that the premiums for first-dollar coverage Workers' Compensation Insurance would cost between \$30 to \$35 million annually and would far exceed current annual workers' compensation costs.

To self-administer the workers' compensation program internally, the level of staffing necessary would equate to approximately 20 Full-Time Equivalent (FTE) positions, or approximately \$2.25 million per year in salary and benefits alone. Additional costs that would need to be factored in to maintain this operation in-house include ongoing training and certification of staff, errors and omissions insurance, facilities and equipment acquisitions and maintenance, a specialized computer system and licensing, etc. Ultimately, securing the same services from a qualified vendor is more cost effective and removes much of the liability associated with Claims Administration from the City. It also allows the City to benefit from the pool of resources brought by qualified TPAs that can ultimately enhance the City's Disability Management efforts.

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Matters that should be considered in the selection of a Workers' Compensation TPA as a Disability Management Team member include the firm's ability to:

- Provide timely response to client needs,
- Present new ideas and innovations related to claims administration and disability management, and
- Work collaboratively with other vendors that make up the overall Disability Management team.

While each vendor presented their proposal for addressing the City's program objectives, staff believes that the recommended firm is best prepared to contribute valuable expertise and experience to the team, while maintaining the fluidity and flexibility necessary for the program adjustments that will take place as the Disability Management program matures.

As noted previously, the recommended vendor, JT2 Integrated Resources, has provided Third Party Administration Services to the City of Oakland since 1997. In their current proposal, JT2 has modified their claims management model that enabled them to offer the same services for a reduced administration fee as compared to the expiring contract. The proposed model results in a fee reduction of nearly \$450,000 in the first two years of the contract. This is accomplished by restructuring the staffing model on which the expiring contract was based. This demonstrates JT2's ability to provide a flexible service delivery model and to adjust their services based on the needs of the City.

#### **PUBLIC OUTREACH/INTEREST**

The RFP was advertised in local newspapers and made available on the City's iSupplier system to encourage participation by qualified local firms.

#### **COORDINATION**

The RFP process was conducted in coordination with the Contract Compliance Division to ensure compliance with the City's contracting requirements. This report has been reviewed by the City Attorney's Office and the Budget Office.

#### **FISCAL/POLICY ALIGNMENT**

The proposed contract with JT2 Integrated Resources would provide Workers' Compensation Third Party Administration (TPA) Services for Contract Year 2013-14 for contract amount of \$2,477,278.82 for Contract Year 2013-14 and for a contract amount of \$2,477,278.82 for Contract Year 2014-15. The two year contract amount for Contract Years 2013-15 would not exceed \$4,954,557.64. Inclusive in this amount are Administrative Services Fees of \$1,712,978.82 per year, Bill Review Fees of \$513,000 plus 10% overage contingency of \$51,300 per year and \$200,000 for Loss Control and Disability Management Services per year. The funding for this contract is contained within Fund 1150 – Workers' Compensation Insurance

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Claims Fund, and no additional budgetary adjustment is necessary. The contract year for this contract runs from September 1 through August 31.

Extension of this contract for three additional two-year terms, upon satisfactory performance, would result in a contract amount of \$2,528,668.18 for Contract Year 2015-16, \$2,581,599.23 for Contract Year 2016-17, \$2,636,118.21 for Contract Year 2017-18, \$2,692,272.75 for Contract Year 2018-19, \$2,750,111.94 for Contract Year 2019-20, \$2,809,686.29 for Contract Year 2020-21. The Administrative Fee portion of the contract is subject to a Consumer Price Index (CPI) increase or 3%, whichever is less, during years 3 through 8 of this agreement. The first two years of the contract will not be eligible for an increase (*See Attachment B.*) The CPI will be based on the Consumer Price Index - Urban Wage Earners and Clerical Workers (CWURA422SA0) for San Francisco-Oakland-San Jose, CA.

These costs are inclusive of all required and specified program elements with the exception of Managed Care Services and Return to Work/Transitional Duty Coordination Services which are charged against individual claims as allocated services. Note that this amount also does not include Workers' Compensation benefits costs, as the costs of benefits are paid to employees on behalf of the City by the TPA, rather than to the TPA for their administration services.

The issues addressed in this report directly pertain to disability issues, as they may impact City employee's who become injured or ill on-the-job. The legal, efficient and competent administration of a workers' compensation claims dovetails into the City's collateral obligations, as an employer, pursuant to the Federal Housing and Employment Act (FEHA), the Americans with Disabilities Act (ADA) and worker-related disability retirement issues.

JT2 Integrated Resources has best demonstrated the ability to assist the City in compliance with the regulations across the multitude of forums which may be intersected by a workers' compensation claim.

