



May 12, 2025

To: Members of the Board of Directors

From: Darrell E. Johnson, Chief Executive Officer

Subject: Approval to Release Request for Proposals for Claims Administration of the Self-Insured Workers' Compensation Program

Overview

The Orange County Transportation Authority has developed a request for proposals to initiate the competitive procurement process to select a firm for the purpose of providing claims administration for the Orange County Transportation Authority Self-Insured Workers' Compensation Program.

Recommendations

- A. Approve the proposed evaluation criteria and weightings for Request for Proposals 5-3964 to select a firm to provide claims administration for the Orange County Transportation Authority's Self-Insured Workers' Compensation Program.
- B. Approve the release of Request for Proposals 5-3964 for a firm to provide claims administration for the Orange County Transportation Authority's Self-Insured Workers' Compensation Program.

Discussion

The State of California requires each employer to secure payment for workers' compensation as provided in Section 3700 of the Labor Code. An employer may be insured through an insurance company or be permissibly self-insured. The Orange County Transportation Authority (OCTA) received approval from the Director of the Industrial Relations Department to self-insure and self-administer its workers' compensation claims in 1979. OCTA contracts with and oversees a third party to administer the state-mandated claims process. The third-party administrator performs claims handling duties that include the investigation, evaluation, management of mandated benefits, and final resolution of claims.

The current contract for claims administration is set to expire on October 31, 2025, and a new contract is necessary to continue.

Procurement Approach

OCTA's procurement policies and procedures require that the Board of Directors (Board) approve the release of all requests for proposals (RFP) over \$1,000,000, as well as approve the evaluation criteria and weightings. Staff is submitting for Board approval the proposed RFP with evaluation criteria and weightings, which will be used to evaluate proposals received in response to this RFP.

The proposed criteria and weightings are as follows:

- | | |
|-------------------------------------|------------|
| • Qualifications of the Firm | 20 percent |
| • Staffing and Project Organization | 25 percent |
| • Work Plan | 30 percent |
| • Cost and Price | 25 percent |

Several factors were considered in developing the evaluation criteria weightings. Workers' compensation is a heavily regulated system requiring proper handling of claims within specific deadlines. To ensure these standards are met, the weight for qualifications of the firm is weighted at 20 percent. The firm must have a proven track record of handling complex and high-value claims. Staffing and project organization is weighted at 25 percent to ensure the firms propose a knowledgeable management team and staff that are experienced in all aspects of the administration of workers' compensation claims to cost effectively manage the claims process. Work plan is weighted highest at 30 percent to emphasize the importance of the proposing firms to effectively demonstrate their understanding and approach to completing the work specified in the scope of work. Cost and price is weighted at 25 percent to ensure competitiveness in proposed pricing to accomplish the required work and ensure that OCTA receives value for the claims administration provided.

The contract term for this procurement will be for a five-year term. The total cost for the term is anticipated to be \$2,800,000. This RFP will be released upon Board approval of these recommendations.

**Approval to Release Request for Proposals for Claims
Administration of the Self-Insured Workers' Compensation
Program**

Page 3

Fiscal Impact

The project will be included in OCTA's Proposed Fiscal Year 2025-26 Budget, pending Board approval, People and Community Engagement, Risk Management Department, Account No. 0041-7519-A2311-F41, and will be funded through the Local Transportation Fund.

Summary

Board of Directors' approval is requested to release Request for Proposals 5-3964 for claims administration for the Orange County Transportation Authority's Self-Insured Workers' Compensation Program and approval of the proposed evaluation criteria and weightings.

Attachment

- A. Draft Request for Proposals RFP 5-3964 Claims Administration of the Workers' Compensation Program

Prepared by:



Greg Bych
Department Manager,
Risk Management
714-560-5817

Approved by:



Maggie McJilton
Executive Director,
People and Community Engagement
714-560-5824



Pia Veasapen
Director, Contracts Administration and
Materials Management
714-560-5619