



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 11/13/2024

ALL

Item Creation Date: 10/18/2024

T25102.A1 - Workers' Compensation Third Party Administration and Related Services (Tristar Risk Management, Inc.) - ORDINANCE

Agenda Item#: 37.

Background:

T25102.A1 - Approve an amending ordinance to Ordinance No. 2015-0884 (approved on September 16, 2015) to increase the maximum contract amount from \$26,040,719.00 to \$31,725,576.00; approving and authorizing a first amendment to Contract No. 4600013469 between the City of Houston and Tristar Risk Management, Inc. to extend the contract term from November 30, 2024 to November 30, 2026 for continued self-insured workers' compensation third party administration and related services for the Human Resources Department.

Specific Explanation:

The Director of Human Resources and the Chief Procurement Officer recommend that City Council approve an amending ordinance to increase the maximum contract amount from \$26,040,719.00 to \$31,725,576.00 and approve a first amendment to the contract between the City of Houston and Tristar Risk Management, Inc. to extend the contract term from November 30, 2024 to November 30, 2026 for continued workers' compensation third party administration and related services for the Human Resources Department.

The contract was awarded on September 16, 2015, by Ordinance No. 2015-0884 for a five (5) year term, commencing on December 1, 2015, with two (2) two-year renewals, in the amount of \$26,040,719.00. Expenditures as of October 28, 2024, totaled \$22,188,336.09.

The increase to the maximum contract amount of \$5,684,857.00 is necessary to allow the City to continue to receive services related to workers' compensation claims from a third-party administration standpoint and the furnishing of the related service activities to support and complement the risk management function. Such related services shall include, but may not be limited to:

- Compliance with all Texas Department of Insurance (TDI) Texas Workers' Compensation Division on claims handling requirements
- Medical bill auditing for facility and non-facility charges
- Association with a preferred provider network
- Vocational medical case management
- Medical exam coordination
- Managed care services
- Investigative services
- Accident prevention/loss control (safety consultation)

M/WBE Participation:

This contract was awarded with a 24.00% M/WBE participation goal and Tristar Risk Management, LLC is currently achieving a 39.39% participation level. The Office of Business Opportunity will continue to monitor this contract.

Fiscal Note:

Funding for this item is included in the FY 2025 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

10/31/2024

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Jedediah Greenfield
Chief Procurement Office
Finance/Strategic Procurement
Division

Department Approval Authority

10/31/2024

Estimated Spending Authority			
DEPARTMENT	FY2025	OUT YEARS	TOTAL
Human Resources	\$2,803,827.00	\$2,881,030.00	\$5,684,857.00

Prior Council Action:

Ordinance No. 2015-0884, passed September 16, 2015

Amount and Source of Funding:

\$5,684,857.00 – Workers' Compensation Admin Fund (Fund 1011)

Contact Information:

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ATTACHMENTS:

Description	Type
Conflict of Interest Questionnaire	Backup Material
Ownership Information Form	Backup Material
Partially Executed Amendment	Contract/Exhibit
Ordinance 2015-884	Backup Material
1295 Form	Backup Material
OBO Verification	Backup Material
Cleared Tax Report	Backup Material
RCA from 2015	Backup Material
Original Contract	Contract/Exhibit
Certification of Funds	Financial Information