



***April 27, 2020***

**To:** Members of the Board of Directors  
**From:** Darrell E. Johnson, Chief Executive Officer  
**Subject:** Approval to Release Request for Proposals for Claims Administration Services of the Self-Insured Workers' Compensation Program

***Overview***

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

***Recommendations***

- A. Approve the proposed evaluation criteria and weightings for Request for Proposals 0-2202 to provide claims administrative services for the Orange County Transportation Authority's Self-Insured Workers' Compensation Program.
- B. Approve the release of Request for Proposals 0-2202 to select a firm to provide claims administrative services for a five-year term.

***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) has received approval from the Director of the Industrial Relations Department to self-insure and self-administer its workers' compensation claims. 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.

***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 million, 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 weights are as follows:

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

Several factors were considered in developing the evaluation criteria weightings. Work plan is weighted highest at 30 percent to emphasize the importance of the proposing firms effectively demonstrating its understanding and approach to completing the work specified in the scope of work. 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. 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 services provided. Workers' compensation is a heavily-regulated system requiring proper handling of claims within 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 high-value claims, sometimes in excess of \$1 million.

This RFP will be released upon Board approval of these recommendations.

**Fiscal Impact**

The project will be included in OCTA's Proposed Fiscal Year 2020-21 Budget, Human Resources and Organizational Development, Risk Management Department, Account 0041-7519-A2311-F41, and will be funded through the Local Transportation Fund.

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Administration of the Self-Insured Workers' Compensation  
Program**

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***Summary***

Board approval is requested to release RFP 0-2202 for claims administration for OCTA's Self-Insured Workers' Compensation Program and approval of the proposed evaluation criteria and weights.

***Attachment***

- A. Draft Request for Proposals RFP 0-2202 Worker's Compensation Claims Administration Services

**Prepared by:**



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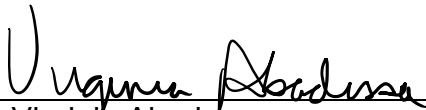
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