### COST SUMMARY/IMPLICATIONS

Based on the results of the review process summarized above, staff recommends that the Council authorize the City to enter into an agreement with JT2 Integrated Resources for the provision of Workers' Compensation Administration Services. The overall scoring ranked JT2 Integrated Resources as the most qualified for the contract services, staff recommends JT2 Integrated Resources over the other submitting vendors for a number of reasons.

1. JT2 provided documented evidence of their ability to reduce overall program costs based on experiences in the past years experience. They have demonstrated their ability to flex and grow with the City's program as changes presented themselves.
2. JT2 has consistently met or exceeded the performance measure standards established under the prior contract and has consistently impressed the independent auditors with the quality of their claims management practices. Recently they were added as a preferred Third Party Administrator for CSAC-Excess Insurance Authority to provide similar

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services to their member public agencies.

3. JT2 has historical knowledge of the City and its internal operations. Past experience has shown that any transition period from one TPA to another usually results in claims management difficulties for the first 9 to 12 months of the transition period. These difficulties usually result in penalties being imposed on the City due to late claim payments or other violations of the state labor code.
4. The transition difficulties also usually result in increased claims liability due to re-adjusting of reserved due to the new firm's lack a familiarity with the City's program and use patterns. This increased future liability translates to increased assessments imposed by the State of California through its Self-Insurance and Fraud Assessment Program.
5. JT2 has demonstrated that they have a vested interest in working with the City of Oakland as their "flagship" account and continue to commit to strategically change and adjust with the City's needs as the program prepares to go to the next level of Claims Management.

Significant changes proposed under the upcoming contract include the requirements to:

- Maintain adjuster case loads at 125 claims per adjuster, except for Future Medical cases, where the case load will not exceed 250 claims. Studies have shown that where adjusters have a lower caseload, they are able to provide more detailed and direct claims management and cost containment services. As such, the City has directed the caseload remain at 125 per adjuster for non-future medical claims.
- Perform a complete file review focusing on closure potential for all open claims. JT2 has proposed to undergo this review within the first 90 days of the contract. Staff will direct the TPA to provide critical consideration for closing the "stale" claims regardless of their potential for activity in the future.
- Participate in a Risk Management Program Review to determine areas in the overall Risk Management Program where strategic program changes could benefit the City.
- Participate in at least three different annual reviews, including annual actuarial analysis, annual claims audit and annual utilization review/bill review audit. These three review processes will allow the City an opportunity to critically review the performance of the TPA and make any necessary adjustments as recommendations are brought to light by the various review consultants.
- Participate in quarterly financial variance meetings to closely monitor fluctuations in program costs and determine where tighter controls or strategic program changes are needed as cost containment strategies. This is in addition to the monthly and quarterly claims review meetings already provided at the department level.

- Provide early intervention/return to work services as well as FEHA Consulting and Loss Control Services to further contain and mitigate loss exposure potential related to the integration of the City's Disability Management Programs.
- Participate in the joint public entity lobby efforts to increase employer/physician collaboration for the purpose of closing long-term or problematic medical claims.
- Facilitate Critical Claims Review meetings for highly complex or catastrophic workers' compensation claims that require collaboration among several specialty areas, such as legal, medical, Human Resources, Employee Relations, etc.
- Development of an early "interactive process" program that will streamline the timeframe for the City to activate and fully comply with its FEHA/ADA and FMLA programs.

JT2 Integrated Resources, of Pleasanton, CA, has been providing Workers' Compensation Administration Services since 1986. JT2 has managed the City's account in Oakland since 2001 at their downtown Oakland offices in the Dufwin Towers building, located at 519-17<sup>th</sup> Street. JT2 included a small local firm, Quality Assurance Services (QAS), as a significant subcontract to their proposal. QAS is a firm established in 2003 with the primary focus of temporary placement of technical claims personnel. QAS will be assigned claims handling work, under close supervision of the primary contractor, JT2.

JT2 continues under the ownership of the three of the original individual owners. They specialize in Workers' Compensation claims administration, and are not a subsidiary to a larger health maintenance corporation, investment or insurance company. JT2 has committed to continuing its partnership with the City of Oakland in the administration of our Workers' Compensation Program.

To ensure that awarding this contract to JT2 or any other vendor, will not result in "business as usual" service, staff is prepared to utilize the three levels of program audits which will include measurable, auditable performance standards to be utilized throughout the contract period. Additional review processes will be instituted including quarterly subrogation/fraud meetings, quarterly financial review meetings and regular account reviews performed by the City Controller's Office.

