



City Council Memorandum

City of Arts & Innovation

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TO: HONORABLE MAYOR AND CITY COUNCIL DATE: DECEMBER 17, 2019

FROM: HUMAN RESOURCES DEPARTMENT WARDS: ALL

SUBJECT: AWARD A PROFESSIONAL SERVICES AGREEMENT TO ARTISAN CLAIMS CRAFT, INC. FOR WORKERS' COMPENSATION UTILIZATION REVIEW SERVICES FOR A THREE-YEAR TERM WITH THE OPTION FOR TWO ONE-YEAR EXTENSIONS BEGINNING NOVEMBER 1, 2019 IN AN AMOUNT NOT TO EXCEED \$125,000 ANNUALLY

ISSUE:

Award an agreement to Artisan Claims Craft, Inc. for Workers' Compensation Utilization Review Program Administration for a three-year term with the option for two one-year extensions beginning November 1, 2019.

RECOMMENDATIONS:

That the City Council:

1. Award a Professional Consultant Services Agreement to Artisan Claims Craft Inc., of Walnut, California, for the Workers' Compensation Utilization Review Program Administration for a three-year term with the option for two one-year extensions, in an amount not-to-exceed \$125,000 annually; and
2. Authorize the City Manager, or his designee, to execute the Agreement with Artisan Claims Craft Inc., including making minor and non-substantive changes and to execute all contract extensions.

BACKGROUND:

The Human Resources Department coordinates the City's compliance with legal and statutory requirements and regulations as identified by the California Department of Industrial Relations, Division of Workers' Compensation (DWC) for Utilization Review (UR) and Peer Review (PR). The City contracts with trained healthcare professionals (nurses and physicians) experienced in the evaluation of treatment plans and the validation of medical necessity for workers' compensation claims utilizing guidelines from the American College of Occupational and Environmental Medicine (ACOEM) and the California Medical Treatment Utilization Schedule (MTUS), and/or others as appropriate.

DISCUSSION:

In July 2019, the Human Resources Department issued Request for Proposal (RFP) No. 1950 for Utilization Review and Peer Review administration. The City received a total of eight proposals. The screening and selection committee was comprised of representatives from Human Resources, City Attorney and the Fire Department. The potential vendors were all evaluated accordingly. The outcome of the selection process identified Artisan Claims Craft Inc. as the best suited firm to provide Utilization Review and Peer Review services to the City of Riverside based on qualifications and competitive cost. The proposed term is the agreement execution date through October 31, 2022, with an option to extend for two additional one-year extensions through October 31, 2024.

The Purchasing Manager concurs that the recommendation to award is in compliance with Purchasing Resolution 23256.

FISCAL IMPACT:

The fiscal impact of the agreement is \$125,000 per year. Sufficient funds are available in the Paid Claims-medical account 2115100-428510. Appropriations for future fiscal years will be included in the Human Resources Department's Budget submissions for those fiscal years to be presented to City Council for approval.

Prepared by: Stephanie Holloman, Human Resources Director
Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer
Approved by: Rafael Guzman, Assistant City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments: Agreement with Artisan Claims Craft Inc.