

**THIS IS A PROPOSED DRAFT AND WILL BE REPLACED BY THE FINAL,
SIGNED ORDINANCE OR RESOLUTION ADOPTED BY CITY COUNCIL**

ORDINANCE

AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH CANNON COCHRAN MANAGEMENT SERVICES, INC. TO PROVIDE SELF-INSURED WORKERS' COMPENSATION THIRD-PARTY CLAIMS ADMINISTRATION, RELATED SERVICES, AND CLAIMS ADMINISTRATION SOFTWARE FOR A THREE-YEAR TERM BEGINNING JANUARY 1, 2022, AND ENDING DECEMBER 31, 2024, WITH THE OPTION TO RENEW FOR TWO ADDITIONAL ONE-YEAR PERIODS WITH TOTAL COMPENSATION NOT TO EXCEED \$7,796,186.00 OVER THE ENTIRE TERM OF THE CONTRACT INCLUSIVE OF RENEWAL OPTION PERIODS.

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WHEREAS, the City of San Antonio ("City") released a Request for Proposals ("RFP") for Self-Insured Workers' Compensation Third Party Claims Administration, Related Services, and Claims Administration Software on March 22, 2021; and

WHEREAS, an evaluation committee comprised of various members of City Staff has evaluated the Proposals based on factors such as experience, background, qualifications, and proposed plan for each Respondent; and

WHEREAS, the Third Party Administrator is responsible for claims management, which involves the investigation, adjusting and payment of claims; medical cost containment, which involves bill review, utilization review and peer review of claims; pharmacy benefit management, which involves audit and payment of pharmacy bills in accordance with Texas Department of Insurance fee guidelines and negotiation of special pharmacy discounts; and

WHEREAS, the Third Party Administrator is also responsible for Risk Management Information System (RIMS) Services, which provides a claims platform for the City's internal liability claims handling; and

WHEREAS, City Staff recommends that the City enter into a Professional Services Agreement For Self-Insured Workers' Compensation Third Party Claims Administration, Related Services, and Claims Administration Software with Cannon Cochran Management Services, Inc. ("CCMSI") to provide said services to the City for a three (3) year term January 1, 2022 and ending December 31, 2024, with up to two (2) renewal terms of one (1) year each, at the City's option, for a total compensation not to exceed \$7,796,186.00. The contract also provides for costs of services paid to subcontractors, such as bill audit review and investigation services,

that are charged directly to the claim file and vary on a claim-by-claim basis; and

WHEREAS, upon consideration of this recommendation and after deliberations on the matter, the City Council desires to accept the Staff recommendation and authorize execution of this contract; **NOW THEREFORE**:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. Cannon Cochran Management Services, Inc. ("CCMSI") is hereby selected to provide Third-Party Claims Administration, Related Services, and Claims Administration Software for a period commencing on January 1, 2022, and ending on December 31, 2024, for an estimated cost of \$1,483,200.00 for the first year, and costs for subsequent years, including renewals, if authorized, as provided for in the contract. If all options are exercised, the total cost of the contract shall not exceed \$7,796,186.00.

The City Manager, the City Manager's designee, and the Director of the Office of Risk Management, are authorized to negotiate and execute a contract with CCMSI, that contains substantially the same terms and conditions as those attached hereto and incorporated herein for all purposes as Exhibit I, within thirty (30) calendar days of the effective date of this Ordinance. If the parties cannot execute a contract containing substantially the same terms and conditions as set forth in Exhibit I, within said 30 calendar days, then there shall be no authority to execute said contract unless there is subsequent City Council approval.

This contract may be renewed, at the City's option, for up to two successive one-year periods. This contract may also be extended on a monthly basis, not to exceed a total of one hundred eighty (180) days, beyond the term or any renewal period. Neither renewal nor extension shall require additional action by the San Antonio City Council, so long as funds are appropriated for the expenditures required thereby.

SECTION 2. Funding in the amount of \$1,483,200.00 for this ordinance is available in Fund 75003000, Cost Center 7509010003 and General Ledger 5201040 as part of the Fiscal Year 2022 Adopted Budget approved by City Council.

SECTION 3. Payment is authorized to Cannon Cochran Management Services, Inc. and should be encumbered with a purchase order.

SECTION 4. Additional funding in the amount of \$6,312,986.00 for future years is contingent upon City Council approval of the Fiscal Year 2023 Budget and subsequent budgets that fall within the term length of this contract.

SECTION 5. The financial allocations in this Ordinance are subject to approval by the Deputy Chief Financial Officer, City of San Antonio. The Deputy Chief Financial Officer may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific Cost Centers, WBS Elements, Internal Orders, General Ledger Accounts, and Fund Numbers as necessary to carry out the purpose of this Ordinance.

LR
11/17/2021
Item: _____

SECTION 6. This ordinance shall be effective immediately upon passage by eight affirmative votes; otherwise, it shall be effective on the tenth day after passage.

PASSED and APPROVED this the _____ day of November 2021.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Debbie Racca-Sittre, Interim City Clerk

Andrew Segovia, City Attorney