



# Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street  
Chicago, IL 60611

## Legislation Text

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**File #:** 18-0358, **Version:** 1

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### **TRANSMITTAL LETTER FOR BOARD MEETING OF APRIL 5, 2018**

#### COMMITTEE ON Procurement

Mr. David St. Pierre, Executive Director

Authority to increase the purchase order and to exercise an option to extend the agreement for an additional one-year period for Contract 14-RFP-32 for Third Party Claims Administrator Services with PMA Management Corp. in an amount of \$250,000.00, from an amount of \$696,999.91 to an amount not to exceed \$946,999.91, Accounts 101-25000-601170 and 901-30000-601090, Purchase Order 3085673

Dear Sir:

On February 19, 2015, the Board of Commissioners authorized the Director of Procurement and Materials Management to issue a purchase order not to exceed \$910,175.00 and enter into an agreement with PMA Management Corp. (PMA) to administer workers' compensation claims and related services for the District as well as non-litigated liability claims. The original agreement ran for three years, with an option to extend for an additional two-year period. The contract will expire on April 15, 2018.

Under the terms of the agreement, PMA will continue to provide third-party claims administration services for the District for an additional one-year period from April 15, 2018 to April 14, 2019. PMA will handle all workers' compensation claims, including claims administration, bill review, Medicare Section 111 reporting, and data feeds, and may also provide utilization review, peer review, independent medical examinations, medical case management, investigations, and other services listed in the RFP or BAFO, as needed and agreed upon. As requested by the District, PMA will also administer non-litigated liability claims and related services for general liability, auto liability, and marine liability. The increase is requested in order to pay the service fees for the extension period.

As of March 22, 2018, the attached list of change orders has been approved. The effect of these change orders resulted in a decrease of the purchase order in the amount of \$213,175.09 (a 23.4% decrease) from the original amount awarded of \$910,175.00 to a current value of \$696,999.91 and reflect the reduction and closing of purchase order lines for prior years.

The change order increase requested in this letter is required to assure adequate funding for the extension of the contract for third-party claims administration and related services. This change order and option to extend are in compliance with the Illinois Criminal Code because they are germane to the contract as signed, and are in the best interest of the District.

In view of the foregoing, it is requested that the Board of Commissioners authorize the Director of Procurement and Materials Management to execute a change order to extend the agreement for an additional one-year period, and to increase the purchase order to PMA Management Corp. in an amount of \$250,000.00 (35.9% of the current contract value) from an amount of \$696,999.91 to an amount of \$946,999.91.

The estimated expenditures for 2018 and 2019 are \$190,250.00 and \$59,750.00 respectively. Funds are available in Account 101-25000-601170 and 901-30000-601090 for 2018. Funds for the 2019 expenditures are

contingent on the Board of Commissioners' approval of the District's budgets for those years.

Requested, Beverly K. Sanders, Director of Human Resources, BKS:RAJ

Recommended, Darlene A. LoCascio, Director of Procurement and Materials Management

Respectfully Submitted, Barbara J. McGowan, Chairman Committee on Procurement

Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for April 5, 2018

Attachment