



APPROVED
BY THE CITY COUNCIL

MAR 31 1998

OFFICE OF THE
CITY CLERK

AG 98-035

1.17

DEPARTMENT OF
ADMINISTRATIVE SERVICES
RISK MANAGEMENT DIVISION

CITY OF SACRAMENTO
CALIFORNIA

921 TENTH STREET
ROOM 700
SACRAMENTO, CA
95814-2713

March 13, 1998

PH 916-264-5278
FAX 916-264-5160

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: PURCHASE OF WORKERS' COMPENSATION CLAIMS
ADMINISTRATION SOFTWARE SYSTEM**

LOCATION AND COUNCIL DISTRICT:

City.

RECOMMENDATION:

This report recommends that the City Council adopt the attached resolution authorizing the City Manager to execute a contract with GenSource for the GenComp workers' compensation claims administration computer software system in an amount not to exceed \$200,000.

CONTACT PERSON:

Margaret Ann Allen, Risk Manager, 264-5823

FOR COUNCIL MEETING OF:

March 31, 1998

SUMMARY:

GenSource was selected as the vendor that could best deliver a totally integrated, relational database driven software solution for the management of the City of Sacramento's workers' compensation claims. GenSource will custom tailor the

GenComp system to meet the unique requirements of the city and to interface with our Financial (LGFS) and Human Resource (GHRIS) systems.

COMMITTEE/COMMISSION ACTION:

None.

BACKGROUND INFORMATION:

- On July 3, 1997, the City issued a Request for Proposals for a Workers' Compensation Claims Administration System.
- Five viable responses were received and were evaluated by staff from Risk Management, Finance and Information/Communication Systems. Three finalists were chosen.
- Demonstrations of the systems by the three bidders were held in August and September of 1997. There was unanimous agreement that the GenSource System provided the best software system for the City.
- A site visit to the City of Anaheim was conducted in November 1997 to assess the proposed system.
- The Evaluation Team and Workers' Compensation Unit personnel rated the GenSource bid response, demonstration and site visit, as the system that can best meet the needs of the City of Sacramento. It also has the added benefit of having the lowest financial impact of the three systems examined in depth.

FINANCIAL CONSIDERATIONS:

The cost for the system and supporting software is \$165,000. An additional \$35,000 may be needed for customized programming to interface workers' compensation data with the City's financial and payroll systems. Funds are available in the Risk Management budget to pay for this purchase.

An on-going yearly maintenance fee of \$10,000 has been negotiated for the second through fifth years of the system. This cost will be borne out of the Workers' Compensation operating budget.

ENVIRONMENTAL CONSIDERATIONS:

The subject of this report does not involve a project that requires compliance with the California Environmental Quality Act (CEQA), inasmuch as it does not involve an activity

which may cause a direct or indirect change in the environment (Public Resources Code Section 21065).

POLICY CONSIDERATIONS:

The purchase of this system is an integral part of the Risk and Workers' Compensation work plan and is consistent with City Council direction to implement the most efficient and effective loss prevention programs possible.

MBE/WBE EFFORTS:

The Request for Proposals was sent to a broad representation of the industry. None of the responding bidders were qualified MBE/WBE businesses.

Respectfully submitted,



Margaret Ann Allen
Administrative Services Manager

REPORT APPROVED:



Betty Masuoka
Deputy City Manager

APPROVED:



Dee Contreras
Director of Labor Relations

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BY THE CITY COUNCIL

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OFFICE OF THE
CITY CLERK

RESOLUTION NO. 98-099

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**RESOLUTION APPROVING PURCHASE OF WORKERS' COMPENSATION
CLAIMS ADMINISTRATION SOFTWARE SYSTEM**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. That the City Manager is hereby authorized and directed to contract with GenSource to provide the City of Sacramento the "GenComp" Workers' Compensation Claims Administration software system to manage the Workers' Compensation Program.
2. That the Department of Administrative Services, Risk Management Division is authorized and directed to pay GenSource up to \$200,000, and move \$140,000 from its operating budget to project AA76, the Workers' Compensation Computer Management Program Capital Improvement Project to pay for the software system:

421-500-AA76-4630	\$140,000
421-150-1546-4291	(\$140,000)

Mayor

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____