



**PURCHASING ITEM
FOR
COUNCIL AGENDA**

1. Agenda Item Number:

48

2. Council Meeting Date:

October 30, 2008

TO: MAYOR & COUNCIL

3. Date Prepared: September 30, 2008

THROUGH: CITY MANAGER

4. Requesting Department: Management Services.

5. SUBJECT: Extend a one-year agreement to The Frank Gates Service Company for Workers' Compensation Third Party Claims Administration in an amount of \$62,750.

6. RECOMMENDATION: Recommend extending a one-year agreement with The Frank Gates Service Company for Workers' Compensation Third Party Claims Administration in an amount of \$62,750.

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: In September 2007, a one-year agreement (RFP RM8-953-2479) with four one-year optional extensions was awarded to The Frank Gates Service Company for Third Party Claims services. The agreement expires December 30, 2008 and staff is recommending a one-year extension.

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

10. PROPOSED MOTION: Move to extend a one-year agreement to The Frank Gates Service Company for Workers' Compensation Third Party Claims Administration in an amount of \$62,750.

APPROVALS

11. Requesting Department

Ladd R. Leder

Ladd Leder, Risk Manager

12. Department Head

Dennis Strachota

Dennis Strachota, Management Svcs. Director

13. Procurement Officer

Glenda Shackelford
Glenda Shackelford, CPPB

14. City Manager

W. Mark Pentz
W. Mark Pentz

AMENDMENT NUMBER TWO
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 Two 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 _____, 2008.

WHEREAS, a one-year agreement with four one optional extensions was awarded to The Frank Gates Service Company to provide Third Party Claims Administration Services.

NOW THEREFORE, the parties agree as follows:

1. The Agreement is extended for one year for the period January 1, 2009 through December 31, 2009.
2. Pursuant to the provisions of A.R.S. § 41-4401, the Contractor hereby warrants to the City that the Contractor and each of its subcontractors ("Subcontractors") will comply with all Federal Immigration laws and regulations that relate to the immigration status of their employees and the requirement to use E-Verify set forth in A.R.S. §23-214(A) (hereinafter "Contractor Immigration Warranty").

A breach of the Contractor Immigration Warranty (Exhibit A) shall constitute a material breach of this Contract that is subject to penalties up to and including termination of the contract.

The City retains the legal right to inspect the papers of any Contractor or Subcontractor employee who works on this Contract to ensure that the Contractor or Subcontractor is complying with the Contractor Immigration Warranty. The Contractor agrees to assist the City in the conduct of any such inspections.

The City may, at its sole discretion, conduct random verifications of the employment records of the Contractor and any Subcontractors to ensure compliance with Contractors Immigration Warranty. The Contractor agrees to assist the City in performing any such random verifications.

The provisions of this Article must be included in any contract the Contractor enters into with any and all of its subcontractors who provide services under this Contract or any subcontract. "Services" are defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include construction or maintenance of any

structure, building or transportation facility or improvement to real property.

In accordance with A.R.S. §35-397, the Contractor hereby certifies that the offeror does not have scrutinized business operations in Iran.

In accordance with A.R.S. §35-397, the Contractor hereby certifies that the offeror does not have scrutinized business operations in Sudan.

3. All terms and conditions in the original Agreement, Amendment One and any Amendments 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 _____, 2008.

CITY OF CHANDLER:

By: _____
Mayor

CONTRACTOR:

By: Mark McLain 10/7/08
Title: General Counsel

APPROVED AS TO FORM:

City Attorney

ATTEST: (If corporation)

ATTEST:

City Clerk

Secretary

WITNESS: (If individual or Partnership)

[SEAL]



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**Contractor Immigration Warranty
To Be Completed by Contractor Prior to Execution of Contract**

A.R.S. § 41-4401 requires as a condition of your contract verification of compliance by the contractor and subcontractors with the Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214 related to the immigration status of its employees.

By completing and signing this form and attached Employee Verification Worksheet the contractor shall attest that it and all subcontractors performing work under the cited State contract meet all conditions contained herein.

Contract Number/PO Number/Division: RM8-953-2479			
Name (as listed in the contract): The Frank Gates Service Company			
Street Name and Number: 5353 N. 16th Street Suite 250			
City: Phoenix	State: AZ	Zip Code: 85016	

I hereby attest that:

1. The contractor complies with the Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214 related to the immigration status of those employees performing work under this contract;
2. All subcontractors performing work under this contract comply with the Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214 related to the immigration status of their employees; and
3. The contractor has identified all contractor and subcontractor employees who perform work under the contract on the attached Employee Verification Worksheet and has verified compliance with Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214.

Signature of Contractor (Employer) or Authorized Designee:

Mark McCarley

Printed Name: Mark McCarley

Title: General Counsel

Date (month/day/year): 10/7/08