#### **PAST PERFORMANCE, EVALUATION AND FOLLOW-UP**

JT2 Integrated Resources has worked with the City as primary provider of workers' compensation administration services since 2001. JT2 participated in a mentor-protégé relationship with EOS Services during contract years 1997 through 2001. Throughout the term of the contracts, JT2 has participated in annual independent claims audits, annual actuarial analysis' and two program audits. In all instances, JT2 has demonstrated the ability to meet best practice standards used throughout the industry.



## **SUSTAINABLE OPPORTUNITIES**

**Economic:** JT2 Integrated Resources is certified as a Small, Local Business Enterprise (SLBE) for the City of Oakland. They have partnered with QAS in a mentor-protégé program, which is also a certified SLBE. JT2 has demonstrated their support of small, local and disadvantaged businesses through the utilization of these firms as part of the ancillary services associated with direct claims expense.

**Environmental:** There are no environmental opportunities associated with this report.

**Social Equity:** There are no social equity opportunities associated with this report.

## **CEQA**

This report is not a project under CEQA.

For questions regarding this report, please contact Deborah Grant, Risk Manager, at (510) 238-7165.

Respectfully submitted,



Jim Reese  
Interim Director, Department of Human  
Resources Management & Information  
Technology

*Prepared by:*  
*Deborah Grant, Risk Manager*  
*Risk and Benefits Division*

## **Attachments (3)**

***Attachment A – Vendor Qualifications Matrix***

***Attachment B - Contract Amount Schedule***

***Attachment C - Resolution***

**ATTACHMENT A  
VENDOR QUALIFICATION MATRIX**

VENDOR NAME	OVERALL RANKING	2 YEAR TPA ADMIN COST	TRANSITION FEE	PROPOSED STAFFING LEVEL	PUBLIC AGENCY (NON-JPA) CLIENTS W/ >2,500 EMPL.	BILL REVIEW ANNUAL COST (% SAVINGS)	HQ LOCATION	SUBS. RECEIVING CONTRACT DOLLARS	ADDED SVCS
JT2 INTEGRATED RESOURCES	1 (92.35 PTS)	\$3,425,957.64	\$0	13.5 FTE	4	\$513,000 \$27.00/bill (70.13%) – PPO savings below MFS	PLEASANTON, CA	QUALITY STAFFING – Specialty Staffing (OAKLAND)	LOSS CONTROL; FEHA CONSULT; INS. RECOVERY;
INTERCARE HOLDINGS	2 (84.98 PTS)	\$3,384,822	\$10,000	16.0 FTE	4	\$370,500 \$19.50/bill (68.9%) – <i>no PPO savings below MFS</i>	ROCKLIN, CA	NORM PETERSON & ASSOC – Return to Work Svcs (ASHLAND, OR)	INS. RECOVERY
ATHENS ADMINISTRATORS	3 (60.16 PTS)	\$3,185,831	\$15,000	11.0 FTE	2	\$407,000 \$25.00/ bill (68.0%) – PPO savings below MFS	CONCORD, CA	NONE	INS. RECOVERY; PREDICTABILITY SYSTEM
KEENAN	4 (40.98 PTS)	\$4,478,756	\$0	16.0 FTE	0	\$754,000 \$35.00/bill (53.0%) – PPO savings below MFS	TORRANCE, CA	TOTAL 360 – Community Relations Svcs (OAKLAND)	INS. RECOVERY

**Attachment B  
Contract Amount Schedule**

<b>Contract Year</b>	<b>CY 2013-14</b>	<b>CY 2014-15</b>	<b>CY 2015-16</b>	<b>CY 2016-17</b>	<b>CY 2017-18</b>	<b>CY 2018-19</b>	<b>CY 2019-20</b>	<b>CY 2020-21</b>
	<b>Yr 1</b>	<b>Yr2 (frozen)</b>	<b>Yr3 (+3%)</b>	<b>Yr4 (+3%)</b>	<b>Yr5 (+3%)</b>	<b>Yr6 (+3%)</b>	<b>Yr7 (+3%)</b>	<b>Yr8 (+3%)</b>
<b>Administrative Fees</b>	\$1,712,978.82	\$1,712,978.82	\$1,764,368.18	\$1,817,299.23	\$1,871,818.21	\$1,927,972.75	\$1,985,811.94	\$2,045,386.29
<b>Bill Review Fees</b>	\$513,000.00	\$513,000.00	\$513,000.00	\$513,000.00	\$513,000.00	\$513,000.00	\$513,000.00	\$513,000.00
<b>Bill Review Overage (10%)</b>	\$51,300.00	\$51,300.00	\$51,300.00	\$51,300.00	\$51,300.00	\$51,300.00	\$51,300.00	\$51,300.00
<b>Alternative Services - Loss Control &amp; FEHA Svcs</b>	\$200,000.00	\$200,000.00	\$200,000.00	\$200,000.00	\$200,000.00	\$200,000.00	\$200,000.00	\$200,000.00
<b>Total Contract Amount</b>	\$2,477,278.82	\$2,477,278.82	\$2,528,668.18	\$2,581,599.23	\$2,636,118.21	\$2,692,272.75	\$2,750,111.94	\$2,809,686.29

