



## Legislation Text

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**File #:** 21-1, **Version:** 1

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**STRATEGIC PRIORITY:** Government Performance and Financial Management  
**AGENDA DATE:** February 24, 2021  
**COUNCIL DISTRICT(S):** N/A  
**DEPARTMENT:** Office of Procurement Services  
**EXECUTIVE:** Elizabeth Reich

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### **SUBJECT**

Authorize a five-year service contract for the workers' compensation certified network for the Office of Risk Management - Injury Management Organization, Inc., most advantageous proposer of three - Not to exceed \$3,792,174 - Financing: Workers' Compensation Fund (subject to annual appropriations)

### **BACKGROUND**

This action does not encumber funds; the purpose of a service contract is to establish firm pricing for services, for a specific term, which are ordered on an as needed basis.

This service contract is for the Workers' Compensation certified network for the Office of Risk Management. The network will provide medical care services of injured employees and medical cost containment services, in accordance with the Texas Insurance Code, Chapter 1305. The awarded vendor will be responsible for managing services including, but not limited to:

- Medical authorizations and bill reviews
- Field case management
- Select providers direct credentialed and contracted
- Early intervention using telephonic case management
- Quality improvement programs
- Internal medical reviews
- Performance based report cards on accountability for satisfaction of care
- Providers are listed within a 30-mile radius of each employee's zip code

A five-member committee from the following departments reviewed and evaluated the qualifications:

- Fire-Rescue Department (1)
- Office of Risk Management (1)

- Police Department (1)
- Office of Economic Development Business Workforce and Inclusion Division (1)\*
- Office of Procurement Services (1)\*

\*The Office of Procurement Services only evaluated the cost and the Office of Economic Development Business Workforce and Inclusion Division only evaluated the Business Inclusion and Development Policy.

The committee selected the successful respondent on the basis of demonstrated competence and qualifications under the following criteria:

- Capability and expertise 35 points
- Cost 30 points
- Overall approach and methodology 20 points
- Business Inclusion and Development Policy 15 points

As part of the solicitation process and in an effort to increase competition, the Office of Procurement Services used its procurement system to send out email notifications to vendors registered under relevant commodity codes. To further increase competition, the Office of Procurement Services uses historical solicitation information, the Internet, and vendor contact information obtained from user departments to contact additional vendors.

On November 10, 2015, the City Council authorized a living wage policy that requires contractors to pay their employees a “living wage” rate as established annually by the Massachusetts Institute of Technology Living Wage Calculator for Dallas County by Resolution No. 15-2141. The current calculated living wage during the solicitation process of this contract is \$12.38; the selected vendor meets this requirement.

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

On February 24, 2016, City Council authorized a five-year service contract for the workers’ compensation certified network with Injury Management Organization, Inc. by Resolution No. 16-0381.

#### **FISCAL INFORMATION**

| Fund                       | FY 2021      | FY 2022      | Future Years   |
|----------------------------|--------------|--------------|----------------|
| Workers’ Compensation Fund | \$429,874.70 | \$736,928.00 | \$2,625,371.30 |

#### **M/WBE INFORMATION**

In accordance with the City’s Business Inclusion and Development Policy adopted on September 23, 2020, by Resolution No. 20-1430, as amended, the M/WBE participation on this contract is as follows:

| Contract Amount   | Procurement Category | M/WBE Goal | M/WBE % | M/WBE \$       |
|---|----------------------|------------|---------|----------------|
| \$3,792,174.00  | Other Services       | 23.80%*    | 100.00% | \$3,792,174.00 |
| <ul style="list-style-type: none"> <li>*This item reflects previous Business Inclusion and Development Policy M/WBE goal.</li> <li>This contract exceeds the M/WBE goal.</li> <li>Injury Management Organization, Inc. - Non-local; Workforce - 12.50% Local</li> </ul> |                      |            |         |                |

## **PROCUREMENT INFORMATION**

Method of Evaluation for Award Type:

|   |   |
|---|---|
| Request for Competitive Sealed Proposal | <ul style="list-style-type: none"> <li>Utilized for high technology procurements, insurance procurements, and other goods and services</li> <li>Recommended offeror whose proposal is most advantageous to the City, considering the relative importance of price, and other evaluation factors stated in the specifications</li> <li>Always involves a team evaluation</li> <li>Allows for negotiation on contract terms, including price</li> </ul> |
|---|---|

The Office of Procurement Services received the following proposals from solicitation number BKZ20-00014360. We opened them on October 30, 2020. This service contract is being awarded in its entirety to the most advantageous proposer.

\*Denotes successful proposer

| <b><u>Proposers</u></b>                    | <b><u>Address</u></b>                                     | <b><u>Score</u></b> | <b><u>Amount</u></b> |
|--|---|---------------------|----------------------|
| *Injury Management Organization, Inc.      | 5560 Tennyson Pkwy.<br>Suite 100<br>Plano, TX 75024       | 88.55               | \$3,792,174.00       |
| CorVel Healthcare Corporation.             | 1000 North Central Expy.<br>Suite 300<br>Dallas, TX 75231 | 83.33               | \$3,230,199.30       |
| Sedgewick Claims Management Services, Inc. | 10535 Boyer Ave.<br>Suite 100<br>Austin, TX 78758         | 64.42               | \$4,454,875.07       |

## **OWNER**

**Injury Management Organization, Inc.**

Catherine Benavidez, Chief Executive Officer