

**CITY OF SAN ANTONIO
OFFICE OF MANAGEMENT & BUDGET
INTERDEPARTMENTAL CORRESPONDENCE**

CONSENT AGENDA

ITEM NO. 25

TO: Mayor and City Council

FROM: Louis A. Lendman, Director of Office of Management & Budget

THROUGH: Terry Brechtel, City Manager

COPIES TO: Milo Nitschke, Director of Finance; Michael Rich, Risk Manager; File

SUBJECT: Professional Services Contract for Third Party Administrator

DATE: September 25, 2003

SUMMARY AND CONCLUSIONS

This Ordinance authorizes the City Manager or her designee to renew a contract with Cambridge Integrated Services Group, Inc. to provide Third Party Claims Administration Services for the City's Self-Insured Liability and Workers' Compensation programs. The term of the contract renewal will be for a one-year period beginning October 1, 2003 through September 30, 2004, at a cost of \$1,061,500.

Staff recommends approval of this ordinance.

BACKGROUND

The City employs a Third Party Administrator to process, investigate, adjust, negotiate, and make payments for claims in accordance with the requirements of the Texas Workers' Compensation Act and the Texas Tort Claims Act. The City has had its Workers' Compensation program administered since 1974 and its Liability program administered since 1983 through various third party administrators. The Third Party Claims Administrator provides a vital service to the City by processing approximately 1,900 Workers' Compensation and 1,400 Liability claims a year.

Pursuant to Ordinance No. 92177, the City Manager and the Chief Operations Manager of Cambridge Integrated Service Group, Inc. executed an agreement for the provision of Third Party Claims Administration Services for an initial one-year period, which allowed for a renewal for four (4) successive one (1) year periods. The cost for this renewal period is \$1,061,500.00. Through this Ordinance the City will be exercising its third renewal option under the same terms and conditions.

POLICY ANALYSIS

On July 27, 2000, City Council passed and approved Ordinance 92177 which authorized the execution of the original contract between the City and Cambridge Integrated Services Group, Inc. On September 27, 2001, the first renewal of this contract was passed and approved by City Council pursuant to Ordinance 94620. On October 31, 2002, City Council passed and approved Ordinance 96653, which authorized the second renewal. This Ordinance will authorize the continuation of these services for an additional year as provided for in this contract.

FISCAL IMPACT

Third Party Claims Administration Services are budgeted for annually in the Self-Insurance Workers' Compensation and Liability Funds. The sources of these funds include operating revenues through departmental assessments for risk management services and non-operating revenues. Non-operating revenues include interest on time deposits, stop loss payments and recovery of subrogated claims. This Ordinance will authorize one full year of Third Party Claims Administration Services and recurring expenditures for subsequent years **will** be requested through Ordinance annually.


COORDINATION

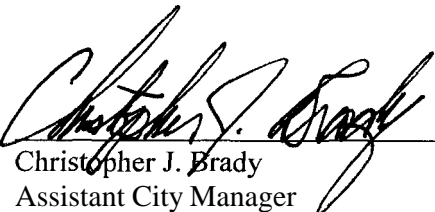
The Office of Management & Budget has coordinated this item with the City Attorney's Office and Finance Department.

SUPPLEMENTAL COMMENTS

The City's Risk Manager has evaluated the services provided by Cambridge Integrated Services Group, Inc. and has determined them to be in compliance with the scope of services contained in the contract. I concur with this evaluation. The Discretionary Contracts Disclosure Form is attached.


SIGNATURES



Louis A. Lendman
Director of Office of Management & Budget

Christopher J. Brady
Assistant City Manager

APPROVED:



Terry M. Brechtel
City Manager

City of San Antonio Discretionary Contracts Disclosure*

For use of this form, see City of San Antonio Ethics Code, Part D, Sections 16.2

Attach additional sheets if space provided is not sufficient.

State "Not Applicable" for questions that do not apply.

* This form is required to be supplemented in the event there is any change in the information under (1), (2), or (3) below. Before the discretionary contract is the subject of council action, and no later than five (5) business days after any change about which information is required to be filed.

Disclosure of Parties, Owners, and Closely Related Persons

For the purpose of assisting the city in the enforcement of provisions contained in the City Charter and the code of ethics, an individual or business entity seeking a discretionary contract from the city is required to disclose in connection with a proposal for a discretionary contract

(1) the identity of any individual who would be a party to the discretionary contract

No individual, Cambridge Integrated Services Group, Inc. only-

(2) the identity of any business entity that would be a party to the discretionary contract and the names of

(3) any individual or business entity that would be a subcontractor on the discretionary contract

Subcontractor will be utilized only at the direct consent of the City of San Antonio, and subcontractors will be required to meet the minimum specifications and service standards required by the City of San Antonio. Please refer to the proposal for recommended subcontractors-

(4) any individual or business entity that is known to be a partner, officer, or subsidiary business entity of any individual or business entity who would be a party to the discretionary contract

Cambridge can provide all services proposed in this contract without any other individual or business entity.

(5) the identity of any employee or public relations firm employed for purposes relating to the discretionary contract being sought by any individual or business entity who would be a party to the discretionary contract

None-

* 1. A business entity means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, unincorporated association, or any other entity recognized by law.

Political Contributions

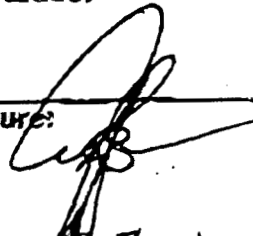
An individual or business entity seeking a discretionary contract from the City must disclose in connection with a proposal for a discretionary contract all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made directly or indirectly to any current or former member of City Council, any candidate for City Council, or any political action committee that contributes to City Council elections by any individual or business entity whose identity must be disclosed under (1), (2) or (3) above. Indirect contributions by an individual include, but are not limited to, contributions made by the individual's spouse, whether statutory or common law. Indirect contributions by an entity include, but are not limited to, contributions made through the efforts, officers, attorneys, or registered lobbyists of the entity.

To Whom Made:	Amount:	Date of Contribution:
None	N/A	N/A

Disclosures in Proposals

An individual or business entity seeking a discretionary contract with the City shall disclose any known facts which, reasonably understood, raise a question as to whether any City official or employee would violate Section 1 of Part B, improper Economic Benefit, by participating in official action relating to the discretionary contract.

To our knowledge Cambridge would not violate Section 1 Part B by participating in official action relating to the discretionary contract.

Signature: 	Title: Vice Chairman Company: Cambridge	Date: 9/19/03
Anthony R. Zembano	Cambridge	

For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require refusal or require careful consideration of whether or not refusal is required.