



Legislation Text

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File #: 20-25, Version: 1

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**STRATEGIC PRIORITY:** Government Performance and Financial Management

**AGENDA DATE:** January 22, 2020

**COUNCIL DISTRICT(S):** All

**DEPARTMENT:** Office of Procurement Services

**EXECUTIVE:** Elizabeth Reich

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**SUBJECT**

Authorize a one-year agreement for excess workers' compensation insurance through an Interlocal Agreement with the Texas Municipal League Intergovernmental Risk Pool, and subject to approval by the Executive Board of Texas Municipal League Intergovernmental Risk Pool effective February 1, 2020 through January 31, 2021 - Not to exceed \$800,000 - Financing: Workers' Compensation Fund

**BACKGROUND**

This agreement will provide for one-year of excess workers' compensation insurance.

Excess workers' compensation insurance limits the City's financial exposure on employee injury claims. This insurance provides coverage for catastrophic employee injury claims that exceed an established threshold. The City purchases excess workers' compensation insurance for compensable claims that exceed an established threshold. The policy will provide benefits such as disability, death, medical, etc. to employees that have suffered an injury or illness during the course and scope of their job.

It is recommended the City enter into an Interlocal Agreement with Texas Municipal League Intergovernmental Risk Pool (TMLIRP) for excess workers' compensation coverage to be effective February 1, 2020 thru January 31, 2021, subject to the approval by the Executive Board of TMLIRP. The City will pay the first \$2.5 million for each injury.

TMLIRP is a government agency offering excess workers' compensation coverage to political subdivisions in accordance with the Texas Workers' Compensation Act. TMLIRP provides coverage to other political subdivisions such as cities, municipal utility districts, transit authorities, and public utility boards.

The Interlocal Agreement with TMLIRP is authorized by Chapter 791 of the Texas Government Code and Subchapter F, Chapter 271, Texas Local Government Code. Section 271.102 of the Texas Local Government Code authorizes a local government to participate in a Cooperative Purchasing Program with another local government or a local cooperative organization.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On February 10, 2016, City Council authorized an Interlocal Agreement with the Texas Municipal League Intergovernmental Risk Pool; and a one-year agreement, with two one-year renewal options, for excess workers' compensation insurance through, and subject to, approval by the Executive Board of Texas Municipal League Intergovernmental Risk Pool by Resolution No. 16-0264.

On January 25, 2017, City Council authorized the first of two one-year renewal options to the Interlocal Agreement with the Texas Municipal League Intergovernmental Risk Pool for excess workers' compensation insurance through, and subject to, approval by the Executive Board of the Texas Municipal League Intergovernmental Risk Pool, effective February 1, 2017 through January 31, 2018, by Resolution No. 17-0174.

On January 10, 2018, City Council authorized an Interlocal Agreement with the Texas Municipal League Intergovernmental Risk Pool for excess workers' compensation insurance through, and subject to, approval by the Executive Board of Texas Municipal League Intergovernmental Risk Pool, effective February 1, 2018 through January 31, 2019, by Resolution No. 18-0097.

City Council was briefed by memorandum regarding this matter on January 11, 2019.

On January 23, 2019, City Council authorized an Interlocal Agreement with the Texas Municipal League Intergovernmental Risk Pool for excess workers' compensation insurance through, and subject to, approval by the Executive Board of Texas Municipal League Intergovernmental Risk Pool, effective February 1, 2019 through January 31, 2020, by Resolution No. 19-0192.

**FISCAL INFORMATION**

Workers' Compensation Fund - \$800,000.00

Fund	FY 2019-20
Workers' Compensation Fund	\$800,000.00
Total	\$800,000.00

**M/WBE INFORMATION**

In accordance with the City's Business Inclusion and Development Plan adopted on October 22, 2008, by Resolution No. 08-2826, as amended, the M/WBE participation on this contract is as follows:

Contract Amount	Category	M/WBE Goal	M/WBE %	M/WBE \$
\$800,000.00	Interlocal Agreement	N/A	N/A	N/A
• The Business Inclusion and Development Plan does not apply to Interlocal Agreements.				

**PROCUREMENT INFORMATION**

Method of Evaluation for Award Type:

Interlocal Agreement/Intergovernmental Agreement	<ul style="list-style-type: none"><li>• Interlocal agreements/intergovernmental agreements allow the City to take advantage of competitively bid contracts by a State agency or local government and enable the City to purchase goods or services at lower prices</li><li>• Interlocal agreements/intergovernmental agreements are an alternative method of meeting the requirements for competitive bidding or competitive sealed proposals, not an exception from that requirement</li></ul>
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**OWNER**

**Texas Municipal League Intergovernmental Risk Pool**

Bennett Sandlin, Executive Director