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FILED  
OFFICE OF THE CITY CLERK  
OAKLAND  
Approved as to Form and Legality

2013 MAY 31 AM 9:23

**OAKLAND CITY COUNCIL**

City Attorney

RESOLUTION NO. \_\_\_\_\_ C.M.S.

Introduced by Councilmember \_\_\_\_\_

**RESOLUTION AWARDDING A CONTRACT TO JT2 INTEGRATED RESOURCES FOR THE PROVISION OF WORKERS' COMPENSATION ADMINISTRATION SERVICES FOR A CONTRACT AMOUNT OF \$2,477,278.82 FOR CONTRACT YEARS 2013-14 AND A CONTRACT AMOUNT OF \$2,477,278.82 CONTRACT YEAR 2014-15 WITH AN OPTION TO EXTEND THE AGREEMENT FOR THREE ADDITIONAL TWO-YEAR TERMS FOR A TOTAL CONTRACT AMOUNT OF \$2,528,668.18 FOR CONTRACT YEAR 2015-16, \$2,581,599.23 FOR CONTRACT YEAR 2016-17, \$2,636,118.21 FOR CONTRACT YEAR 2017-18, \$2,692,272.75 FOR CONTRACT YEAR 2018-19, \$2,750,111.94 FOR CONTRACT YEAR 2019-20, \$2,809,686.29 FOR CONTRACT YEAR 2020-21.**

**WHEREAS**, the City Council desires workers' compensation third party claims administration services; and

**WHEREAS**, after engaging in an RFP process, the City determined that JT2 Integrated Resources provided the most efficient and effective option for the provision of workers' compensation third party claims administration services; and

**WHEREAS**, the City Council desires that the contract for services include performance measures for meeting goals specified in the contract in order to qualify for ongoing renewal of the contract within the specified terms of the contract; and

**WHEREAS**, the agreement provides that for the performance of the services JT2 Integrated Resources will be paid a contract fee and contract renewal is based on acceptable performance as determined by an independent audit; and

**WHEREAS**, pursuant to the City Council's motion authorizing the agreement with JT2 Integrated Resources, the agreement provides that the term thereof shall be two years with three options on the City's part to extend the term of the agreement for an additional two years; and

**WHEREAS**, most services will be charged under the claims administration fees, but the contract amount also includes other specialized professional services provided on an as-needed basis and may not be charged to the full extent of the allocation; and

**WHEREAS**, these specialized professional services include, but are not limited to, Bill Review Services, FEHA Interactive Process Services, and Loss Control Services; and

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WHEREAS, the City Council finds that this contract is for services of a professional nature; and

WHEREAS, the City Council finds that services under this contract will be temporary; and

WHEREAS, the City Council finds that this contract shall not result in the loss of employment or salary by any person having permanent status in the competitive service; now, therefore be it

**RESOLVED:** That a contract is awarded to JT2 Integrated Resources to provide Workers' Compensation Third Party Administration services for a contract amount of \$2,477,278.82 For Contract Year 2013-14 and for a contract amount of \$2,477,278.82 for Contract Year 2014-15; and be it

**FURTHER RESOLVED:** That upon acceptable performance as determined by an independent audit, the City Administrator is authorized to extend the term of the contract for three (3) additional two-year terms for a total contract amount of \$2,528,668.18 for Contract Year 2015-16, \$2,581,599.23 for Contract Year 2016-17, \$2,636,118.21 for Contract Year 2017-18, \$2,692,272.75 for Contract Year 2018-19, \$2,750,111.94 for Contract Year 2019-20, \$2,809,686.29 for Contract Year 2020-21; and be it.

**FURTHER RESOLVED:** That funding for these contract services is contained in the FY 2013-15 Proposed Policy Budget in the Workers' Compensation Fund (1150); and be it

**FURTHER RESOLVED:** That the City Administrator is authorized to complete all negotiations and execute all contracts, amendments, modifications and extensions consistent with this resolution and its basic purposes.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 20\_\_\_\_

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID, SCHAAF, and  
PRESIDENT KERNIGHAN

NOES -

ABSENT -

ABSTENTION -

ATTEST: \_\_\_\_\_  
LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California