

Agenda Report

TO: CITY COUNCIL **DATE:** February 26, 2007
THROUGH: FINANCE COMMITTEE
FROM: CITY MANAGER
SUBJECT: STATUS REPORT ON THE CITY'S WORKERS
COMPENSATION PROGRAM AND AUTHORIZATION TO
EXTEND CONTRACT NUMBER 18820 WITH HAZELRIGG
RISK MANAGEMENT SERVICES FOR A PERIOD OF ONE
YEAR FOR AN AMOUNT NOT TO EXCEED \$392,950

RECOMMENDATION

It is recommended that the City Council:

- 1) Authorize an extension of contract number 18820 with Hazelrigg Risk Management Services (HRMS) for administration of workers compensation claims for the city's public safety departments (Police and Fire) for a period of one year and an amount not to exceed \$392,950; and,
- 2) To the extent that the additional contract term could be considered subject to a new competitive selection process, grant the proposed extension an exemption from the competitive selection process of the Competitive Bidding and Purchasing Ordinance, Pasadena Municipal Code Chapter 4.08, pursuant to section 4.08.049(B) contracts for which the city's best interests are served.

BACKGROUND

On April 11, 2005 the City Council authorized a one-year contract extension with HRMS to provide workers compensation claims administration for the city's public safety departments. Prior to that time all workers compensation claims were handled in-house by the Department of Finance Workers Compensation Section. The decision to contract out public safety claims was the result of an evaluation prepared for the city by Marsh Risk and Insurance Services in late 2004. The evaluation found the Workers Compensation Section significantly overburdened by the number of claims, approximately 400 per claims examiner as compared to an

**Disclosure Pursuant to the
City of Pasadena Taxpayer Protection Amendment of 2000
Pasadena City Charter, Article XVII**

Contractor/Organization hereby discloses its trustees, directors, partners, officers, and those with more than a 10% equity, participation, or revenue interest in Contractor/Organization, as follows:

(If printing, please print legibly. Use additional sheets as necessary.)

1. Contractor/Organization Name:


CORVEL ENTERPRISE COMP, INC. DBA HAZELRIGG RISK
MANAGEMENT SERVICES

2. Name(s) of trustees, directors, partners, officers of Contractor/Organization:

<u>V. GORDON CLEMENS SR.</u>
<u>V. GORDON CLEMENS JR.</u>
<u>TRAN STARCK</u>
<u>TRAN DAVES</u>

3. Names of those with more than a 10% equity, participation or revenue interest in Contractor/Organization:

<u>CORVEL ENTERPRISE COMP, INC. IS A WHOLLY OWNED SUBSIDIARY OF CORVEL CORPORATION. (NASDAQ: CZUL)</u>

Prepared by: 

Title: VICE PRESIDENT

Date: 2/21/07

For office use only: Contract/Transaction No. _____ If not a contract, type of transaction: _____
