



**City of Santa Ana**  
**20 Civic Center Plaza, Santa Ana, CA 92701**  
**Staff Report**  
**August 17, 2021**

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**TOPIC:** Renew Agreement with Third Party Administrator ("TPA") for Claims Administration Service

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**AGENDA TITLE:**

Approve renewal of Agreement between the City of Santa Ana and AdminSure, Inc.

**RECOMMENDED ACTION**

1. Authorize first optional two (2)-year extension for Agreements A-2018-210 and A-2018-211
2. Authorize the City Manager, in his/her discretion, to administratively exercise the second and final two (2)-year extension.

**DISCUSSION**

The City currently utilizes AdminSure, Inc. ("AdminSure") to provide the City's self-insured third-party administration services for General Liability and Workers' Compensation claims. The selection of AdminSure resulted from an RFP process in 2018. The Agreement provided a three (3)-year term expiring August 2021, with two (2) subsequent optional two (2)-year renewal terms.

AdminSure is experienced and reputable, and has the personnel and systems capable of providing third-party administration services the City desires. AdminSure provides a lower cost for administering claims in providing appropriate claims staffing, confidential claims management and investigation, strategic defense approach, and management of cost savings programs such as the Return to Work program which resulted in savings to City in 2020 of approximately \$810,000. Through the first three years of the Agreement, AdminSure has worked diligently and effectively to close the large backlog of old open General Liability claims and proactively manage incoming claims in a timely manner, to the benefit of the City.

In undertaking the performance of this Agreement, AdminSure represents that it remains knowledgeable in the field and that any services provided by AdminSure under this Agreement will be performed in compliance with such standards as may reasonably be expected from a Third Party Administrator in this field.

The City recommends the approval of the aforementioned actions.

### **ENVIRONMENTAL IMPACT**

There is no environmental impact associated with this action.

### **FISCAL IMPACT**

Workers' Compensation and General Liability TPA services are budgeted for FY 2021-22. Funds are available in Human Resources Department Risk Management Division.

The Agreement has in place the annual fee structure of September 1 through August 31, for the current and upcoming three (3) fiscal years. The annual fee structure is inclusive of and shall never exceed a three percent (3%) increase per-year, including optional additional years. Fees for fiscal year 21/22 are already reflected in the current approved budget. Subsequent years fees will be budgeted accordingly.

<b>Year</b>	<b>Accounting Unit</b>	<b>Fund Description</b>	<b>Accounting Unit, Account Description</b>	<b>Amount</b>
9/1/21-8/31/22	08209054-62302	Workers' Compensation	Contracted Vendor Personnel Services	\$605,206
9/1/22-8/31/23	08209054-62302	Workers' Compensation	Contracted Vendor Personnel Services	\$623,363
9/1/23-8/31/24	08209054-62302	Workers' Compensation	Contracted Vendor Personnel Services	\$642,063
9/1/24-8/31/25	08209054-62302	Workers' Compensation	Contracted Vendor Personnel Services	\$661,325

<b>Year</b>	<b>Accounting Unit</b>	<b>Fund Description</b>	<b>Accounting Unit, Account Description</b>	<b>Amount</b>
9/1/21-8/31/22	08009051-62300	Liability & Property Ins Fund	Contracted Vendor Personnel Services	\$290,491
9/1/22-8/31/23	08009051-62300	Liability & Property Ins Fund	Contracted Vendor Personnel Services	\$299,206
9/1/23-8/31/24	08009051-62300	Liability & Property Ins Fund	Contracted Vendor Personnel Services	\$308,182
9/1/24-8/31/25	08009051-62300	Liability & Property Ins Fund	Contracted Vendor Personnel Services	\$317,428

### **EXHIBIT(S)**

1. Agreement Between City of Santa Ana and AdminSure, Inc.
2. 1<sup>st</sup> Amendment to the Agreement

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Submitted By: Jason R. Motsick, Executive Director of Human Resources

Approved By: Kristine Ridge, City Manager