



**PURCHASING ITEM  
FOR  
COUNCIL AGENDA**

1. Agenda Item Number:

24

2. Council Meeting Date:  
October 27, 2011

TO: MAYOR & COUNCIL

3. Date Prepared: September 26, 2011

THROUGH: CITY MANAGER

4. Requesting Department: Management Svcs.

5. **SUBJECT:** Approve Amendment No. 5 to Agreement No. RM8-953-2479 for Workers' Compensation Third Party Claims Administration to The Frank Gates Service Company, for a six-month period, in an amount not to exceed \$35,280.

6. **RECOMMENDATION:** Recommend approval of Amendment No. 5 to Agreement No. RM8-953-2479 for Workers' Compensation Third Party Claims Administration to The Frank Gates Service Company, for a six-month period, in an amount not to exceed \$35,280.

**HISTORICAL BACKGROUND/DISCUSSION:** The City is self-funded for workers compensation. To take advantage of optimal pricing and receive discounts available from health care providers, the City retains a Third Party Administrator (TPA) to process workers compensation claims. In addition, TPAs are adequately staffed with knowledgeable professionals who work with the City's Risk Management Occupational Health Nurse to administer the workers compensation program.

8. **EVALUATION PROCESS:** Council awarded Agreement No. RM8-953-2479 for Workers' Compensation Third Party Claims Administration to The Frank Gates Service Company for a one-year period, with provisions to extend for four additional one-year periods. Council has approved years two and three of the contract. Staff is requesting a six-month extension, January 1, 2012 through July 31, 2012 to allow for a new Request for Proposal to be issued, evaluated and a new contract awarded.

9. **FINANCIAL IMPLICATIONS:** Funds for this service have been appropriated in account 736.1260.0000.5214 Workers Comp Self Insurance, Risk Management, Consultants.

10. **PROPOSED MOTION:** Move to approve Amendment No. 5 to Agreement No. RM8-953-2479 for Workers' Compensation Third Party Claims Administration to The Frank Gates Service Company, for a six-month period, in an amount not to exceed \$35,280.

**APPROVALS**

11. Requesting Department

Claudia Rohrs  
Claudia Rohrs, Sr. Risk Claims Examiner

12. Department Head

Dennis Strachota  
Dennis Strachota, Management Services Director

13. Procurement Officer

Kristy Garcia  
Kristy Garcia, CPPB

14. City Manager

Rich Dlugas  
Rich Dlugas

AMENDMENT NUMBER FIVE  
TO AGREEMENT BETWEEN THE CITY OF CHANDLER  
AND  
THE FRANK GATES SERVICE COMPANY  
FOR THIRD PARTY CLAIMS ADMINISTRATION  
AGREEMENT NO. RM8-953-2479

This Amendment No. Five to that certain Agreement between the City of Chandler (CITY) and The Frank Gates Service Company (CONTRACTOR) for Third Party Claims Administration dated September 21, 2007 is entered into this \_\_\_ day of \_\_\_\_\_, 2011.

WHEREAS, a one year AGREEMENT with four (4) additional one year renewal options was awarded to The Frank Gates Service Company for Third Party Claims Administration. The agreement was extended for one year on November 3, 2008, again on December 15, 2009 and again on November 29, 2010. This is the fourth and final renewal option.

NOW THEREFORE, the parties agree as follows:

1. Section 5, Term of the AGREEMENT is hereby amended to extend the AGREEMENT for a six-month period, January 1, 2012 through June 30, 2012.
2. Section 4, Price of the AGREEMENT is hereby amended, CITY shall pay to CONTRACTOR a total sum not to exceed Thirty Five Thousand Two Hundred Eighty dollars (\$35,280) which sum shall include all cost and expenses incurred by CONTRACTOR, payable as set forth in Exhibit B of original Agreement.
3. All other terms and conditions of the above referenced Agreement shall remain unchanged and in full force and effect. All terms and conditions in the original Agreement, Amendment One, Amendment Two, Amendment Three, and Amendment Four not specifically amended herein shall be incorporated by reference in its entirety and shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names this \_\_\_ day of \_\_\_\_\_, 2011.

CITY OF CHANDLER:

By: \_\_\_\_\_  
Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney *DA*

ATTEST:

\_\_\_\_\_  
City Clerk

CONTRACTOR:

By: *Paul Miller*  
Title: CFD  
*Paul Miller*

ATTEST: (If corporation)

*Michael...*  
Secretary